

INTEGRATED REPORT 2026

OTSUKA CORPORATION

Integrated Report 2026

Advancing IT solutions
with our customers in mind



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Editorial Policy

OTSUKA CORPORATION has a business model that is rare even around the world, offering almost every product an office might need. By further evolving this business model that can solve customers' problems through the support of their entire office, OTSUKA CORPORATION will continue to contribute to a sustainable society.

This Integrated Report ("Report") summarizes OTSUKA CORPORATION's initiatives to enhance its corporate value over the medium to long term, including its management strategy, financial information, and ESG information. By showing these initiatives as our growth stories centered on "support for the entire office," we hope that more stakeholders will gain an understanding of our corporate activities toward the realization of our Mission Statement.

▶Reported Period of Activities

- Fiscal 2025 (from January 1 to December 31, 2025)
- To report the latest situation, the Report also contains information on activities carried out after the reported period.

▶Reference Guidelines

- International Integrated Reporting Framework, IFRS Foundation
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- GRI Standards

▶Disclaimer on Forward-Looking Statements

The forecasts, plans, and outlooks concerning future business results are judgements believed to be reasonable by the Company's management based on currently available information. Actual results may differ significantly from the forecasts, plans, and outlooks in the Report due to changes in various factors.

▶Others

In the PDF version of this Report, page numbers such as → P.00 are linked to the corresponding pages, and each item marked with → Web contains a link to the relevant website.

OTSUKA CORPORATION in Numbers

Otsuka Corporation

Established

July 17, 1961



1961

65 years

Support the Entire Office



2026

Net sales

¥1,322.7 billion
(+19.4% compared to fiscal 2024)

Operating profit

¥89.9 billion
(+21.0% compared to fiscal 2024)

Profit attributable to owners of parent

¥64.3 billion
(+20.2% compared to fiscal 2024)

ROE → P.30

Over 10% for 16 consecutive fiscal years

16.8%

(+1.8 points compared to fiscal 2024)

PBR → P.30

As of December 31, 2025

3.1 times

(-0.6 points compared to fiscal 2024)

Dividend per share → P.25

Dividend increases for 16 consecutive fiscal years

¥90

(+¥10 compared to fiscal 2024)

Market capitalization → P.28

As of December 31, 2025

¥1,225.5 billion

-¥142.9 billion
(compared to December 31, 2024)

Regular employees:

As of December 31, 2025

Non-consolidated

8,287

Consolidated

10,079

Net sales per employee (Non-consolidated)

¥140.35 million

(+13.3% compared to fiscal 2024)



Core systems

Started in 1979



47 years

Strengthening relationships with customers (Non-consolidated)

→ P.39

Number of customer companies per year

311 thousand companies

(+5.4% compared to fiscal 2024)

Net sales per company

¥3.73 million

(+12.0% compared to fiscal 2024)

Cloud business

Started in 1995



31 years

Security business

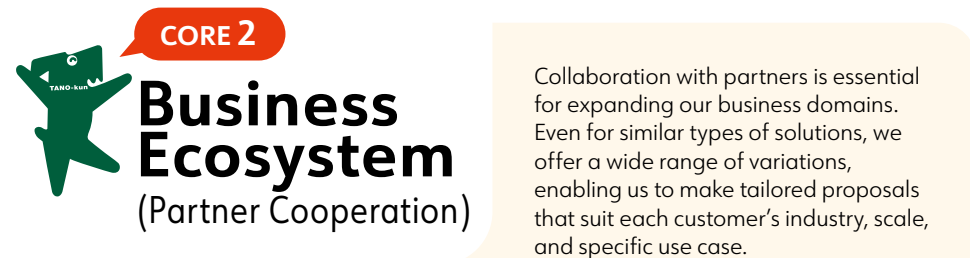
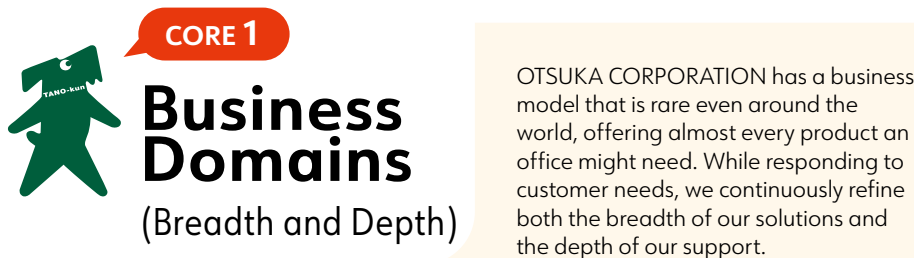
Started in 1996



30 years

The Core of OTSUKA CORPORATION

To realize our “support for the entire office” approach, OTSUKA CORPORATION has organized and categorized its unique strengths into five distinct Cores. These Cores work together synergistically, forming a unique business model that is rare even on a global scale.



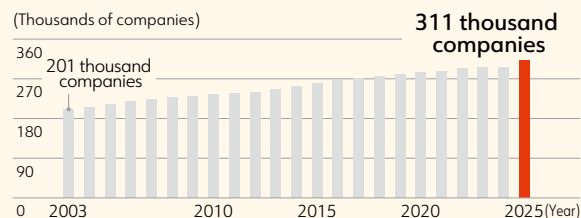
The Core of OTSUKA CORPORATION



CORE 3

Customer Base

Number of customer companies per year (Non-consolidated)



In 2025, OTSUKA CORPORATION conducted transactions with 311,000 companies. This represents about 9%* of all companies in Japan. Supported by a broad customer base rather than relying on specific clients, OTSUKA CORPORATION's customer base is notable for its features which facilitate strong synergies with our business domains (CORE 1) and business ecosystem (CORE 2) through cross-selling and additional sales.

*Based on Table 1, Number of enterprises by industry and size (2021) in supplementary statistical data of the 2025 White Paper on Small and Medium Enterprises in Japan (The Small and Medium Enterprise Agency)

CORE 1 Business Domains

CORE 2 Business Ecosystem

Cross-selling & additional sales

Optimal proposals tailored to customers' growth stages

Number of customer companies per year: **311,000**

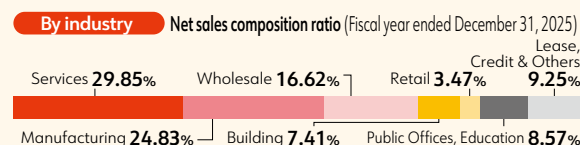
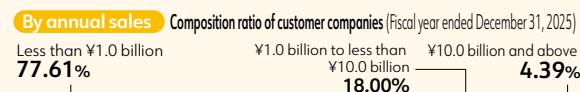
Total number of companies in Japan: Approx. **3.40 million**

= **9%**

Transactions with 9% of all companies in Japan over one year

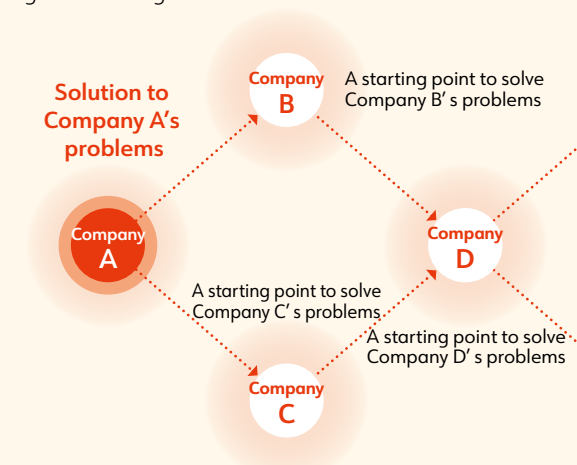
Customer Composition Ratios by Annual Sales and by Industry (Non-Consolidated)

Customers with annual sales of ¥10 billion or more account for over 50% of our net sales, but they represent less than 5% of the number of our customer companies. SMEs with annual sales of less than ¥1.0 billion account for about 80% of OTSUKA CORPORATION's customers.



Acquiring and leveraging know-how

Over the course of a year, we conduct 3.70 million business negotiations with our customers. Solutions to one customer's challenges often provide clues to solving issues faced by others, enabling us to acquire and leverage valuable know-how through our customer base. We are also advancing efforts to enhance the efficiency and sophistication of our sales activities, such as using AI to analyze business negotiations and transaction data to gain new insights.



The Core of OTSUKA CORPORATION



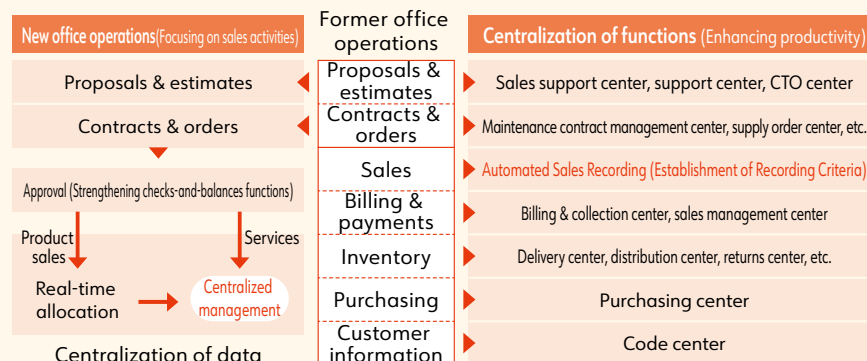
CORE 4

Data-Driven Management

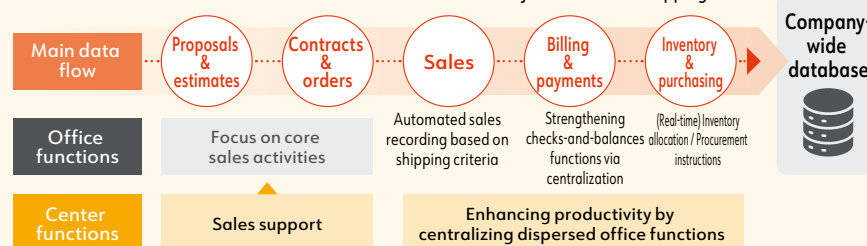
Otsuka Strategy = IT-Based Management Structure Reform

● The two pillars of the Otsuka Strategy

① Centralization Simultaneously improving productivity and checks-and-balances functions



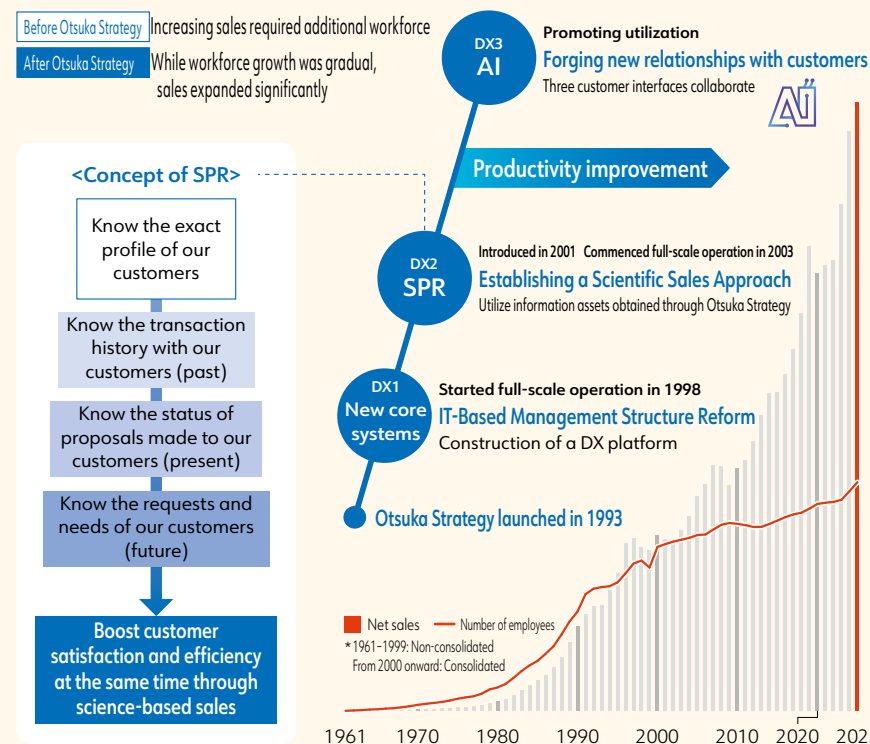
② Automated Sales Recording Generating clean data through the development of an end-to-end system based on shipping criteria



Otsuka Strategy (Otsuka Management Strategy), launched in 1993, was a bold challenge aimed at transforming OTSUKA CORPORATION's business model. The clean data generated through this led to the development of SPR, and the accumulation of SPR data has become the foundation for our current AI utilization. The Otsuka Strategy project, undertaken by OTSUKA CORPORATION nearly 30 years ago, embodies what many companies today pursue as DX and serves as the foundation supporting OTSUKA CORPORATION's data-driven management.

SPR (Sales Process Re-engineering)

● A proprietary system combining customer relationship management (CRM) and sales force automation (SFA)



The Core of OTSUKA CORPORATION


CORE 5

Human Capital

Reading market trends to expand business domains. Adding unique OTSUKA CORPORATION value to solutions provided by partners. Continuously standing by customers from their perspective. Interpreting insights suggested by AI... Whether we can leverage each of these Cores ultimately or not depends on the people.

This is not only OTSUKA CORPORATION's greatest strength but also a critical challenge for growth. That is why OTSUKA CORPORATION has identified three material issues related to people and is promoting initiatives in these areas.

Three material issues related to people

Improvement of
Employee Engagement

Promotion of DE&I

Human Resource
Development

Since its founding, OTSUKA CORPORATION's style has remained unchanged: technical staff, the largest proportion, working together with sales and corporate staff as one to support customers. From the very beginning, the Company has placed great importance on employee satisfaction*¹. This spirit is carried on in its Mission Statement*², which expresses the aim of becoming a corporate group that supports the growth and self-fulfillment of its employees. To balance customer support with employee growth and self-fulfillment, the company strives to provide opportunities for skill development tailored to individual circumstances, such as offering various support systems for obtaining qualifications.

In an era where change is constant, it is all the more important to secure

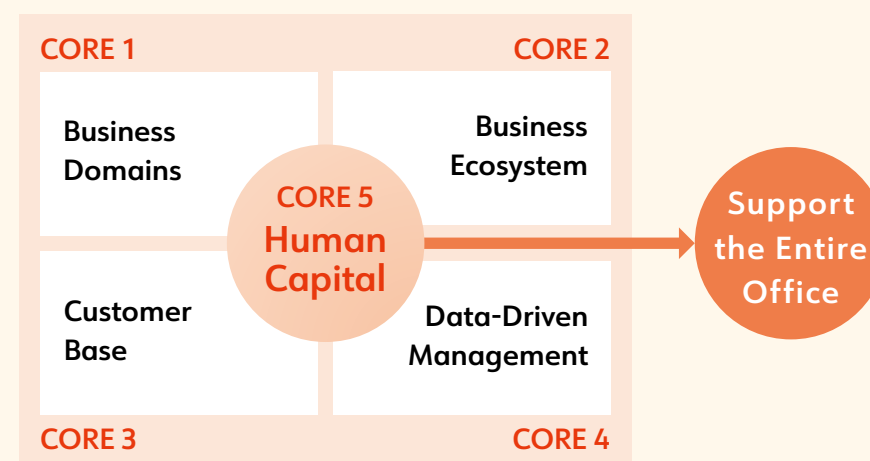
Breakdown of regular employees by job category (Consolidated)*³

Technical	Sales	Corporate	Others	Total
3,895 (38.7%)	3,227 (32.0%)	2,794 (27.7%)	163 (1.6%)	10,079

Number of employees with qualifications: 15,822
(Cumulative total as of December 31, 2025, non-consolidated)
Information technology qualifications: 12,130
Other official qualifications: 3,692

Recommended qualifications (Excerpt) -
Systems Auditor, Information Technology Strategist, Fundamental Information Technology Engineer, Applied Information Technology Engineer, Information Security Management, Small and Medium Enterprise Management Consultant, The Official Business Skill Test in Bookkeeping, JDLA Deep Learning for GENERAL and ENGINEER (AI certification)

human resources who can adapt to these changes and think and act autonomously. Strengthening our human capital to this end also contributes to further reinforcing each of our Cores. We will continue striving to realize our Mission Statement by enhancing the alignment between our human resources strategy and our management strategy, "support for the entire office," more than ever before.*⁴



*1, *2 Founding Spirit and Mission Statement → P.22

*3 As of December 31, 2025. Figures in parentheses indicate composition ratios

*4 Overview of Human Resources Strategies → P.47

07

Support the Entire Office

With OTSUKA CORPORATION's broad range of solutions and robust support capabilities, we solve all kinds of problems our customers may face.

Approximately 2,400 Partners

All You Need, All with

tanomail

Supplies (tanomail)

Provide a wide range of products centered on office supplies

Support various types of work styles by providing a wide variety of software, both on-premises and in the cloud

Business Software & Cloud Services

CAD Solutions

A leading domestic vendor for each partner product. Offer dedicated support and operational systems

Protect our customers' valuable information assets against threats from inside and outside the office

Security

Develop a full support system that includes experienced engineers and various centers staffed by specialists

Customer Support

Real (Sales Staff & Engineers)

Based in the community.
Respond flexibly, being closest to the customer

Sales

Engineers (technical)

Propose systems that support accurate management decisions and smooth business operations, according to the industry, scale, and requirements

Core & Information Systems (Integrated DX Package)

AI

Propose customer-friendly solutions based on know-how we have cultivated through in-house use

Management Support

Cooperate with outside experts such as SME management consultants, in addition to management support utilizing IT

Document Solutions

Offer real x digital hybrid proposals based on know-how we have cultivated in the copier business

Data Storage

Deliver systems that ensure the continuous availability and protection of companies' information assets

Data centers

Support cost proposals as well as social contribution initiatives

Electric Power Solutions

Communication & Network

Propose solutions for the entire ICT environment of our customers

Hardware

Support our customers from product selection to data migration, installation work, and post-implementation support

CORPORATE HISTORY

Our journey of continuous evolution since our founding, driven by an unwavering commitment to the “pursuit of customer satisfaction” while adapting to changing customer needs and societal shifts.

From 1961

OTSUKA for copiers

Founded by Minoru Otsuka, OTSUKA CORPORATION began in Akihabara, Tokyo. The founding spirit is to create a company where employees are happy, employees are proud to work, and employees are appreciated by their families. “Service is the key factor in business success” and “The customer first” are still part of OTSUKA CORPORATION’s DNA.

From 1978

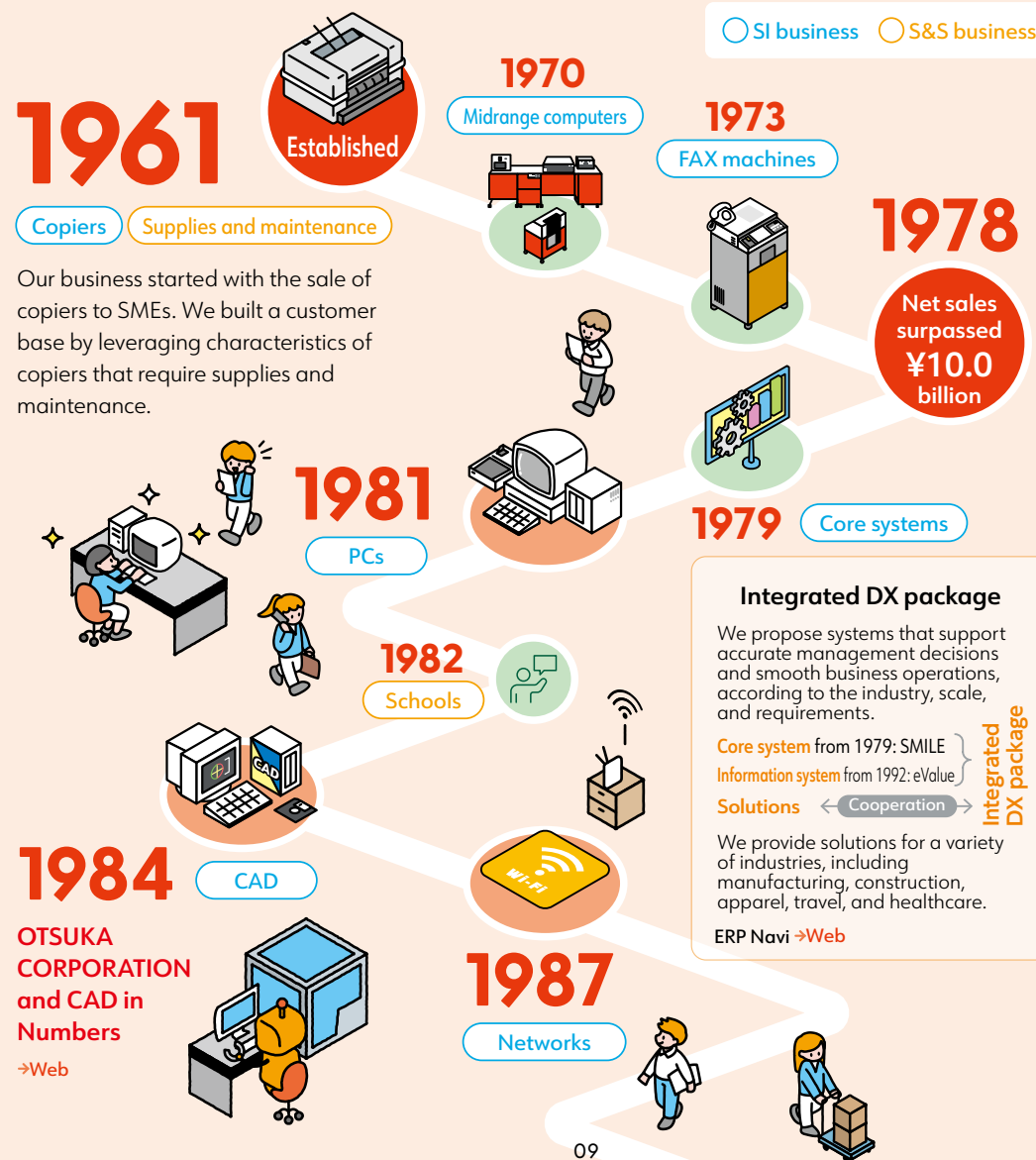
OTSUKA for COF

COF: An acronym for Copier, Office Computer, and Facsimile. The expansion of our business domain to meet customer needs was the starting point of our current business model. We also entered the market catering to large- and medium-sized companies.

From 1981

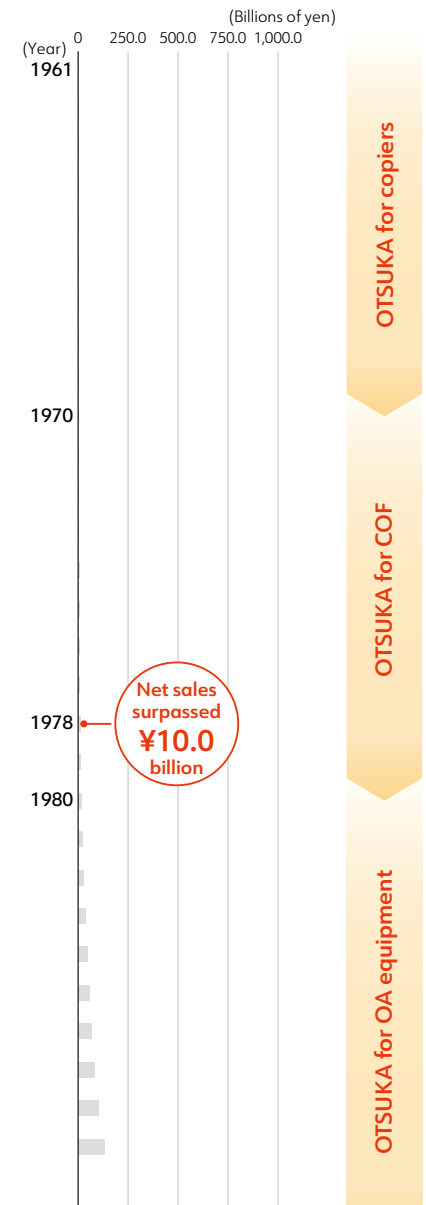
OTSUKA for OA equipment

OA: An acronym for Office Automation. We updated our catchphrase in response to the office automation boom around 1980. In 1984, we introduced a regional sales department system to strengthen our business activities closely connected to local communities.



Net sales

*1961–1999: non-consolidated, from 2000: consolidated



From 1990

OTSUKA for SI

We expanded our product offerings and also launched the Total & Service (now the tayoreru maintenance service) Otsuka Strategy launched in 1993

From 1996

OTSUKA for tech and trust

A new catchphrase adopted through internal open call. Technical staff make up roughly 40% (about 4,000 people), the largest share of OTSUKA CORPORATION's regular employees (as of December 31, 2025; consolidated). In 1998, we started full-scale operation of our new core system based on the Otsuka Strategy.

From 2009

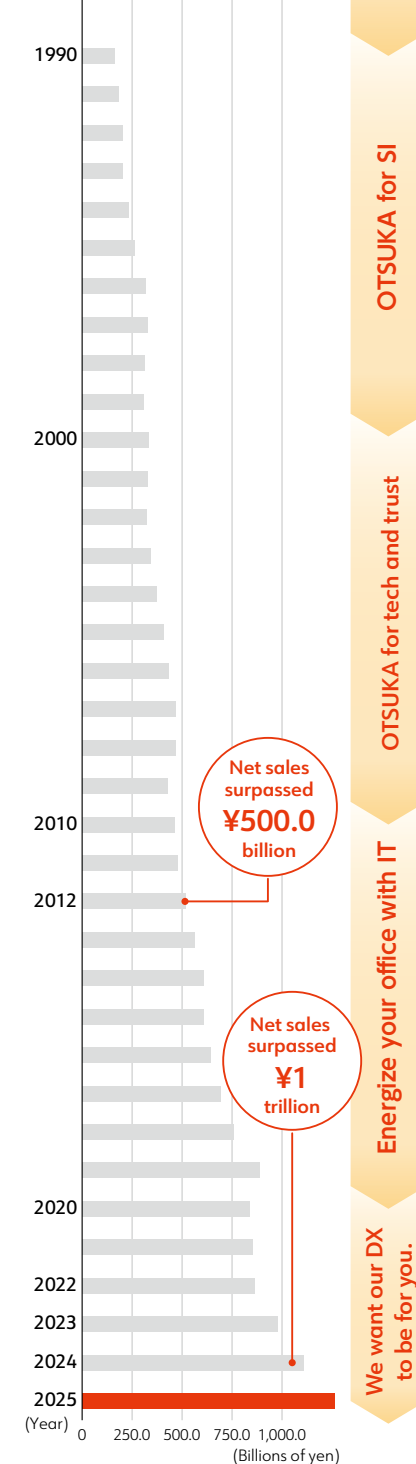
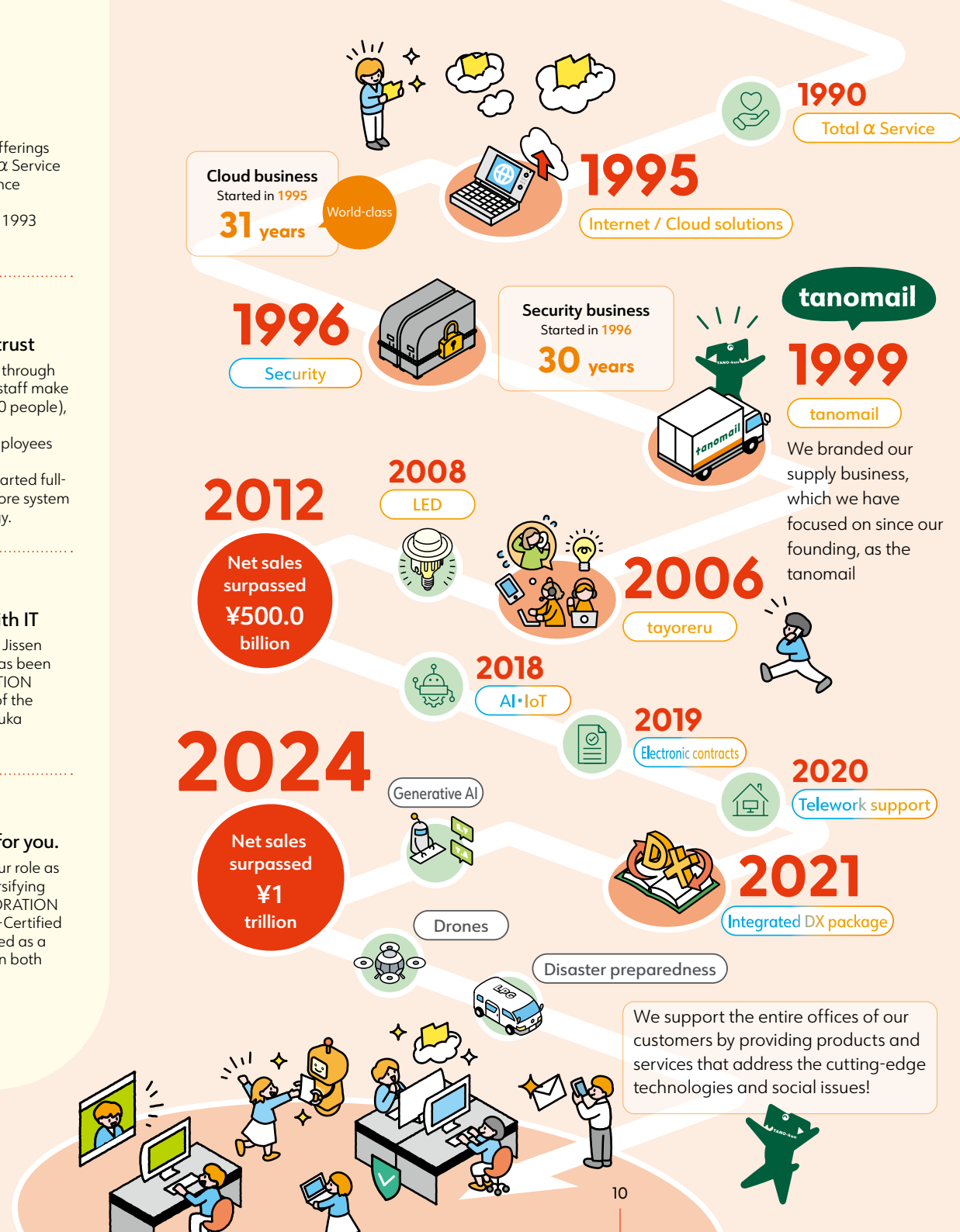
Energize your office with IT

The main theme of the 2009 Jissen (Practical) Solutions Fair. It has been used as OTSUKA CORPORATION tagline ever since. In March of the same year, we launched Otsuka Strategy II, aimed at further management reform.

From 2021

We want our DX to be for you.

The new tagline conveying our role as a partner that supports diversifying work styles. OTSUKA CORPORATION was also recognized as a DX-Certified Operator in 2021 and selected as a Noteworthy DX Companies in both 2024 and 2025.



President's Message

PRESIDENT'S MESSAGE



We continue to stay close to

and grow together with our customers

President & Chief Executive Officer

Yuji Otsuka

TOPIC Looking back at 2025

Net sales and each profit segment reached record highs for the third consecutive year, proof that our earnings structure is transforming

I was appointed President in 2001. The first task I undertook after taking office was to formulate our **Mission Statement ①**, which serves as our equivalent of a “constitution.” All of OTSUKA CORPORATION’s activities are carried out with the aim of fulfilling this Mission Statement. At the heart of our approach is the statement, “OTSUKA CORPORATION serves a wide range of companies, providing comprehensive support for their business activities.”

In 2025, we established business relationships with 311,000 companies in a single year. While we still have a long way to go, I believe that we made steady progress toward fulfilling our Mission Statement in 2025.

In terms of performance, net sales and each profit segment reached record highs for the third consecutive year, and we also topped our upwardly revised targets announced alongside our interim financial results. One of the reasons for this success is the **upgrade demand associated with the end of support (EOS) for Windows ②**. In 2025, client (PCs and tablets) sales volume reached 2.36 million units, significantly exceeding that seen at the time of the previous EOS in 2019. This means that roughly one in five PCs sold in Japan is associated with OTSUKA CORPORATION. As PCs are essential to our customers’ business operations, they are a crucial entry point to realizing our **“support for the entire office” ③**. I am genuinely pleased that this sales volume exceeded that of the previous EOS period.

2025 was also a year in which the **gross profit growth of our S&S business surpassed that of our SI business ④**. The SI business, which provides support for the selection, implementation, and construction of IT equipment and systems, is susceptible to changes in the external environment, such as EOS. Meanwhile, the S&S business focuses on ongoing services that solve our customers’ daily problems, and has continued to grow steadily in recent years. The fact that the S&S business grew more than the SI business, which was impacted by the EOS, marks a significant difference from the previous EOS period. Currently, **gross profit from our recurring revenue business, the S&S business, has grown to a level where it can cover about 70% of our total non-consolidated SG&A expenses ⑤**. By further raising this level, we will shift toward an earnings structure that is not dependent on product sales.

① Mission Statement → P.22 ② SI Business → P.79 ③ Support the Entire Office → P.07-08 ④ S&S Business → P.80

⑤ Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department → P.24

President's Message

Promoting the enhancement of human capital and the utilization of AI, and clearly identifying our strengths and challenges

In terms of human resources, we have also worked to strengthen the relationship with our employees. In April 2025, we introduced an **optional retirement system** ^⑥, which allows employees to work as regular employees until their 65th birthday and then as contract employees until age 70. Through such initiatives, we are working to create an environment where talented individuals can thrive for a long time. Our **average annual salary per employee exceeds ¥10.0 million** ^⑦, and our **engagement score** ^⑧ remains at a steady level. Considering that Japan's labor shortage will worsen going forward, the **enhancement of human capital** ^⑨ will become an even more important issue.

We are also making steady progress with the **utilization of AI** ^⑩. In 2019, we introduced a system in which AI recommends visit destinations for sales representatives. From 2025, we reviewed the attributes of the customers targeted for recommendations. By identifying customers with whom the AI has determined our relationship is weakening, we are taking steps to enhance the insights provided to our sales staff. Going forward, we aim to further enhance the sophistication and efficiency of our sales activities, while accumulating knowledge as practitioners of AI ourselves, and applying this to our customer service.

Towards the end of 2025, a series of security incidents at major companies resulted in a portion of that demand shifting to us. Responding to these issues presents both a business opportunity and a social responsibility. In responding to the unexpected increase in demand, we were able to clarify OTSUKA CORPORATION's strengths, as well as the challenges and responsibilities we need to address going forward.

In this way, I feel that 2025 was a year in which we were able to confirm the steady evolution of OTSUKA CORPORATION's business structure, human resources, and systems, even while being boosted by changes in the external environment. Taking these issues and achievements on board, we will move forward with initiatives aimed at achieving future growth.

TOPIC Policy for 2026

Getting close to customers and growing together with customers through AI and security

The environment surrounding the IT industry is changing at an accelerating pace year after year. The emergence of AI in particular has accelerated this change by a significant degree. In 2026, we anticipate AI agents becoming fully integrated into practical business operations.

AI is already a part of the daily operations here at OTSUKA CORPORATION. Moving forward, AI will no longer be limited to a few innovative companies, but will be naturally integrated into the operations of all companies. On the other hand, it is also true that many customers are unsure where to start.

Based on this understanding of the environment, we set our slogan for 2026 as "Getting close to customers and growing together with customers through AI and security."

OTSUKA CORPORATION has been working on the **utilization of AI since 2016** ^⑪, accumulating on-site practical experience for roughly 10 years. In March 2026, we launched **tayoreru Business AI Agent** ^⑫ based on this knowledge. Going forward, we will continue to roll out AI services that can be immediately used on-site and directly linked to business operations. We have received positive feedback from customers who have experienced the world with AI agents through events such as the **Jissen (Practical) Solutions Fair** ^⑬.

At the same time, the environment surrounding cybersecurity is becoming increasingly challenging. Threats are becoming more sophisticated and complex, meaning that tackling them require ongoing action and not simply a one-time implementation. The Cybersecurity Measures Evaluation System promoted by the Ministry of Economy, Trade and Industry also emphasizes taking measures across the entire supply chain.

While large corporations are making progress with their cybersecurity measures, many SMEs struggle to do so due to difficulty with assigning dedicated personnel. OTSUKA CORPORATION offers a variety of **security solutions** ^⑭ tailored to the size and type of business, providing them in a way that suits each individual customer.

For both AI and security solutions, daily support and continuous support are key. We believe that the role of the S&S business will become even more important in these areas. In 2026, we will further refine our S&S business and strengthen our systems in order to provide ongoing support to our customers.

Achieving steady growth through our "support for the entire office" approach

Some are concerned about a potential decline following the end of Windows 10 support in 2025. Our performance declined after the EOS in 2019, but we were also under unusual circumstances then, due to the COVID-19 pandemic. This time, there are no extraordinary circumstances, although we face uncertainties such as geopolitical risks. In fact, even after

⑥ DE&I (Comfortable working environment) → P.54 ⑦ Review of salary levels → P.48 ⑧ Engagement Management → P.51 ⑨ Overview of Human Resources Strategies → P.47

⑩ Strengthening Customer Relationships Through Digital Utilization → P.33 ⑪ Development of digital strategies → P.31 ⑫ S&S Business → P.80 ⑬ Jissen (Practical) Solutions Fair → P.44

President's Message

the EOS in October 2025, **operating profit grew in both the fourth quarter of fiscal 2025 and the first quarter of fiscal 2026** ¹⁵.

We still have many opportunities ahead of us, such as proposing security solutions to customers who have installed PCs, and proposing AI solutions to customers who have installed security solutions. By addressing these opportunities one by one, we will make this a year in which we turn our “support for the entire office” vision into growth.

TOPIC The significance and future of OTSUKA CORPORATION

Evolving our business model with data and AI

Since its founding, OTSUKA CORPORATION has built a **unique customer base mainly comprising SMEs** ¹⁶. Roughly 99% of Japanese companies are SMEs, forming the foundation that supports Japan's economy and society, including regional economies and employment. Supporting the growth of SMEs ultimately contributes to the growth of Japan as a whole. This approach was the starting point for our business operations.

Currently, **we do business with 311,000 companies per year** ¹⁷, but when viewed on a departmental basis, that number exceeds 1 million, and even more when viewed at the individual level. Our journey has been defined by our continuous dedication to supporting each and every customer regardless of industry or size, and even the work of each individual employee.

The strength that has supported this journey lies in our on-site operations. Our sales and technical employees are **closely connected to the local communities** ¹⁸, addressing customers' day-to-day challenges firsthand, accumulating practical solutions. Additionally, through our network of **approximately 2,400 suppliers** ¹⁹, we can combine a wide range of products and services to provide optimal proposals tailored to each customer. Our **business model** ²⁰ that is rare even around the world, which provides a wide range of solutions on the back of these on-site capabilities and network, is a major characteristic of OTSUKA CORPORATION.

These strengths are further refined by our **data utilization** ²¹, and AI will prove key going forward. At OTSUKA CORPORATION, we are making steady progress with AI utilization, and have already reached the practical stage in areas such as summarizing and streamlining

business processes. Even so, we are aiming for utilization that goes beyond this. We will challenge ourselves to create new value through AI and advance our customers' businesses themselves. To achieve this, we must determine which areas should be entrusted to AI and what types of value should be handled by humans. We will continue to focus our efforts on **human resource development to create a virtuous cycle in which humans and AI complement one another** ²².

At our General Meeting of Shareholders held in March 2026, we amended our Articles of Incorporation to include **disaster countermeasures and support** ²³ as a business purpose. When preparing for disasters, it is essential to not only focus on our own initiatives but to also support the business continuity of our customers. We recognize that our role is to continue providing IT infrastructure that keeps businesses running not only during normal times but also in times of emergency. To fulfill this role, we are also working on **establishing a financial base** ²⁴ that will enable us to fully support our customers even in times of emergency.

Japan faces structural challenges such as a decrease in working population and a decrease in the number of companies. Improving productivity has also been a key issue that has been pointed out for many years. OTSUKA CORPORATION will contribute to solving these social issues by supporting Japan's IT infrastructure and remaining a staple, essential presence for its customers. Productivity is an important management issue for OTSUKA CORPORATION itself. Our **Otsuka Strategy** ²⁵, launched in 1993, was a pioneering initiative that foreshadowed what is now known as digital transformation (DX). We are currently forging ahead with **Otsuka Strategy II** ²⁶, an advanced version of this strategy.

Continuously improving our own productivity, growing alongside SMEs, and continuing to support the Japanese economy and society from the ground up. These are our *raison d'être*.

Plenty of room to grow

We believe that the office-related market, which we view as our business domain, is worth approximately ¥50 trillion, including IT equipment, software, supplies, maintenance and services, and DX investments. Our consolidated net sales came to ¥1.32 trillion in 2025, accounting for only about 2% of this. This figure indicates that our business still has significant room for growth, and at the same time, it means that we still have a large role to play in supporting SMEs.

¹⁵ Targets for the fiscal year ending December 31, 2026 → P.24 ¹⁶ The Core of OTSUKA CORPORATION (Customer Base) → P.04 ¹⁷ Maintenance and Expansion of the Customer Base → P.39 ¹⁸ Coexistence with the Community → P.45

¹⁹ Coexistence and Co-Prosperity with Partners → P.43 ²⁰ Business Model → P.17 ²¹ Digital Strategies → P.31 Roundtable Discussion on Digital Technologies → P.34 ²² Nurturing Digital Professionals → P.56

²³ Measures Against Natural Disasters and Support for Reconstruction → P.65 ²⁴ Approach to cash reserves that support sustainable growth → P.26 ²⁵ The Core of OTSUKA CORPORATION (Data-Driven Management) → P.05 ²⁶ Otsuka Strategy II → P.40

President's Message

Based on such significance and growth opportunities, we engage with all stakeholders, including our shareholders, through our day-to-day business activities.

TOPIC To our stakeholders

Responding to trust by providing “support for the entire office”

We consider our **relationships with various stakeholders** ²⁷, including shareholders, customers, clients, employees, and local communities, as the foundation of our business activities. We believe that sincerely meeting their expectations and continuously responding to their trust leads to **sustainable value creation** ²⁸.

For our customers, our most important responsibility is to stably and continuously provide the IT infrastructure and services essential for their daily operations. Our “support for the entire office” approach is not simply about providing products and services, but about continuously providing value within long-term relationships while staying close to our customers’ growth stages and issues. We will fulfill our role in society by having systems in place that keep businesses running not only during normal times but also in times of emergency, to ensure our customers’ business operations remain uninterrupted.

We value long-term partnerships with our clients. Through fair and transparent transactions, we will leverage our mutual strengths to develop an ecosystem that supports our “support for the entire office” approach and to create sustainable value.

Employees are the driving force behind value creation. Creating a safe and secure workplace where each and every employee can experience personal growth will lead to improved competitiveness as a company. As such, we will strive to balance investments in human resources with **productivity improvement** ²⁹ to **foster an organizational culture** ³⁰ that enables us to take on new ventures even in this era of rapid change.

Furthermore, as a member of the local community, we are also working to **solve social issues through our business activities** ³¹. We aim to continue to support local industries and livelihoods through IT, and to be a presence that underpins the foundation of society, including during disasters.



Fulfilling our Mission Statement to become a 100-year company

2026 marks the 65th anniversary of OTSUKA CORPORATION's founding. We believe it is important to steadily move toward the next era, building upon the trust and achievements we have accumulated so far. For our shareholders, we aim to enhance corporate value over the medium to long term through **stable profit generation and appropriate capital allocation** ³², thereby increasing transparency in management in terms of both financial and non-financial aspects, and continuing to respond to trust through ongoing dialogue.

We are only halfway toward fulfilling our Mission Statement which was established upon my appointment as President.

Building upon our 65-year history, and with an eye to becoming a 100-year company, we will continue to provide value to our customers and society through our “support for the entire office” approach. We will continue our efforts to fulfil our Mission Statement while valuing our ties with all of our stakeholders.

²⁷ Stakeholder Engagement → P.66 ²⁸ Value Creation Model → P.21 ²⁹ Productivity Per Employee → P.47 ³⁰ Organizational development (fostering an organizational culture) → P.53

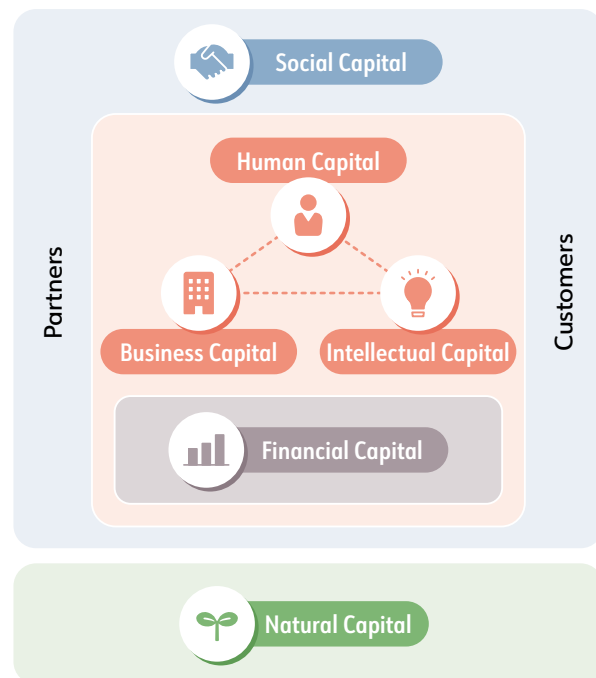
³¹ Realizing a Safe, Secure, and Comfortable Society → P.63 ³² Realizing Management That is Conscious of Capital Costs and Share Price → P.30

Capital (Strengths that OTSUKA CORPORATION Has built up)

Since its founding, OTSUKA CORPORATION has built up a strong foundation of valuable capital through collaboration with a wide range of stakeholders—capital that now forms the source of its strengths.

By leveraging the interaction between these forms of capital, we contribute to the creation of new value and sustainable growth that enhances corporate value over the medium to long term.

To further advance this strategic use in the future, we outline here our vision for each of the six forms of capital, the areas where capital is insufficient, and the initiatives and direction we are taking to enhance them.



Social Capital

An overwhelming customer base of 311,000 companies per year and approximately 2,400 partners

Related material issues

Maintenance and Expansion of the Customer Base → [P.39](#)
Coexistence and Co-prosperity with Partners → [P.43](#)

Reason for emphasis (Our Vision)

- Our mission is to widely share the know-how gained from transactions with customers across various industries, ranging from SMEs to large corporations, with society at large
- By combining excellent products, services, and technologies from each field, we deliver unique, optimal solutions tailored to our customers

Number of customer companies per year (Non-consolidated)	Net sales per company (Non-consolidated)	Number of partners
311,000 companies (+5.4% compared to fiscal 2024)	¥3.73million (+12.0% compared to fiscal 2024)	Approx. 2,400 companies

Awareness of insufficient capital

- Acquisition of new customer companies and development into recurring transactions
- Evolution of the business model to enable tailored integrated proposals
- Proposal enhancement and integration that fully leverage the power of the business ecosystem. Deepened customer engagement as a result of the above

Initiatives and directions for advancement

- Promoting forging new relationships with customers through Otsuka Strategy II (real, web, and center)
- Coexistence and co-prosperity with partners. Strengthening proposal capabilities through analysis of in-house big data (utilization of intellectual capital)

Human Capital

Proposal and support capabilities driven by synergy of sales, technology, and corporate staff

Related material issues

Improvement of Employee Engagement → [P.51](#)
Promotion of DE&I → [P.53](#)
Human Resource Development → [P.55](#)

Reason for emphasis (Our Vision)

- To solve issues that vary from customer to customer, it is essential to have personnel who can consistently think from the customer's perspective and take proactive action
- Realizing the "support for the entire office" approach requires combining individual expertise and diversity to fully harness the power of our human resources

Number of regular employees (Consolidated):	Number of employees with qualifications (Non-consolidated)	Average annual salary (Non-consolidated)
10,079 (+4.1% compared to fiscal 2024)	15,822 (Cumulative total)	¥10.27million (+3.5% compared to fiscal 2024)

Awareness of insufficient capital

- Further improvement of employee engagement
- Diversity in management positions
- Recruitment and development of digital professionals
- Development of management professionals

Initiatives and directions for advancement

- Promoting the use of external survey tools and AI Happiness
- Manager promotion system & development of female managers
- Establishment of an organization to promote internal use, job-based recruitment
- OTSUKA Leader's College

Capital (Strengths that OTSUKA CORPORATION Has built up)

Business Capital

A business foundation with a service and support system that covers nationwide

Related material issues

Coexistence with the Community → **P.45**

Realizing a Safe, Secure, and Comfortable Society → **P.63**

Reason for emphasis (Our Vision)

- Establish and enhance various support systems and create a comfortable working environment to solve customers' problems.
- Concurrent achievement of faster delivery and improved logistics efficiency through the expansion of our logistics network.

Awareness of insufficient capital

- 1 Standardization and systematization of inquiry handling
- 2 Creation of an environment that adapts to changes in business communication and work styles
- 3 Optimization of logistics and inventory management by promoting collaboration with 3PL partners and enhanced demand forecasting

Initiatives and directions for advancement

- 1 Improvement of call abandonment rates and early response rates by promoting the use of technologies
- 2 Accommodating flexible work styles through measures such as office innovations
- 3 Optimizing the placement of logistics sites and utilizing in-house big data

Intellectual Capital

Acquisition and leverage of know-how utilizing our customer base and cutting-edge technologies such as AI

Related material issues

Maintenance and Expansion of the Customer Base → **P.39**

Coexistence and Co-prosperity with Partners → **P.43**

Human Resource Development → **P.55**

Reason for emphasis (Our Vision)

- We accumulate information from a wide variety of customer contact points. This enables more advanced data-driven management through big data analysis and utilization.
- Replacing routine tasks with technology. Further improving productivity.

Accumulation and utilization of business negotiation data

Annual: 3.70 million cases Cumulative total: 62 million cases

Capital and business alliances with AI startups

3 companies (2022-2023)

Digital Strategies → **P.31**

Awareness of insufficient capital

- 1 Acquisition and accumulation of know-how on cutting-edge technologies
- 2 Enhancement of solution offerings through promotion of above 1
- 3 Further utilization of in-house big data

Initiatives and directions for advancement

- 1 Strengthening cooperation with partners (utilizing social capital)
- 2 Sharing skills held by AI engineers and data scientists (utilizing human capital)
- 3 Continuing the proactive utilization of AI within the company

Financial Capital

A foundation that supports investments, growth, and the stable operation of corporate activities

Related material issues

Strengthening Corporate Governance → **P.67**

Reason for emphasis (Our Vision)

- Maintaining a sound financial base is essential to ensure continued agility in times of emergency.

Equity (Consolidated)

¥394.3billion

(+6.3% compared to fiscal 2024)

Net sales of the recurring revenue business (Non-consolidated)

¥395.1billion

(+9.7% compared to fiscal 2024)

Awareness of insufficient capital

Promotion of management with an awareness of enhancing operating profit margin and of capital costs

Initiatives and directions for advancement

Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department → **P.23**

Natural Capital

Contribute to a sustainable society through reduction of environmental impact

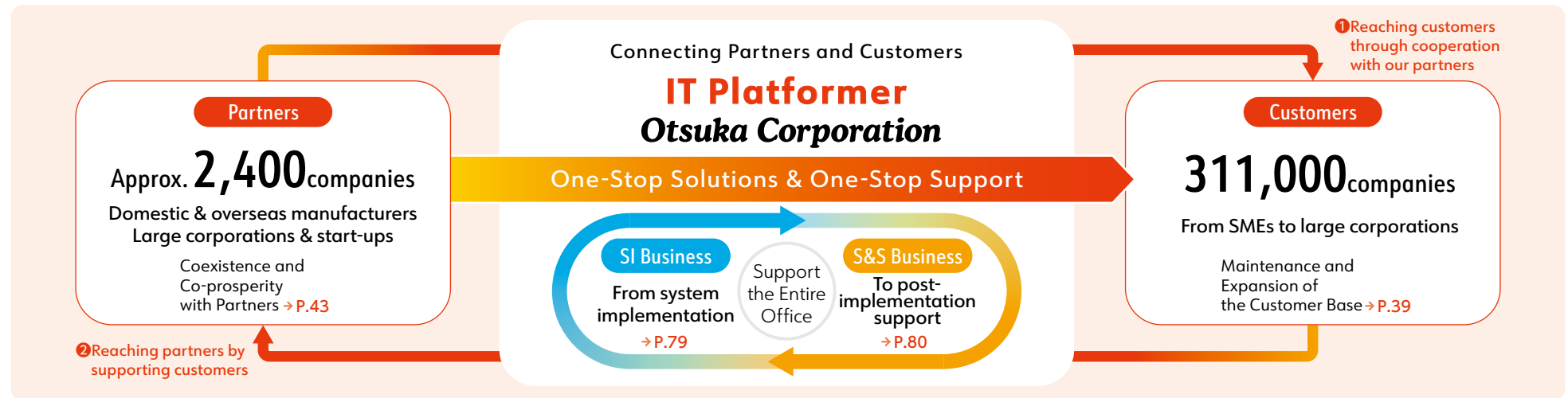
Related material issues

Contribution to Global Environmental Conservation → **P.58**

Reason for emphasis (Our Vision)

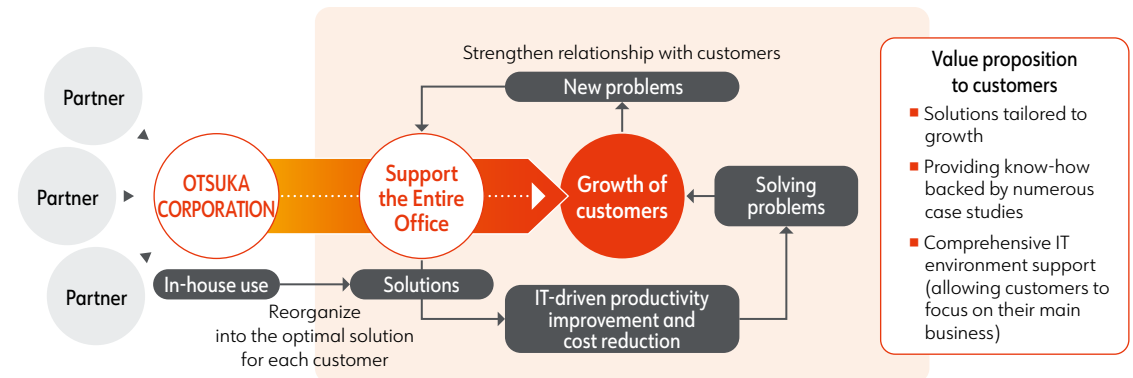
- Contribution to global environmental conservation is essential for a sustainable society

Business Model Providing a wide range of products and services in a one-stop solution to solve our customers' problems



① The value we deliver to customers through cooperation with our partners

As office operations become increasingly sophisticated with the advancement of IT, it is becoming difficult to solve our customers' problems with a single product or service. By promoting a multi-vendor approach free from reliance on specific manufacturers and a multi-field approach offering everything from office supplies to IT equipment and general IT services, we continue to expand our business domains and support our customers. We source top-quality products, services, and technologies of various fields from numerous partners and put them into practice ourselves. Based on that experience, we create the optimal combination of solutions tailored to solving each customer's unique problems, delivering "support for the entire office" approach that only OTSUKA CORPORATION can offer. The Core of OTSUKA CORPORATION (Business Domains and Business Ecosystem) → P.03



② The value we deliver to partners by supporting customers

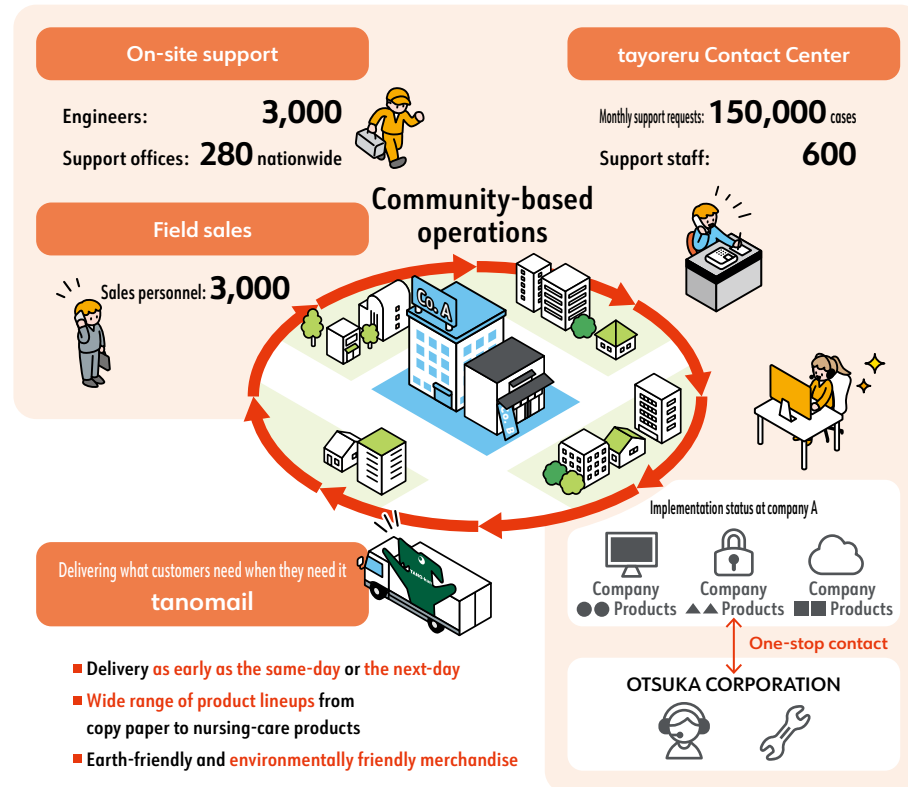
In 2025, OTSUKA CORPORATION conducted business with 311,000 companies. For our partners, starting a business relationship with OTSUKA CORPORATION represents a valuable opportunity to tap into our customer base. It is a more efficient approach than independently building up marketing, sales, and support functions, and it makes effective use of social capital. By sharing insights into customers' latent needs gathered through our sales activities, we can also support partners in their product development efforts, leading to the creation of new value that contributes to solving our customers' challenges.

Furthermore, by combining the strengths of multiple partners in their respective areas of expertise, we are able to deliver more integrated and high-quality solutions. This not only enhances our competitive edge compared to offering each solution in isolation, but also contributes to greater customer satisfaction. The Core of OTSUKA CORPORATION (Business Ecosystem and Customer Base) → P.03-04

Business Model

Staying close to our customers through community-based operations

Since our founding, we have put emphasis on customer support that is rooted in the community.
From system implementation to post-implementation support,
OTSUKA CORPORATION solves customers' problems every step of the way.

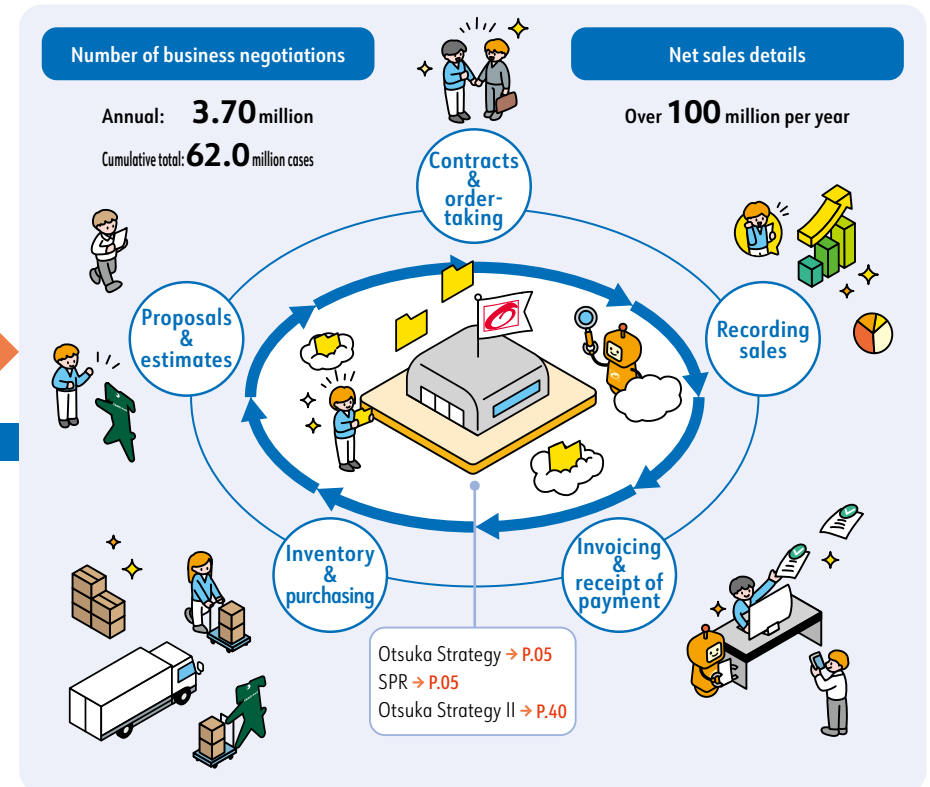


Continuously refining our responsiveness and support capabilities through data-driven management

We continuously refine our customer responsiveness and support capabilities by utilizing the cutting-edge technologies, including AI, to stay close to customers.

Accumulation of business negotiation data, etc.

Recommendations by AI



Strengthening and advancing the human capital that serve as our foundation

Human Capital The Core of OTSUKA CORPORATION → P.06 Capital (Strengths that OTSUKA CORPORATION has built up) → P.15 Recruiting and Nurturing Digital Professionals → P.32 Overview of Human Resources Strategies → P.47

Human Resources Strategy Implementation Framework → P.48 Talent Development Embedded Across Job Categories and Divisions → P.49 Health management → P.50 3 material issues related to people → P.51-56

Material issues (Materiality)

We have identified three groups and nine items of material issues toward the sustainability management that OTSUKA CORPORATION aims for.

By addressing these material issues, we aim to accelerate our “support for the entire office” management strategy and work toward realizing our Mission Statement.

01

Recognize the external environment

Divided into customers, human resources, and ESG, with reference to sources such as the White Paper on Small and Medium Enterprises in Japan and ITO Report for Human Capital Management to understand changes in the external environment.

02

Organize the expected timeframe and impacts

Organize the expected timeframe and the impact on stakeholders and OTSUKA CORPORATION regarding the recognized changes in the external environment.

03

Assess risks and opportunities

From the items identified in Step 02, examine those considered particularly important in terms of risks and opportunities for OTSUKA CORPORATION.

04

Review material issues

Identify the nine priority material issues to be addressed after discussions at the Board of Directors.

	Materiality	Corresponding page	Why it matters
Value creation through business activities	1 Maintenance and Expansion of the Customer Base	→ P.39	Continuously provide products and services that contribute to solving customer issues with the aim of expanding our stable and sustainable customer base through improved customer satisfaction
	2 Coexistence and Co-Prosperity with Partners	→ P.43	Promote collaboration with partners based on relationships of trust, and build sustainable relationships through mutual value enhancement and business growth
	3 Coexistence with the Community	→ P.45	Focus on collaboration with local communities with the aim of being a company that grows alongside these communities by creating jobs and contributing to solving problems through business activities
Support for employee growth and self-fulfillment	4 Improvement of Employee Engagement	→ P.51	Draw out the motivation and potential of employees by providing job satisfaction and growth opportunities, leading to improved organizational strength and sustainable corporate value creation
	5 Promotion of DE&I	→ P.53	Aim to create innovation and revitalize the organization by promoting the active participation of diverse personnel and fostering a fair and inclusive working environment
	6 Human Resource Development	→ P.55	Work to develop human resources with expertise and proposal skills in a bid to strengthen the organizational foundation that can adapt to changes in the environment, thereby supporting the sustainable growth of business
Implementation of responsible corporate activities	7 Contribution to Global Environmental Conservation	→ P.58	Contribute to the realization of a decarbonized society and global environmental conservation through business activities and the provision of products and services geared toward reducing environmental impact
	8 Realizing a Safe, Secure, and Comfortable Society	→ P.63	Contribute to the realization of a safe, secure, and comfortable society by establishing a system that allows customers to safely conduct business, while also addressing social issues such as environmental concerns, human rights, and labor challenges
	9 Strengthening Corporate Governance	→ P.67	Aim to enhance corporate value by thoroughly implementing management based on legal compliance and high ethical standards, and building a highly transparent and effective governance system

Please refer to our INTEGRATED REPORT 2025 (P.27-28) for details. → [Web](#)



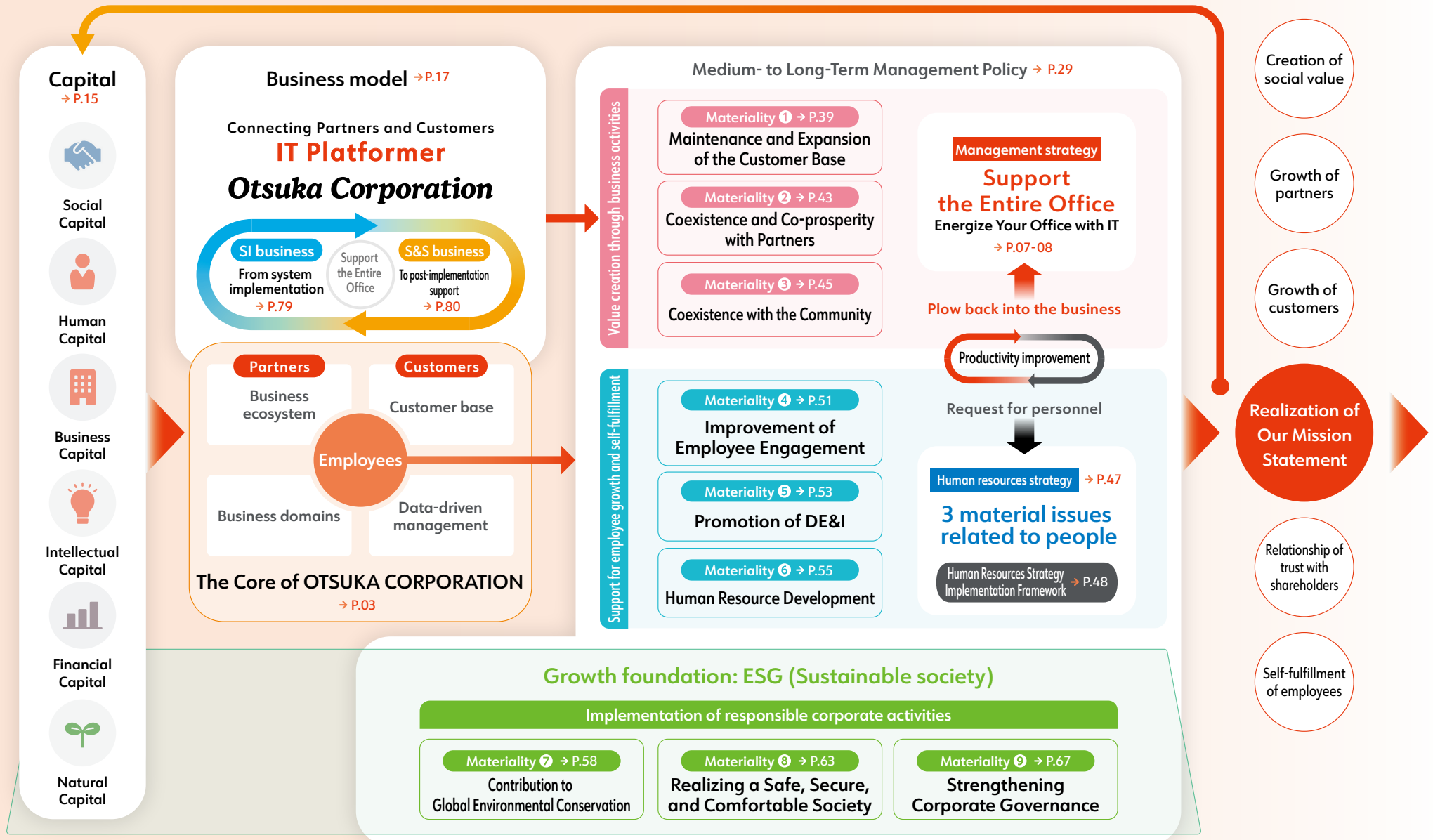
Initiatives for Material Issues

Results: ±X% = Year-on-Year change Rate
X% = composition ratio

Materiality			Corresponding page	Main initiatives	Indicators *Non-consolidated unless otherwise specified			
					Indicators and main initiatives	2023	2024	2025
Value creation through business activities	1	Maintenance and Expansion of the Customer Base	→ P.39	● Otsuka Strategy II ● Promotion of AI utilization	Number of customer companies per year (Target: +2.0% per year)	+1.1%	-0.2%	+5.4%
					Net sales per company (Target: +3.0% per year)	+12.0%	+13.6%	+12.0%
	2	Coexistence and Co-prosperity with Partners	→ P.43	● Collaboration with partners (procurement, fairs, seminars, etc.)	Number of partners per year	2,402 companies	2,328 companies	2,336 companies
					Awards and certifications received from partners (latest information available online)	—	—	→ Web
	3	Coexistence with the Community	→ P.45	● IT proposals for solving regional issues	Net sales of regional sales departments and broad-regional branches	+10.4%	+11.5%	+13.6%
					Number of government agencies and local public bodies supported (counted based on our internal classification method)	1,294	1,287	1,396
Support for employee growth and self-fulfillment	4	Improvement of Employee Engagement	→ P.51	● Engagement survey ● AI Happiness	Engagement survey response rate	84%	89%	89%
					Management reform	Start of sales manager promotion system	Start of corporate manager promotion system	Implementation of individual coaching
	5	Promotion of DE&I	→ P.53	● Promotion project ● OWL's	Percentage of female managers	9.1%	10.6%	12.6%
					Rate of childcare leave used (Men)	46.3%	52.3%	63.5%
	6	Human Resource Development	→ P.55	● Various trainings ● Support for obtaining qualifications ● OTSUKA Leader's College	Training costs per regular employee	¥127,000	¥155,000	¥173,000
					Number of employees who obtained qualification (total)	—	14,663	15,822
Implementation of responsible corporate activities	7	Contribution to Global Environmental Conservation	→ P.58	● OTSUKA Eco-Action Plan ● TNFD disclosures ● TCFD disclosures	Scope 1 and 2 (Target: 42% reduction from 2021 levels by 2030) Consolidated	-16.8%	-0.7%	-4.5%
					Scope 3 Category 1+11 (Target: 25% reduction from 2021 levels by 2030) Consolidated	+10.0%	+31.3%	Currently calculating (to be disclosed online)
	8	Realizing a Safe, Secure, and Comfortable Society	→ P.63	● Human rights policies ● Supplier surveys ● Social contribution activities	Supplier survey: Response rate (composition ratio of purchase value)	62%	71%	84%
					Donations (disaster recovery funds, regional revitalization funds, etc.)	¥610 million	¥710 million	¥1,120 million
	9	Strengthening Corporate Governance	→ P.67	● Evaluation of effectiveness of the Board of Directors ● Compliance education	Confidentiality management inspections and SP Committee	Each held 12 times	Each held 12 times	Each held 12 times
					Number of meetings of Nomination & Remuneration Committee	6	5	7
				Number of individual meetings with investors and analysts	—	285	309	

Value Creation Model

By promoting our "support for the entire office" approach, we will realize our Mission Statement and continue contributing to the sustainable growth of society.



Founding Spirit and Mission Statement

2003: Mission Statement

Mission Statement

Mission

OTSUKA CORPORATION serves a wide range of companies, providing comprehensive support for their business activities by presenting, within a concrete framework, new business opportunities and management improvement strategies brought about by innovations in information and telecommunication technology. By so doing, we continue to facilitate the growth of our client companies and contribute to the development of our country and the creation of a spiritually enriching society.

Goals

- To become a corporate group that is recognized and trusted as a valuable corporate citizen.
- To encourage employee growth and self-realization through the attainment of personal goals and professional achievement.
- To demonstrate harmonious coexistence and growth with nature and society.
- To create business models that consistently keep pace with the changing times.

Principles

- Always thinking from the customer's perspective and acting through harmonious team work.
- Maintaining the spirit of challenge inherited from our predecessors, exercising our own critical judgement, and acting on our own initiative.
- Fully complying with all prevailing laws and regulations, and maintaining high ethical standards.

Otsuka Corporation

2003 Mission Statement announced

1961: Founding spirit

Create a company where employees are happy, employees are proud to work, and employees are appreciated by their families

1961: Founding spirit

OTSUKA CORPORATION began in Akihabara, Tokyo in July 1961. The aim of our founder, Minoru Otsuka was to "create a company where employees are happy, employees are proud to work, and employees are appreciated by their families." These words, which are the founding spirit of the Company, are imbued with the founder's belief that enhancing employee satisfaction leads to the satisfaction of customers and partners, and to the happiness of those around us.

Founding Corporate Philosophy

Pursuit of customer satisfaction

Founding Management Policy

- 1 Service is the key factor in business success
- 2 Providing customers with services to ensure maximum performance
- 3 Achieving solid results with deliberate and steady progress
- 4 Pursuit of responsibility for effective operations

Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department

Building a Solid Financial Base to Support Medium- to Long-Term Growth and Value Creation

Managing Director & Senior Managing Officer
Kazuo Uneno



Looking back at the fiscal year ended December 31, 2025

Promoting a “support for the entire office” approach by leveraging customer contact points following the EOS for Windows 10.
Sales and profits reached record highs for the third consecutive year

Net sales reached ¥1.3 trillion in fiscal 2025, an increase of ¥200.0 billion from 2024, when net sales first exceeded ¥1 trillion. As a result, both sales and profits achieved double-digit growth for the third consecutive year. We successfully captured the upgrade demand associated with EOS for Windows 10 (→ P.79), and also simultaneously expanded and deepened our business relationships through a wide range of solutions that “support for the entire office,” such as leveraging strengths in our customer base to actively make additional proposals to customers with whom we had conducted PC transactions. This enabled us to achieve top-line growth.

Even amid significant growth in net sales, the operating profit margin increased year on year, reaching 6.8%. We are especially proud of the fact that we achieved both scale expansion and profitability. Furthermore, ROE improved by 1.8 points year on year to 16.8%, marking steady progress in improving capital efficiency.

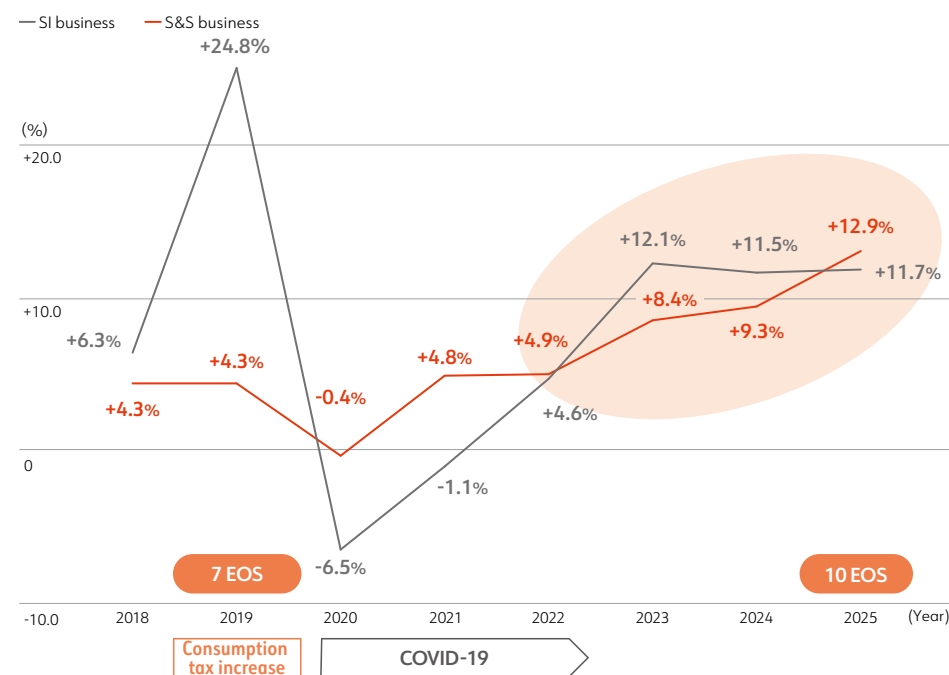
Business result trends

	2023/12 Results	2024/12 Results	2025/12 Results
	(Billions of yen)		
Net sales	977.3	1,107.6	1,322.7
Operating profit	62.9	74.3	89.9
Operating profit margin	6.4%	6.7%	6.8%
Profit attributable to owners of parent	47.4	53.4	64.3
ROE	14.3%	15.0%	16.8%
EPS (yen)	125.13	141.04	169.58

Compared to the 2019 EOS period, both the SI and S&S businesses grew in a balanced manner. The strengthening of recurring revenue business through the expansion of the S&S business demonstrates our successful transition toward “support for the entire office”

The growth achieved in 2025 shows three distinct qualitative differences compared to that achieved in 2019 during the previous EOS period.

Firstly, the SI and S&S businesses expanded in a balanced manner. In 2019, the SI business accounted for approximately 90% of the increase in gross profit, increasing by a sharp 24.8%, while the S&S business grew only 4.3%. In contrast, in 2025, the SI business increased by 11.7% and the S&S business by 12.9%, with both businesses contributing to a balanced increase in gross profit. The achievement of growth across our entire business portfolio is an indication of a stronger earnings structure.



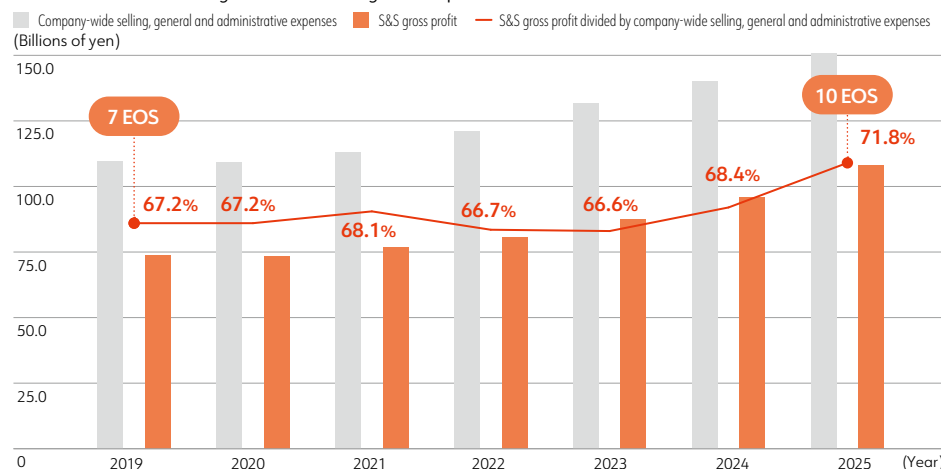
Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department

Secondly, growth has not been limited to special demand in a single fiscal year, but has continued over multiple years. During the previous EOS period, the SI business experienced dramatic growth in gross profit in 2019, despite showing little growth momentum prior to that. This time is different; since 2023, both the SI business and the S&S business have achieved steady growth. The key difference is that, while initially driven by EOS demand, each business is now on a structural growth trajectory.

Thirdly, during the previous EOS, the COVID-19 pandemic emerged immediately after EOS, restricting our post-sales support activities. As the environment is significantly different this time around, with customers showing increased interest in security enhancement and AI utilization, there is more room for additional proposals. The market environment remains favorable for OTSUKA CORPORATION to demonstrate its solution-providing capabilities, as even in the fourth quarter of fiscal 2025, when EOS ended, demand remained robust, enabling us to achieve continued revenue and profit growth. This is also reflected in our 2026 plan, which will be discussed later.

These three points demonstrate that OTSUKA CORPORATION's business growth is not merely a one-off phenomenon driven by external factors, but is supported by an increase in overall strength as a company, including an enhancement of its business portfolio, sustainable growth potential, and proposal capabilities utilizing its customer base.

In 2025, gross profit for the S&S business reached a level equivalent to 70% of total selling, general and administrative expenses on a non-consolidated basis, representing a 4.6 percentage-point increase in coverage compared to the 2019 EOS period. The fact that gross profit for the S&S business is on track to cover the majority of selling, general and administrative expenses indicates that the stability of OTSUKA CORPORATION's revenue base is steadily increasing. Going forward, we will aim to establish a stronger and more sustainable earnings structure through the expansion of the S&S business.



Targets for the fiscal year ending December 31, 2026

Through tailored proposals to SMEs and ongoing add-on services, we aim to achieve record operating profit for the fourth consecutive year.

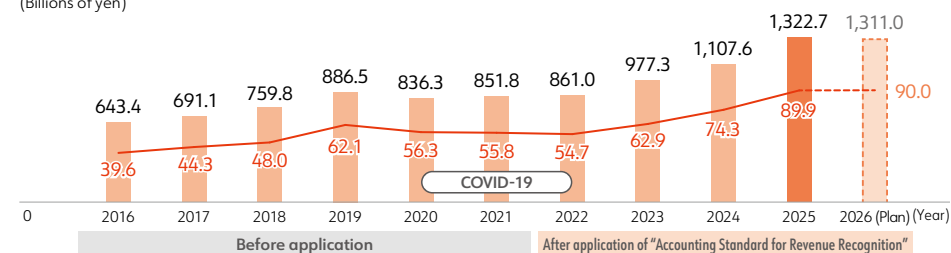
Regarding our performance targets for 2026, on an overall basis, we anticipate a slight decrease in revenue and a slight increase in profit. For the SI business, we have incorporated a decline in demand associated with EOS for Windows 10. Meanwhile, we continue to anticipate steady growth for the S&S business, which we believe will further enhance the stability of our revenue base.

Over the 10-year period from 2016 to 2026, we project average growth rates of 7.4% for net sales and 8.5% for operating profit, both of which are expected to exceed the targets set forth in our Medium- to Long-term Management Policy, namely, a 5% increase in net sales and a 6% increase in operating profit. We believe that our ability to achieve stable and sustainable growth over the medium to long term demonstrates the strength of OTSUKA CORPORATION's business model.

Performance targets for 2026 (Billions of yen)

	2026/12	
	Plan	Year-on-year comparison
Net sales	1,311.0	99.1%
SI business	857.1	94.9%
S&S business	453.9	108.1%
Operating profit	90.0	100.1%

■ Net sales — Operating profit
(Billions of yen)



For the first quarter of fiscal 2026, for which the results have already been finalized, net sales and each profit segment grew year on year, marking a new record high for the January-March period for the fourth consecutive year. While it can be challenging for SMEs to comply with Cybersecurity Measures Evaluation System that cover the entire supply chain, we have been able to successfully capture demand by offering additional security measures to customers that have purchased PCs from us.

Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department

Capital allocation

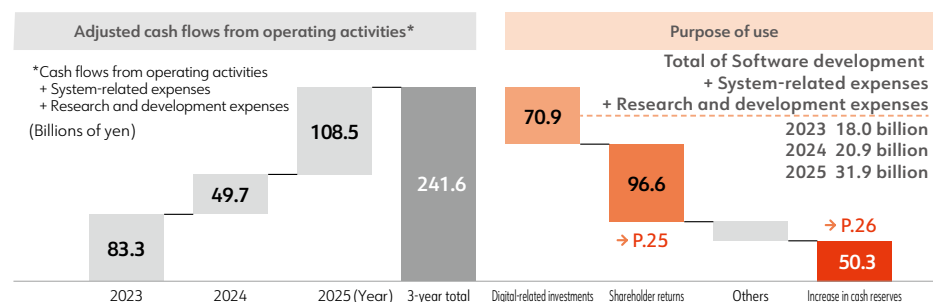
Investments in human capital are directly linked to future growth. We are ramping up our investments in the digital field

Cash flows from operating activities serve as the source of funds for investments geared toward future growth. In 2025, operating cash flow reached ¥92.2 billion, marking a new record high for the first time in two years. In 2024, it was temporarily weighed down by securing inventory required for responding to EOS for Windows 10. In 2025, however, we made progress in selling that inventory and collecting accounts receivable, resulting in cash flows from operating activities more than doubling year on year. Consolidated Statements of Cash Flows → P.84

As stated in the Core of OTSUKA CORPORATION, the source of our growth is “people.” Investments in human capital are directly linked to future growth. Although already deducted from cash flows from operating activities, average annual salary and training costs per employee are steadily increasing. We believe that boosting the skills and job satisfaction of our employees will provide a solid foundation for corporate value over the long term.

Non-consolidated	2021	2022	2023	2024	2025
Regular employees (people)	7,480	7,524	7,713	7,949	8,287
Average annual salary (ten thousands of yen)	822	856	937	992	1,027
Training costs per employee (ten thousands of yen)	7.8	10.7	12.7	15.5	17.3

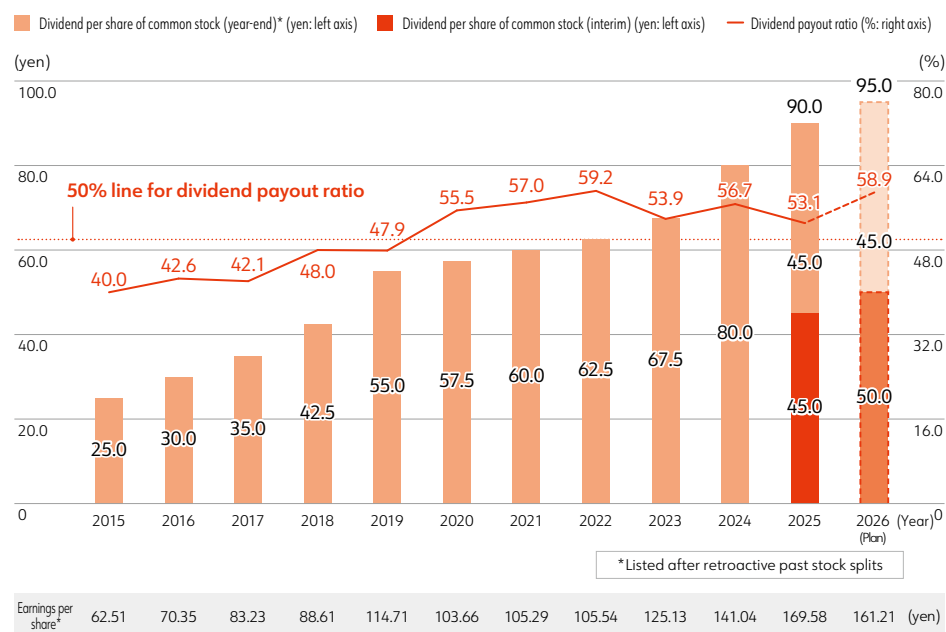
Similarly, we are ramping up our investments in the digital field, including AI. Of the cumulative adjusted cash flows from operating activities of ¥241.6 billion recorded over the past three years, we have allocated roughly 30%, or ¥70.9 billion, to digital-related investments. Research and development expenses, particularly for AI, are on the rise. We thus consider this field to be a priority area for enhancement going forward, including the development of systems and infrastructure to improve productivity per employee.



While M&As are one option, we have no concrete plans to pursue any such transactions at this time. Although they can be an effective means of rapidly diversifying and strengthening our business, we value the unique business model and corporate culture that we have built over many years. Given the risks of undermining this, we believe that continuously refining our mechanisms for strengthening human capital and improving productivity, primarily through digital technologies, contributes more to enhancing corporate value.

We value stable shareholder returns in line with performance. Striving to increase dividends for 17 consecutive fiscal years

Just as we invest for future growth, returning value to our shareholders is one of our important management priorities. Our basic policy is to pay stable dividends in line with our business results, while considering factors such as the strengthening of our management foundations and the soundness of our financial position. We commenced interim dividend payments in fiscal 2025. As profit stability increases through the expansion of our recurring revenue business, we aim to provide shareholders with more opportunities to reinvest.



Message from the Managing Director & Senior Managing Officer in Charge of Finance and Accounting Department

Approach to cash reserves that support sustainable growth

Building a solid financial base that enables agility in both normal times and emergencies

Providing IT infrastructure and various services through our “support for the entire office” approach to over 300,000 customers each year, and continuing to support their business activities, is OTSUKA CORPORATION's crucial mission. To fulfill this role, we must continuously meet the expectations of various stakeholders, and this is also an endeavor that realizes our Mission Statement. Although we still have a way to go, we believe that continuing to grow together with our stakeholders on our journey toward becoming a 100-year company will lead to the realization of this vision.

OTSUKA CORPORATION is supported by a wide range of stakeholders, including our customers, about 2,400 business partners, local communities, and the over 10,000 employees and their families within the Group. Fulfilling our social responsibilities through tax payments and appropriate returns to the capital market is also important. To continue these business activities, it is essential that we build a solid financial base that enables us to maintain agility in both normal times and emergencies.

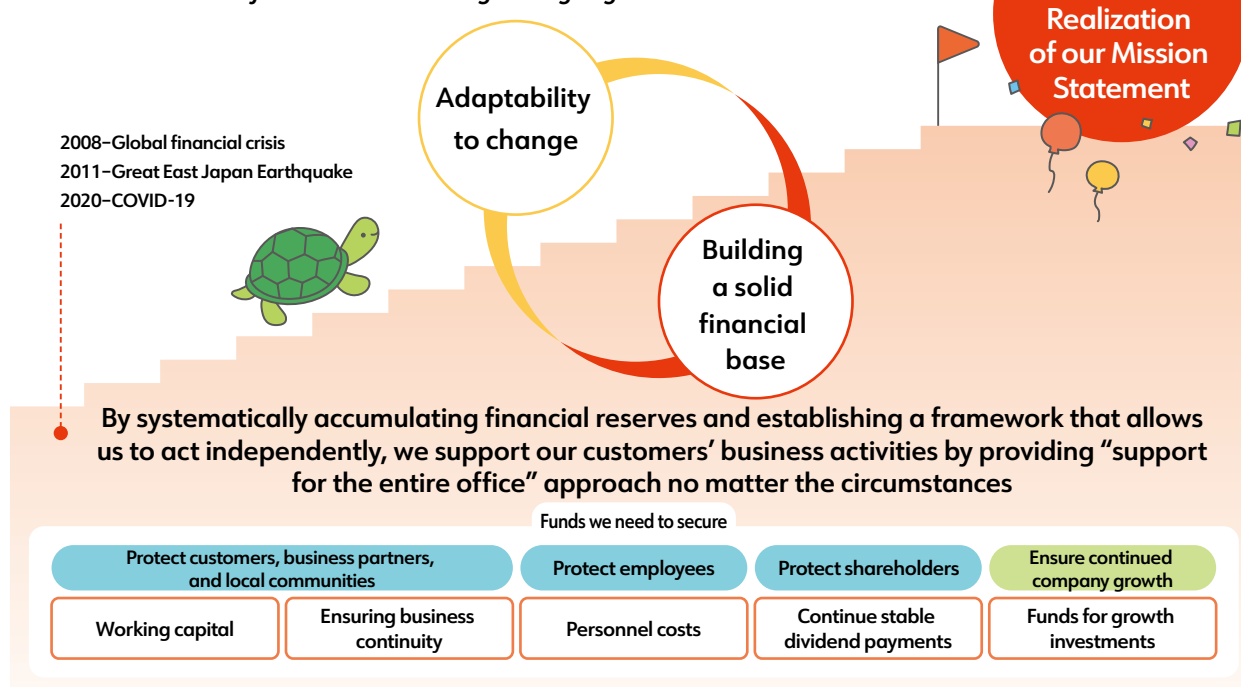
As of March 31, 2026, our cash and cash equivalents stood at ¥260.0 billion, and our current ratio at 181.4%. While the cash conversion cycle is at an efficient level of approximately 20 days, our funding needs are seasonal, and we also see fluctuations in funding due to the nature of our business. During events such as Windows EOS, we need to secure more inventory than usual to ensure we can fully meet customer upgrade demand. In response to the recent EOS, we secured approximately ¥50.0 billion worth of PC inventory over a period of about a year to prevent lost opportunities, significantly exceeding normal levels. While sales continue to grow, current cash reserves represents only 2.4 months of sales. Considering this business structure, seasonality, and our actual funding needs associated with events, careful consideration is required regarding the appropriate level of cash reserves.

Currently, with discussions underway at the Financial Services Agency and the Tokyo Stock Exchange regarding revisions to Japan's Corporate Governance Code, we have also been conducting ongoing discussions, primarily at the Board of Directors, on the appropriate allocation and

verification of management resources. Based on the premise of ensuring the continued operations of more than 300,000 customers, we are reviewing how to secure the necessary funds even in situations where the Japanese economy stagnates for a year due to factors such as chain reactions during financial crises, natural disasters, and geopolitical risks.

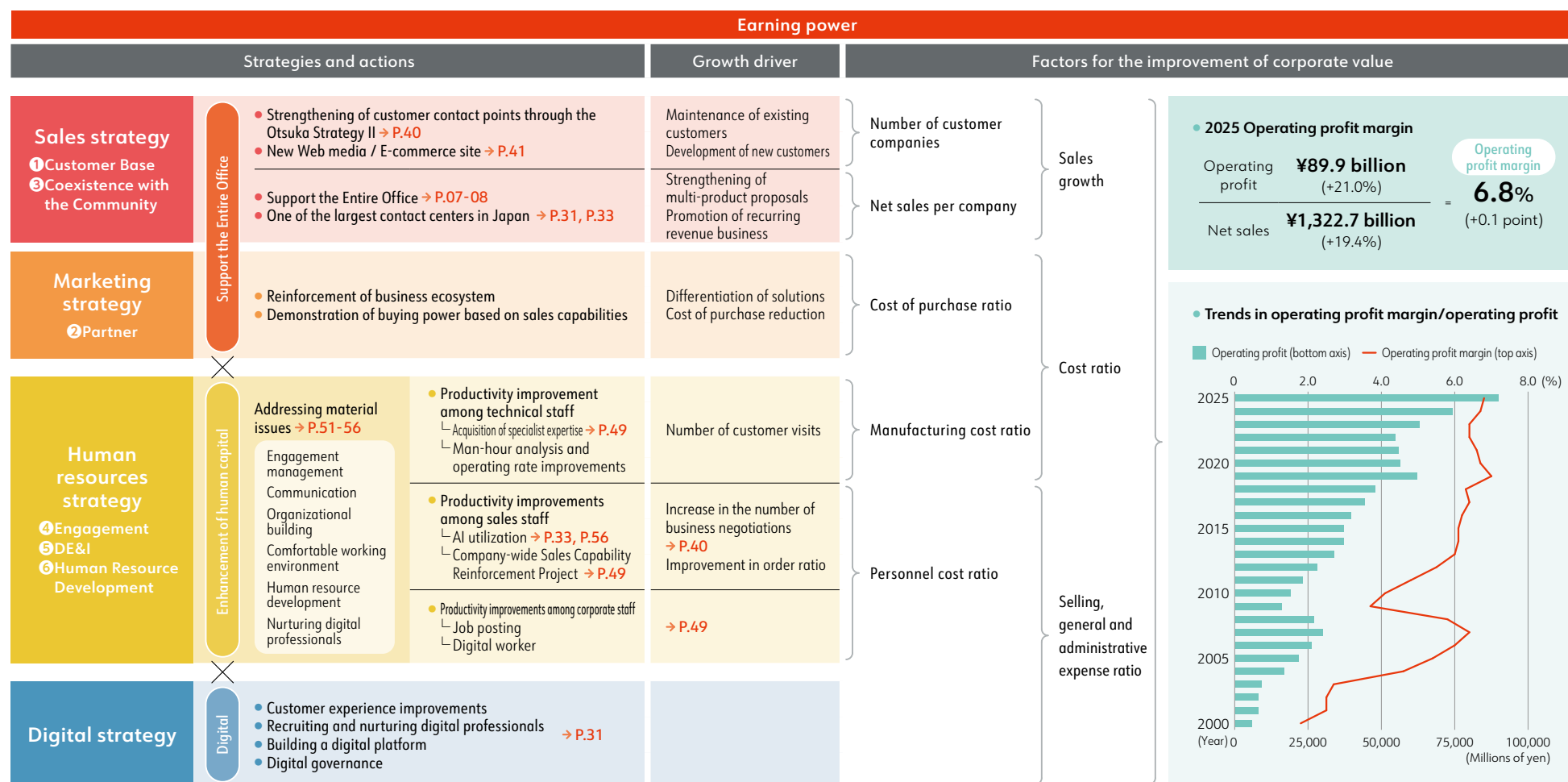
The funds we need to secure are divided into five categories, which are given priority in our financial strategy: ① working capital, ② funds necessary to ensure business continuity, ③ personnel costs (maintaining employment), ④ funds for stable dividends, and ⑤ funds for growth investments. These measures are also intended to protect the stakeholders essential to the continuation of our business. Temporary surplus funds and surplus funds above target levels will be effectively utilized through shareholder returns and investments, and circulated in a way that contributes to the enhancement of corporate value.

We aim to become a 100-year company that continues to grow in a stable and sustainable manner by responding to the trust of our many stakeholders and growing together with them



Logic Tree for Corporate Value Enhancement

Improving the competitiveness of our business is essential to enhance corporate value in a sustainable manner. To further reinforce the source of its value creation, OTSUKA CORPORATION is working to increase revenue opportunities and sophisticate its value proposition by refining the systems, human resources, and digital platforms that underpin business growth through a multifaceted approach. We have systematically arranged these initiatives and created a logic tree to visualize how we can develop greater earning power, clarifying our pathway to enhancing corporate value.

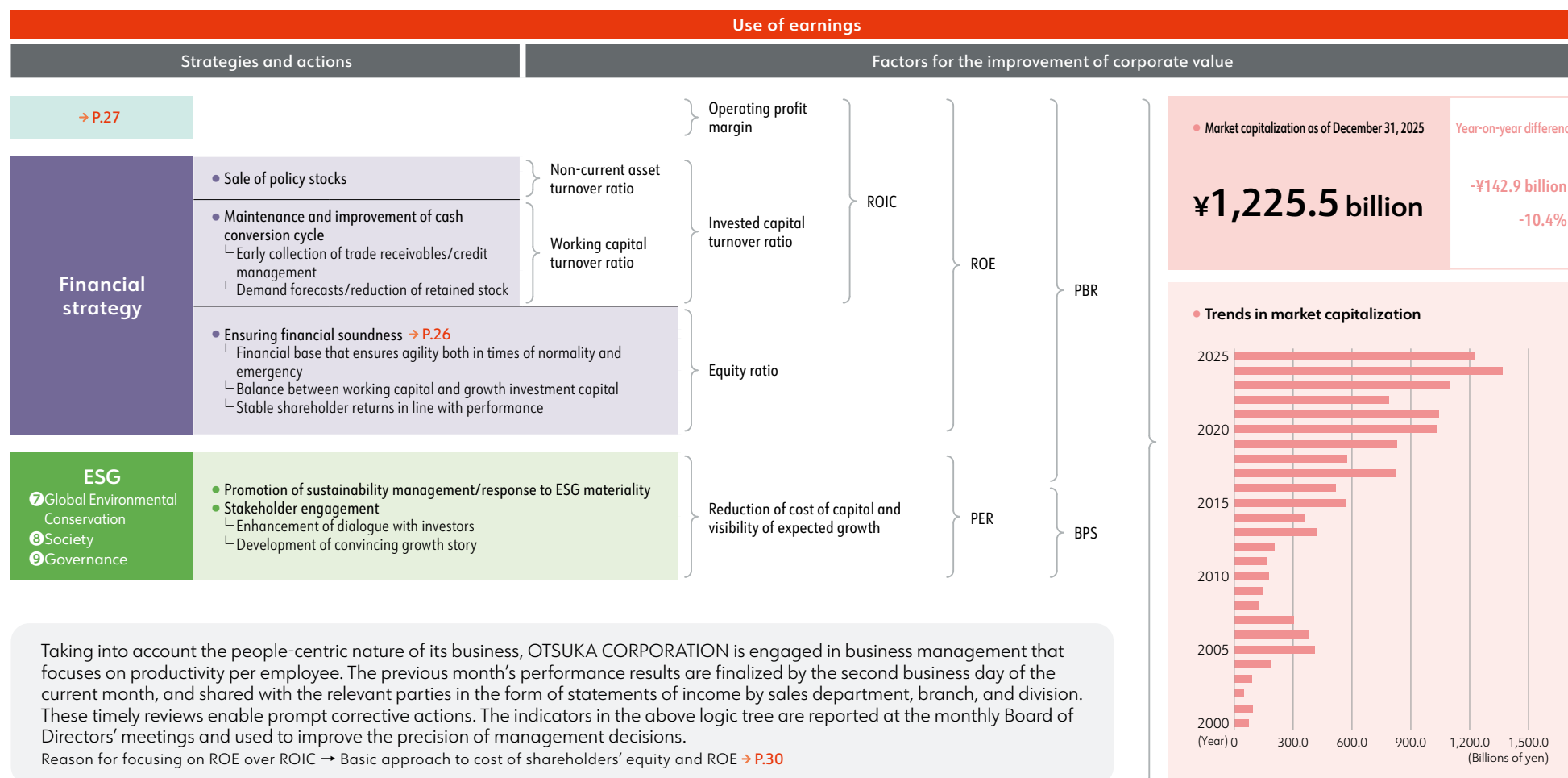
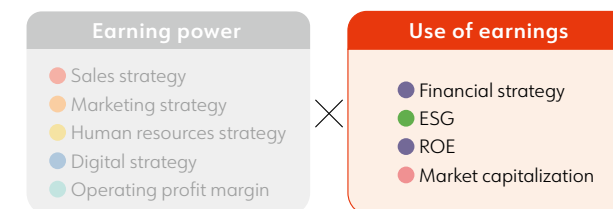


*①-⑥ are related material issues

Productivity per employee → P.47

Logic Tree for Corporate Value Enhancement

To enhance corporate value in a sustainable manner, it is important to effectively circulate profits we generate. OTSUKA CORPORATION is focusing on improving capital efficiency, which leads to ROE improvements, while maintaining profitability that exceeds the cost of capital. On this basis, through capital allocation (→ P.25) that involves an optimal combination of growth investments, ensuring financial soundness, and shareholder returns, we will create a system that transforms capital into value creation to improve our market capitalization.



*①-⑨ are related material issues

Message from Managing Director & Executive Operating Officer, General Manager of Business Administration Headquarters

Respond to Trust by Promoting the Realization of Our Mission Statement

P.29 Medium- to Long-Term Management Policy
P.30 Realizing Management That is Conscious of Capital Costs and Share Price

Managing Director &
Executive Operating Officer
Hironobu Saito



Medium- to Long-Term Management Policy

Basic approach

Since the 2000s, OTSUKA CORPORATION has focused on improving productivity and strengthening its corporate structure. This enabled us to achieve significant results in 2019, setting a new record for the largest increase in performance. However, the subsequent COVID-19 pandemic drastically altered the business environment, resulting in a temporary stagnation in performance from 2020 onward. This experience demonstrates that building a resilient business foundation that is not easily affected by environmental changes and re-establishing relationships with customers are crucial issues we must address.

Based on this recognition of the issue, we announced our Medium- to Long-term Management Policy in 2023. This policy clarifies OTSUKA CORPORATION's fundamental approach of "growing together with customers through the realization of our Mission Statement" and redefines the direction of our medium- to long-term strategy to achieve this. To steadily advance this policy, we have set KPIs to objectively track our progress and make improvements.

The current status of each KPI is as follows.

KPIs		Targets	2023 results	2024 results	2025 results	References
Relationships with customers						
	Number of customer companies per year	+2.0%	+1.1%	-0.2%	+5.4%	→ P.39
	Net sales per company	+3.0%	+12.0%	+13.6%	+12.0%	
Operating profit and ordinary profit						
	Average annual growth rate*	+6.0%	+15.0%	+18.1%	+21.0%	→ P.24, P.27
	Profit margin*	7.0% or higher	6.4%	6.7%	6.8%	
ROE		13% or higher	14.3%	15.0%	16.8%	→ P.30
Dividend payout ratio		50% or higher	53.9%	56.7%	53.1%	→ P.25

*Growth rate and profit margin stated above are those of operating profit.

Medium- to Long-Term Management Policy

- Continue stable and sustainable growth while responding to changes in the environment
– Achieve both operating and ordinary profit margins of a steady 7% or more
- Slightly expand workforce plans, while keeping productivity improvements in mind
- Explore demand with the use of data
- Improve productivity through the efficient use of people, goods, money, and information

We aim to enhance the operating profit margin by improving productivity

As the IT world changes extremely rapidly, we see little point in setting fixed, specific numerical targets for the future. More importantly, it is vital for us to enhance our organizational capabilities to respond quickly and accurately to environmental changes.

That said, since indicators for measuring results are essential for improving long-term profitability, we have set the operating profit margin as one of our KPIs. While our operating profit margin is gradually improving toward our target of 7%, productivity improvement is key to achieving this.

To achieve this productivity improvement, we are strengthening our human resource development

and digital strategies to enhance both work efficiency and added-value creation capabilities. Furthermore, we will further improve our earnings structure and increase our operating profit margin by expanding sales through our "support for the entire office" proposals.

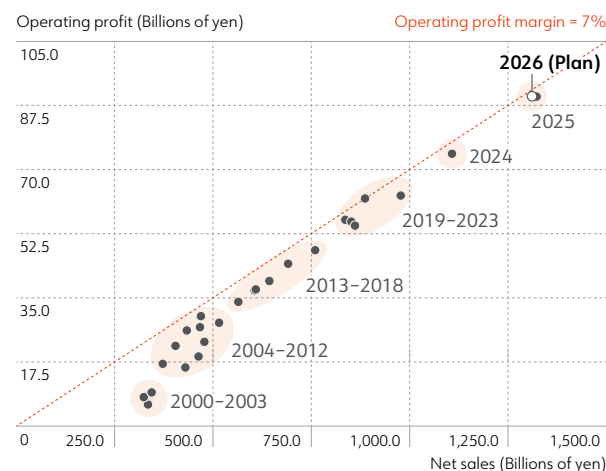
Productivity Per Employee → P.47

Human Resource Development → P.55

Digital Strategies → P.31

Support the Entire Office → P.07-08

Net sales and operating profit (2000–2026)



*Figures for 2000–2025 are actual results, while those for 2026 are based on plans

Message from Managing Director & Executive Operating Officer, General Manager of Business Administration Headquarters

Realizing Management That is Conscious of Capital Costs and Share Price

● Basic approach to cost of shareholders' equity and ROE

We estimate the cost of shareholders' equity and weighted average cost of capital (WACC) using the capital asset pricing model (CAPM). Because our interest-bearing debt is minimal and we are continuing with debt-free management in real terms, both figures are at roughly the same level. As such, our discussions on capital efficiency emphasize ROE rather than ROIC, and at the Board of Directors, we engage in discussions mainly focus on comparisons between the estimated cost of shareholders' equity and ROE.

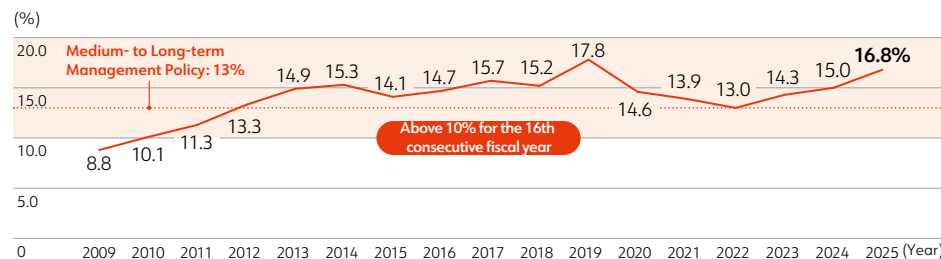
In 2025, ROE was 16.8%, exceeding 10% for the 16th consecutive year and maintaining a level above both the cost of shareholders' equity and the targets of its Medium- to Long-term Management Policy. Among the components of ROE, we place particular emphasis on profit to net sales ratio. We will aim for further ROE improvements by increasing the operating profit margin, as mentioned in the previous section.

CAPM-based estimate	Target	Result
Cost of shareholders' equity Around 8% 2021–2025: 5.3%–11.4%	ROE 13% or higher Medium- to Long-Term Management Policy	ROE 16.8% 2025

Consolidated: Components of ROE

	Unit	2020	2021	2022	2023	2024	2025
Financial leverage times		1.74	1.66	1.63	1.64	1.73	1.83
Profit to net sales ratio	%	4.7	4.7	4.6	4.9	4.8	4.9
Total asset turnover	times	1.79	1.78	1.70	1.80	1.79	1.89
ROE	%	14.6	13.9	13.0	14.3	15.0	16.8

ROE trend



● Status of dialogue with shareholders

The President & Chief Executive Officer, myself (Managing Director & Executive Operating Officer, General Manager of Business Administration Headquarters), and staff in charge of investor relations engage in dialogue with investors and analysts both in Japan and overseas. Stakeholder Engagement → P.66

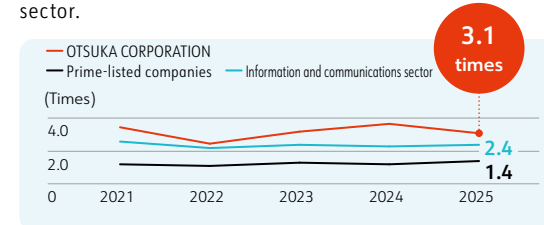
● Approach to stock price *Figures are as of December 31, 2025. The figures in parentheses indicate change from the end of the previous fiscal year.

■ Market capitalization / stock price

Market capitalization as of the end of 2025 was ¥1,225.5 billion. While maintaining a growth trajectory over the medium to long term, we are currently experiencing a temporary adjustment phase, owing partly to a pullback following the sharp growth of 24.2% in 2024. We will continue our initiatives geared toward sustainable corporate value creation by thoroughly ensuring that management is more conscious of share price, including the introduction of a new incentive remuneration plan (→ P.72).

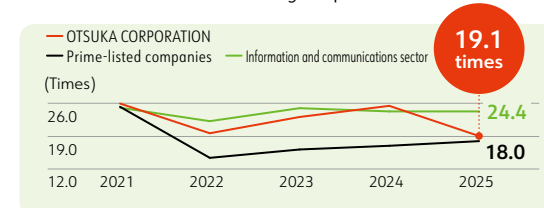
■ PBR

Price book-value ratio (PBR) continues to outperform the average performance of other Prime-listed companies and other companies in the information and communications sector.

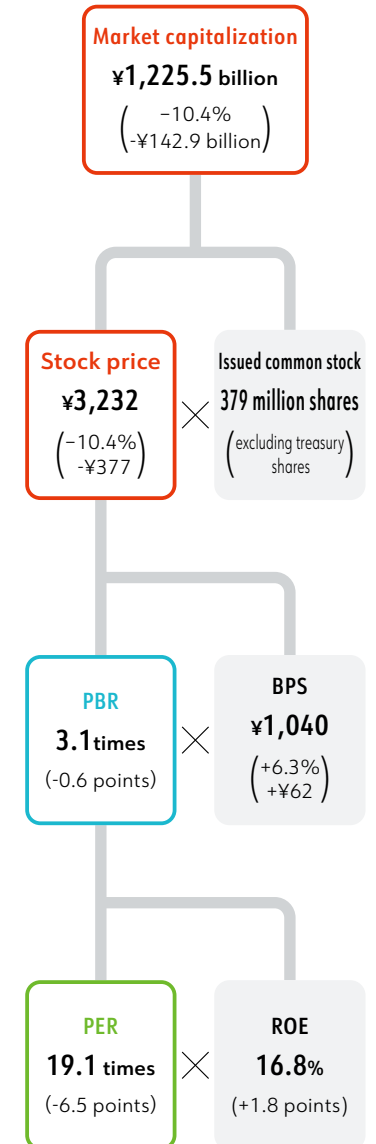


■ PER

Although there are short-term fluctuations in the price-earnings ratio (PER), we will steadily proceed with our initiatives aimed at enhancing corporate value.



*Reference: Japan Exchange Group – PBR and PER for Prime-listed companies and companies in the information and communications. Figures until 2021 are for Tokyo Stock Exchange First Section companies, and from 2022 are for Prime-listed companies



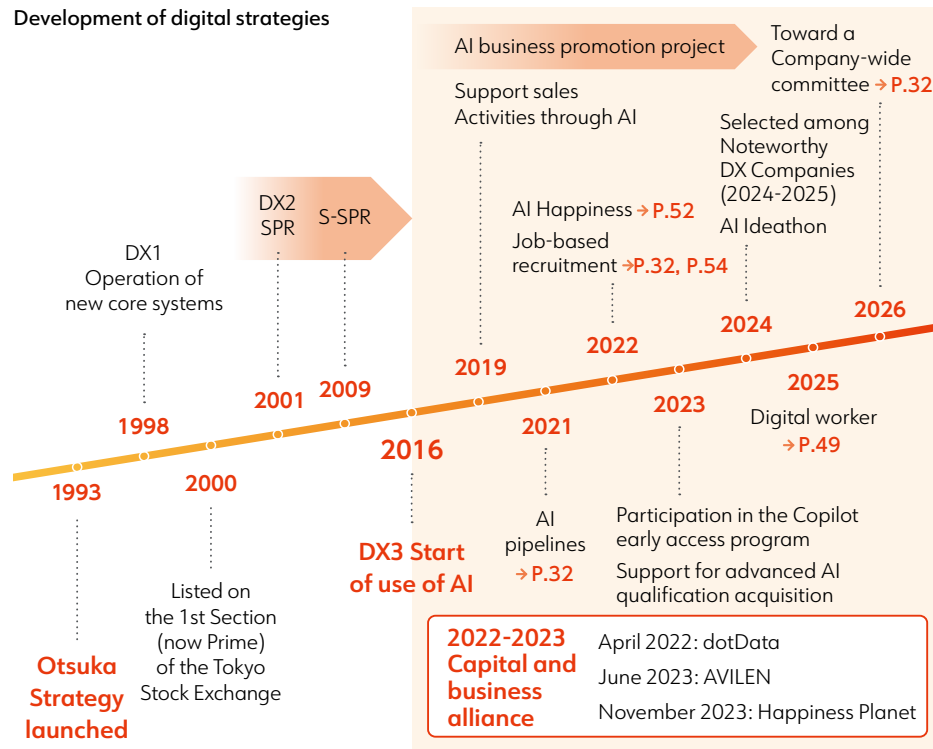
Digital Strategies

The year 2026 has been labeled the first year of the digital worker; a period in which AI will move dramatically closer to human capabilities. AI has advanced to the point where people can mistake its capabilities for that of a human. As such, collaboration between AI and people will play a central role in future business competitiveness. OTSUKA CORPORATION is building a technology portfolio of carefully selected digital technologies, including generative AI, that will be key to its operations.

While using these tools based on thorough digital governance, we are working to improve the customer experience, recruit and nurture digital professionals, and build a digital platform. In doing so, we are aiming to both establish a competitive advantage and create social value.



Development of digital strategies



01 Customer Experience Improvements

By improving customers' experiential value through use of digital technologies, we are aiming to improve customer productivity, support different workstyles, develop regional economies, and address other social challenges.

● Use of data that anticipates customer challenges

The combination of multiple products and services is key to addressing customers' challenges. Our "support for the entire office" approach has unlimited potential—combining more than 3 million products to address the diverse needs of more than 300,000 customer companies we serve each year.



In addition to this vast volume of information, by having AI analyze information from approximately 3.7 million business negotiations per year to generate insights, we are working to strengthen our proposal capabilities to identify customer improvement opportunities from an early stage.

The accumulation of this enormous volume of data and the continued reinforcement of our analysis capabilities are fundamental to supporting the OTSUKA CORPORATION business model, and can help form the competitive advantage that ensures sustainable value creation.

Advanced insights enabled by AI analysis	
Visualization of the reasons and process leading to purchase	→ Learning of successful patterns, optimal proposals for similar customers
Analysis of reasons for loss of opportunity	→ Points for improvement and direction of next approach
Optimal product combination	→ Provision of options based on vast number of transaction examples

● Hybrid support system combining face-to-face and digital interaction

The tayoreru Contact Center is one of the largest technical contact centers in Japan, responding to approximately 150,000 inquiries each month. We are creating a hybrid support system that combines face-to-face and digital interaction—be it the dispatch of engineers, remote support, chat-based support, or online consultations—depending on the customer's issue. We are also working toward the implementation of customer-oriented AI agents to improve convenience.

- Automatic generation of FAQs by AI based on accumulated knowledge
- Sharing of information with partners for use in next-stage product development
- Planned implementation of customer-oriented AI agents

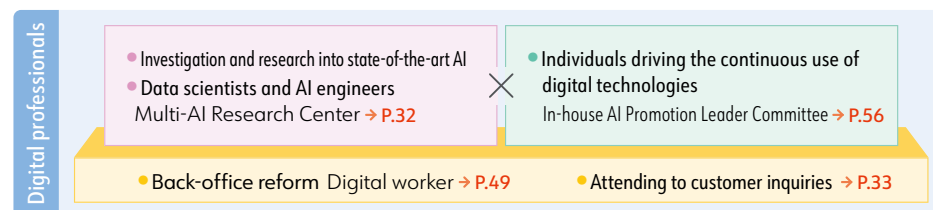
However, while AI may enable the standardization and reproduction of high-quality services, the resolution of ambiguous problems is a skill unique to humans who understand context and use creative thinking. We are aiming to further improve the customer experience through AI-human collaboration by understanding the roles that people play precisely because of our strong AI capabilities.

Digital Strategies

02 Recruiting and Nurturing Digital Professionals

● Definition

While the promotion of digital management requires greater digital literacy of every employee, not all of the Group's more than 10,000 employees are required to become experts in technology. At OTSUKA CORPORATION, digital professionals are those who can create new value in their respective roles through leveraging digital technologies to accelerate business development.



● Multi-AI Research Center

At the Multi-AI Research Center, which was established in 2015 and reorganized in 2024, we study the characteristics of AI at each of our partner companies. It is an organization unique to OTSUKA CORPORATION that enables us to incorporate these AI technologies into in-house operations and integrate them into easy-to-use solutions for our customers.

While using analytical tools that can identify the right solution for the right customer at the right timing to improve the likelihood of transforming proposals into projects, as well as developing AI apps that can serve as personal assistants to sales staff, we are communicating next AI trends to management, identifying technologies for the Company to adopt, and recommending the course of action for AI strategies.



AI Lab: Research of scientific English papers, development of algorithms, etc.

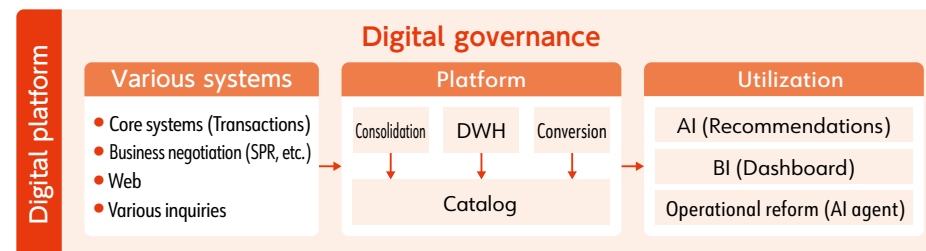
● Job-based recruitment

We conduct job-based recruitment to acquire highly specialized human resources such as data scientists and AI engineers. We are also working to acquire outstanding human resources from both Japan and overseas. In addition to hiring graduates from the Indian Institutes of Technology (→ P.54), we also offer internships for students for the development of autonomous AI agents in Japan.

03 Building a Digital Platform

Each AI has its area of expertise, such as classification, feature engineering, prediction, and generation. OTSUKA CORPORATION has built its unique AI infrastructure, AI pipelines, which combines each AI's area of expertise by leveraging our characteristics as multi-vendor (obtained patent for AI business model). Moreover, we continue to work to sophisticate the infrastructure alongside our partners.

Roundtable Discussion on Digital Technologies → P.34



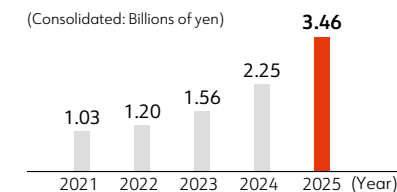
04 Digital Governance

In 2019, we launched an AI promotion project led by the Head Office, and we continue to study the introduction of AI within the Company and conduct research on external sales models that will be the optimal solution for our customers. In January 2026, the project was developed into a committee to enable rapid decision-making across the Company, including the optimization of governance, and through the committee we are further strengthening our efforts for the introduction of AI technologies. The committee comprises individuals from each specialist department, and by bringing their expertise together, it serves as a command center for the Company's AI activities.

Company-wide strategies for AI utilization	Creation and rollout of use cases
Provision of shared AI infrastructure	Accumulation and sharing of knowledge
Measuring of introduction effects	Fostering of a corporate culture
Provision of use guidelines	Development of human resources and skill improvement

Trends in research and development expenses

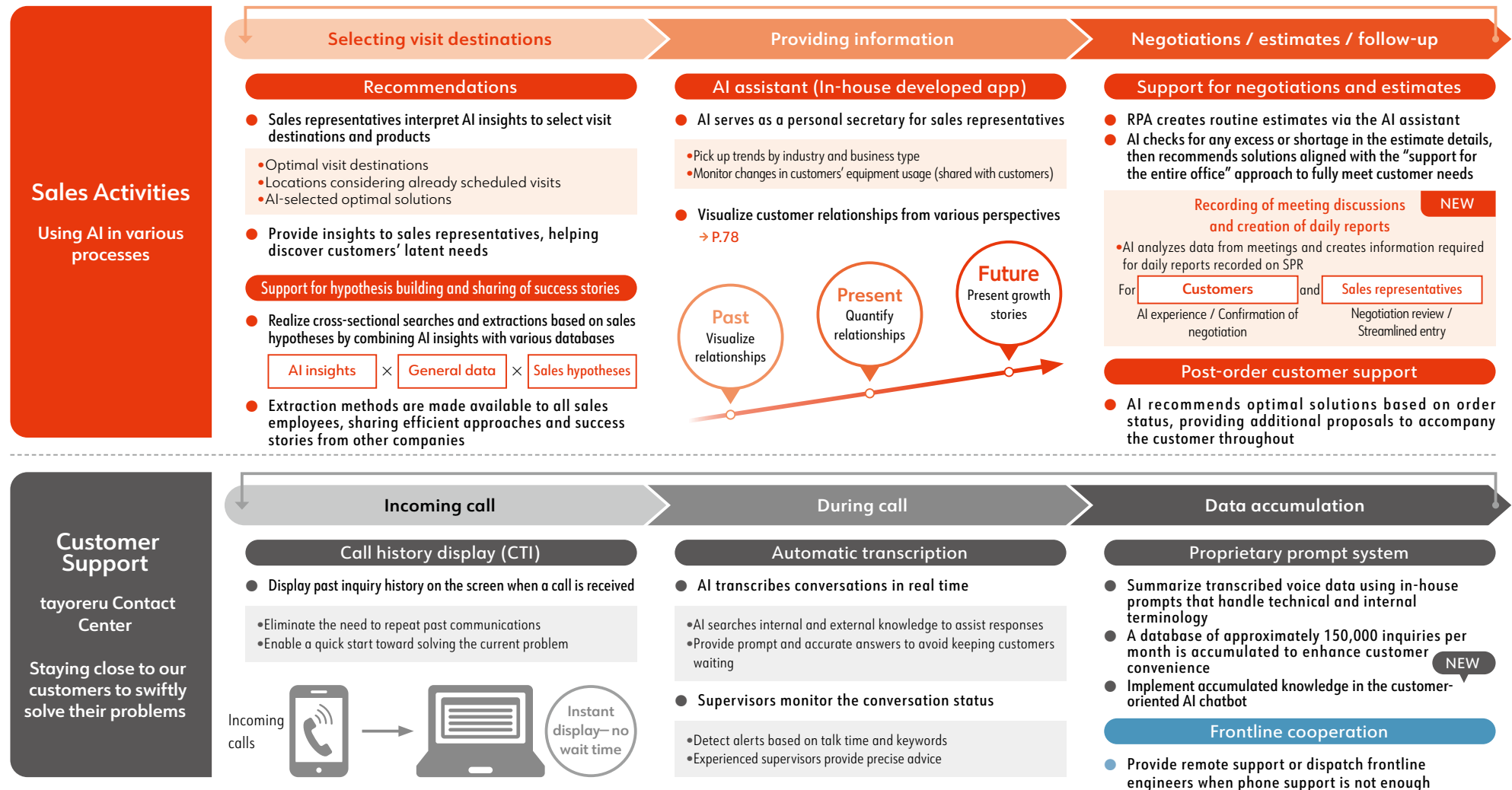
(Consolidated: Billions of yen)



* Main AI research and development activities:
Research and development of autonomous system applying AI agent technologies, AI system that can provide advanced explanations through collaboration between multiple LLMs, data management system that supports AI training data, etc.

Strengthening Customer Relationships Through Digital Technology Utilization

To solve customers' problems, we are promoting the use of digital technologies such as AI across various scenarios. We aim to discover optimal solutions, avoid keeping customers waiting, and share our AI know-how with them. By continuously advancing these efforts, we will enhance our relationships with customers.



Roundtable Discussion on Digital Technologies

The future shaped by data management.

We live in the age of AI, which is why we stay

close to and grow together with our customers.

We invited Mr. Sasa, Vice President and Country Manager of the Japanese subsidiary of Databricks, a global leader in next-generation data platforms, to speak with OTSUKA CORPORATION's data scientists about the direction of OTSUKA CORPORATION's value creation in the age of AI.

(This roundtable discussion took place in April 6, 2026)



SECTION 1 | We are on the brink of an exciting time when everyone can use AI This will have a tremendous impact on businesses

DB Sasa Hi. I am Sasa from Databricks Japan. Thanks for having me here today. At Databricks, we call ourselves a Data & AI company. What we do is provide support for our customers' data management. A lot of companies around the world are confronting the question of what they can do not only with BI, but with AI. Because of the kind of culture we have at Databricks, the harder this challenge is, the more motivated we are to tackle it. We want to solve this problem for our customers. People talk about the democratization of AI, but AI is becoming more technically and functionally advanced. Over the past three years, we have seen especially prominent growth, with Databricks' net sales quintupling, from \$1.0 billion to \$5.0 billion. Companies are using AI for a wide range of operations, and I feel like its scope is expanding.

OTSUKA Ochi Mr. Sasa, thank you for your continued support. I have really been looking forward to this roundtable discussion today. My first encounter with Databricks also happened to be three years ago. Until then, for each individual data analysis project, we had set up an on-premise environment to provide various functions that data scientists would use. I was very impressed with Databricks, which enabled us not only to work with our internal data, but also to perform visualization with BI tools and utilize advanced AI, all with a high degree of flexibility. It started to become widely used in the Multi-AI Research Center (MAC), starting with members who were into high-end technology. It has so many different functions that you never get tired of using it. Please don't take this the wrong way, but it felt like I had gotten my hands on a toy that could do anything.

OTSUKA Matsuda My first encounter came a year later. I am a member of the Marugoto Marketing (MM) Headquarters, and we handle sales promotion, promotional activities, and marketing. The MAC, where Mr. Ochi works, leads company-wide AI initiatives, but my mission

Roundtable Discussion on Digital Technologies

is to translate the results of data analysis into marketing and business value and enhance our sales activities. Thanks to the Databricks environment that the MAC has taken the lead in building up, deployment went smoothly.

OTSUKA Ochi It is gradually being adopted by other departments beyond the MAC and the MM Headquarters as well. Databricks offers analysis functions through the Genie AI agent. The other day, I demonstrated it for the planning division, and they were surprised at its level of precision. They were impressed by how much the AI was capable of.

DB Sasa I am very glad to hear that you are using it.

What challenges are you hoping to address through the use of Databricks, Mr. Matsuda?

OTSUKA Matsuda OTSUKA CORPORATION is a huge company, employing over 10,000 people. It may sound a bit run-of-the-mill, but we want to tackle the issue of siloed data. Because we are a major corporation, each of our organizations has a lot of customer contact points and sales records. Our extensive data is one of OTSUKA CORPORATION's strengths. But for us to provide customers with detailed service and analyze rapidly changing IT products in line with the times, in some cases each system or department maintains its own master data.

We want to enhance our data orchestration

capabilities by eliminating these local silos and consolidating data onto a unified company-wide data platform.

OTSUKA Ochi Mr. Sasa, I am sure you've seen many examples from other companies. How do you see OTSUKA CORPORATION's initiatives compared with those of other companies?

DB Sasa In some areas, I think you are taking the lead. OTSUKA CORPORATION has a dedicated AI unit, which you are part of. There are a lot of companies that don't have any kind of similar organization. Back when data scientists were themselves a rarity, many companies, when they encountered operational problems, would just give up due to technical limitations. I feel like starting around 2025, those companies all rushed to start using AI. But OTSUKA

CORPORATION started building an environment that made it easy for data scientists to work three years ago. You were quick to start, and that deserves recognition.

OTSUKA Ochi The MAC was established in 2015 as part of Otsuka Strategy II. We took the data that we had gathered for over 20 years, based on Otsuka Strategy II's policies, and fed it into AI. We began fusing BI and AI several years ago.

DB Sasa I also don't think there is much point in distinguishing between BI and AI. For example, the more customer data we collect, the larger our dataset becomes. There is website viewing history, purchasing history, app usage time, and negotiation feedback. While SQL could be used to extract this data, when we think about what to actually do with it after extraction, we can't make an accurate decision without feeding all of it into AI systems.

OTSUKA Matsuda OTSUKA CORPORATION handles products from around 2,400 companies, and we do business with over 300,000 companies a year. The amount of data we have is already enormous, but we want to collect even more customer contact point data. Our goal for the time being is to manage the data in a secure environment and make it possible to handle the data using natural language, no matter when the AI accesses the data.

OTSUKA Ochi Until now, leveraging data and AI has been the exclusive domain of data scientists, but with the evolution of generative AI, like Databricks' Genie, even people without special skills can do the same things. In other words, AI and data are becoming democratized. I feel like we are on the brink of such excitement.

DB Sasa Another area that is important when discussing the differences between BI and AI is time. BI is good for summarizing the status of business until last week, or yesterday, but what everyone really wants to know is if next week will be fine, or if next month will be fine. When someone says "Mr. Matsuda, give me a forecast for next year," that is where AI comes in. AI makes predictions based on BI. Combining both of these in a single tool can have a tremendous impact on various businesses.

SECTION 2 | Eliminating silos by building a company-wide shared platform The next challenge will be the ability to understand data

OTSUKA Matsuda The flip side of AI democratization is that the more data you collect, the more security challenges you face, such as handling personal information. Collecting data itself is difficult, but there are times when you have to proceed even though certain issues, such as limitations on data usage from a security perspective, have not been fully resolved. While managing data access control through Unity Catalogue is the absolute prerequisite, there is a concern that doing so will keep data silos alive, even though the platform is in place.



Roundtable Discussion on Digital Technologies

OTSUKA Ochi The word “silo” is always a difficult one for me. I think having different targets and KPIs for each division is partly unavoidable. But there are necessary silos and unnecessary silos. Targets and KPIs can be siloed, but there is no reason for the platform itself to be siloed. Even if the KPIs are different, the actual data you look at, or want to look at, is the same. That is why, at the very least, Mr. Matsuda and I both need to get rid of those silos. That said, OTSUKA CORPORATION has a lot of data that isn't siloed. When we think about where that data comes from, I think it is the company's overall strategy that management keeps communicating. Otsuka Strategy II is a major initiative, and President Otsuka is promoting the implementation of that initiative throughout the entire company, so I don't feel like ultimate decision-making is being siloed.

DB Sasa If we turn our attention to overseas case examples, the U.S. is really at the forefront. Looking at the companies with the most advanced usage, they are managing their data in an integrated way, allowing them to view the Databricks Catalog and see what data exists and where it is located across the entire organization. This is made possible by both technology and governance. In every company, each division has SaaS solutions and its isolated data. It has only been in the past few years that technologies have been refined for extracting and integrating that data. In the Fortune 500, there are many companies that, prior to migration, had their data spread across 50 or even 100 data warehouses. Generative

AI has made it possible to migrate that data, so they say that what used to take three years can now be done in one third of the time, or even one fifth of the time.

OTSUKA Matsuda The improvements in the ease of gathering and integrating data have a big impact on OTSUKA CORPORATION, too.

DB Sasa When it comes to silos, there are, of course, times when the departments that own data refuse to share it. Companies need cross-functional teams that can manage all of that data, identify its purposes, and assign authority accordingly. Whether to assign that role to a Chief AI Officer (CAIO) or a Chief Data Officer (CDO) will be determined by emerging best practices over the next year or two.

OTSUKA Ochi As you said, this is something that organizations need to consider. The biggest concerns are authority and information literacy. As AI agent usage becomes more widespread, there is a risk that the agents may exceed user permissions and access any data regardless of authorization. There needs to be a strong governance system in place for such situations. In the past, it was sufficient to have a small number of data scientists who could properly understand and work with data, with a few unwritten rules in place. But that will not work with AI agents. We need to prepare data usage guidelines that are clear, objective, and cannot be misinterpreted.

SECTION 3 | 2026 is the first year of the AI agents Deploying AI has become easier for SMEs

OTSUKA Matsuda So far, we have mainly been talking about large corporations. But 99% of Japanese companies are SMEs. Over 80% of OTSUKA CORPORATION's customers have annual sales of less than ¥1.0 billion. How will SMEs like these use AI?

DB Sasa I think silos also occur for SMEs, though not to the same extent as for large corporations. There are a lot of tools for SMEs, but because they are all separate tools, silos become inevitable for data and operations. I am sure many SME presidents look at all of their data. It is inconvenient that this data is in SMILE and that data is in Kintone. I feel like there is a strong need to see all of the data at a glance.

OTSUKA Ochi There is definitely a need for that. But many SMEs don't have the resources to hire a dedicated AI specialist. If OTSUKA CORPORATION were to design AI agents and an MCP—a protocol that unifies connection methods and operating rules when AIs are linked with outside services—and offer them as customer “information systems,” such services could prove highly valuable.

OTSUKA Matsuda And indeed, in 2026, we released our tayoreru Business AI Agent. We started with a general-purpose AI agent, but we are also preparing to add an AI agent for SMILE.

DB Sasa Personally, I think of 2026 as the first year of the AI agent. This is when it all begins. There are three main objectives for AI agents. One, contributing to the top line. Two, contributing to the bottom line: improving efficiency and productivity. And, three, risk management. That is true regardless of business type or scale.

OTSUKA Matsuda OTSUKA CORPORATION's history has been one of improving productivity. We have introduced tools, of course, but we have also worked on systematization, and these have increased our net sales and profits per employee. That is what has shaped what we are today. AI could be seen as one element in this overarching direction.



Roundtable Discussion on Digital Technologies

DB Sasa In many cases, large corporations build very complex, highly customized systems. It seems that AI is easier for SMEs to use, as they often rely on un-customized systems.

OTSUKA Ochi OTSUKA CORPORATION started using recommendations by AI for sales support from 2019, but I don't think sales and on-site employees fully recognize how extensively they are using AI. Even in their day-to-day work, thanks to AI agents, they can work efficiently without realizing it. I think that is also the ideal for SMEs. Even if people do not interpret data themselves, they can get immediate answers to their questions. We should aim to provide services like that.

SECTION 4 | Sales is the true differentiator in the age of AI Supporting customers through scientific predictions and down-to-earth effort

OTSUKA Matsuda As you mentioned earlier, Mr. Sasa, OTSUKA CORPORATION has been at the forefront of applying AI to sales activities. What do you think are the key points for companies that will be deploying it in the future?

DB Sasa There are two key points. First, when I talk to sales managers, they always say that they want to use AI. In particular, top management such as general managers of sales need to have an overarching view. I often hear that they want to use the existing materials together with AI-generated analyses to get a more three-dimensional view. Human analysis is affected by the habits, decisions, and subjective judgements of people in charge, so companies want to ensure objectivity.

The other key point is that sales personnel who are closer to the customers are always looking for ways to approach their customers. Looking to the future, there is strong demand for the use of AI to search unstructured data, and I think the technology for that is currently advancing.

OTSUKA Ochi There is a growing argument that, as AI becomes more advanced and deeply integrated into business processes, sales will no longer be necessary. What do you all think about that?

OTSUKA Matsuda I don't think we have reached that point yet. We are gradually starting to see how companies are using AI, but adoption levels vary widely. Some people use AI extensively, while others do not use it at all. The same is true for customers. There are some customers who will contact an OTSUKA CORPORATION sales team or request an SE to be dispatched even for relatively minor issues, such as when they cannot connect to Wi-Fi. I

believe that demand will continue to exist. There is still significant business domains for us in the last-mile phase, where it is essential to deliver accurate information and support customers reliably.

DB Sasa Even if AI is used to handle the up-front things that could be handled by anyone, I have a hard time imagining AI replacing sales entirely. As long as we are doing real-world business, sales has a strong role. Just like hospitality still exists, sales will continue to exist.

OTSUKA Ochi I also think sales will come to play an even bigger role going forward. That is because if every company adopts AI to a similar extent, it will be hard to differentiate through technology alone. The reason why customers will choose OTSUKA CORPORATION as a partner all comes down to "people." When AI makes operations more efficient and frees sales personnel from their routine work, they can devote more of their time to the work that only people can do, like working closely with customers and showing them the way to achieving further growth. Based on the highly accurate forecasts created by AI, and the effort, tenacity, and grit that make up OTSUKA CORPORATION's DNA, we will continue to attentively support our customers. The fusion of these scientific predictions and our down-to-earth effort will be, I believe, the biggest differentiators for OTSUKA CORPORATION in the age of AI.

DB Sasa If you train it properly, AI can be a powerful tool, but sales has always been difficult to teach. After all, you never see universities with a Faculty of Sales.

OTSUKA Matsuda One area where we might have to make changes to sales is that some customers themselves might become AI. We are already seeing moves by some companies where AI is being put in charge of purchasing instead of a human. We are entering the world of AtoA, where purchasing is handled between AI agents.

OTSUKA Ochi I don't think truly important purchases will be left to AI alone, so humans will have the advantage in that area. I think that in the future, there will be more integration of



Roundtable Discussion on Digital Technologies

humans and AI, and also more differentiation between their roles. The changes over the past few years have felt very rapid, but I heard a lecturer once said that we are actually living through a period of slow change. What the lecturer meant was that compared to the speed of the changes that will take place in the coming years, things are still changing slowly right now.

SECTION 5 | Human work is ultimately work that impacts other people OTSUKA CORPORATION will contribute to solving social issues through its continued growth

DB Sasa As I said earlier, this year is the first year of AI agent. Three years from now, everyone may be able to do things they couldn't do before. But for that to happen, every company needs to build a technical foundation. I think it will take two years to lay the foundation, work the kinks out in the third year, and then hit the accelerator starting from the fourth year.

OTSUKA Matsuda I think you've hit the nail on the head with the three-year timeline. Within the next three years, I want to create a shared platform that lets users to access all the data they need to see. Of course, that will include unstructured data as well. It is hard to imagine what the world will be like in the more distant future.

OTSUKA Ochi As you said, Mr. Sasa, there will be a time when we entrust increasing sales, improving efficiency, and handling risk management to AI agents. So what will remain for people? I think people's work will consist of dreaming, creating visions, moving people emotionally, and influencing others.

OTSUKA Matsuda Whose problems are we solving through what we do? Why are we analyzing this data? What kinds of social problems can we solve? Making decisions about overall direction is something people should be responsible for.

OTSUKA Ochi The OTSUKA CORPORATION slogan that resonates the most with me is "employee growth =

company growth = customer growth." I have worked with Databricks for almost three years now, and one thing that has struck me is how hard your employees work and how much they enjoy their work. Looking at that motivates me to take on new challenges, too. Hopefully, those challenges will help me grow, which will contribute to the growth of the company and our customers, too.

DB Sasa I feel like everyone at OTSUKA CORPORATION is actively and energetically leveraging tools, including our own, and adopting state-of-the-art technologies. You are ahead of other companies. I look forward to seeing what kind of new corporate culture and structure you create as you combine your company's existing sales strengths with AI practices, driven by active younger members like you two.

OTSUKA Matsuda As the pace of change continue to accelerate, OTSUKA CORPORATION is also skilled at thinking on its feet while moving forward.

OTSUKA Ochi We look forward to your ongoing support so we can keep on track as we race forward. Thank you so much for speaking with us today.



Material Issues ①

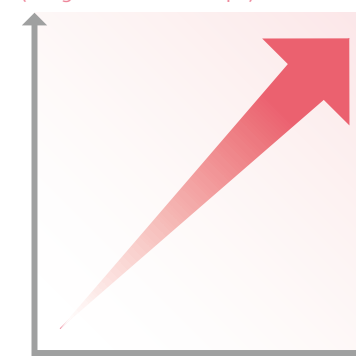
Maintenance and Expansion of the Customer Base

Responding to the diversifying needs of customers leads to the expansion of business domains, and the accumulation of such know-how is the source of the enhancement of added value that drives the growth of OTSUKA CORPORATION. We will continue to grow together with our customers by increasing our customer base, engaging deeply with each of them, and supporting their growth.

Strengthening Relationships with Customers

We have established two KPIs related to relationships with customers: the number of customer companies per year and net sales per company, to drive the strengthening of our relationships with customers. Each KPI does not stand alone, but rather interacts with the other. KPI = Medium- to Long-Term Management Policy → P.29

Number of customer companies
(Long-term relationships)



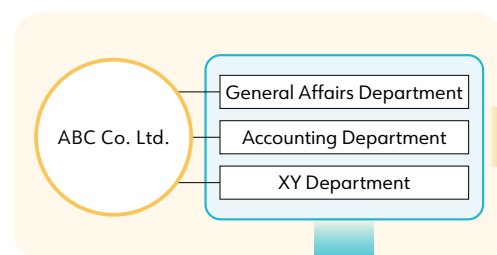
Net sales per company
(Deep relationships)

Achieve
“support for the entire office”
solution through deep and
long-term relationships

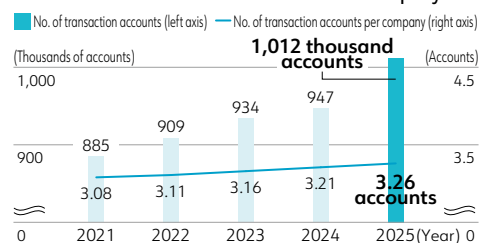
Growth of customers
=
Growth of
OTSUKA CORPORATION

Realizing management based on strong trust
and satisfaction from customers

OTSUKA CORPORATION will grow together with customers by increasing the number of new customers, engaging deeply with each one, and supporting their growth

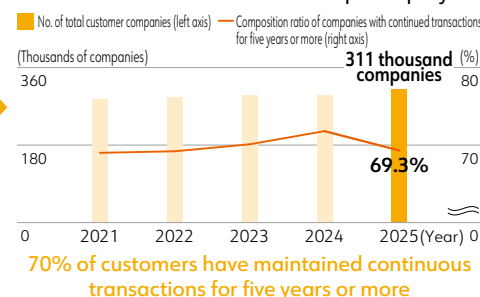


Trends in the number of transaction accounts per year



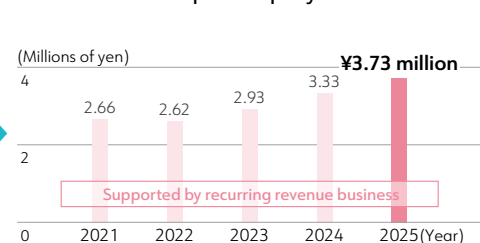
Number of transaction accounts, as well as of transaction accounts per company, has been steadily increasing

Trends in the number of customer companies per year



70% of customers have maintained continuous transactions for five years or more

Trends in net sales per company



Double-digit growth for third consecutive years and a new record toward “support for the entire office” approach

Increase in the number of customers (Customer Companies per Year)

KPI ① Number of customer companies per year (Target: +2% per year)

We strive to exceed our KPI targets by simultaneously acquiring new customers primarily through tanomail and strengthening ongoing relationships with existing customers. Approximately 70% of OTSUKA CORPORATION's customers have been doing business with us for five years or more, a testament to our ability to maintain good long-term relationships, which is a key strength. In 2025, the number of customer companies using tanomail increased significantly, resulting in sharp growth to 311,000 companies (+5.4% year-on-year).



Increase in net sales per company

KPI ② Net sales per company (Target: +3% per year)

The key drivers of this growth are the number of transaction accounts per year and our recurring revenue business. Solving various problems arising in different departments (transaction accounts) within each customer company helps build deeper trust. Supported by our recurring revenue business characterized by continuous business transaction such as supplies, maintenance, and various cloud services, which form our stable revenue base, net sales amounted to ¥3.73 million in 2025 (+12.0% year-on-year), marking a double-digit increase for the third consecutive year.

Maintenance and Expansion of the Customer Base

Otsuka Strategy II

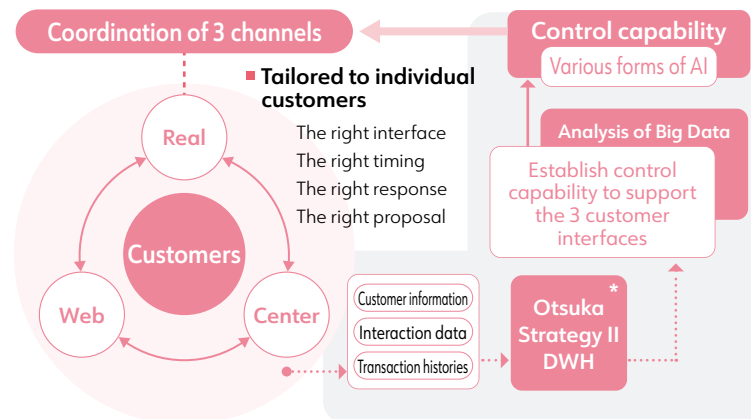
- Get close to our customers through coordination among 3 customer interfaces

Otsuka Strategy II is an initiative aimed at forging new relationships with customers to maintain and expand the customer base. In addition to OTSUKA CORPORATION's strength in "Real" (face-to-face) approaches, such as on-site sales staff and engineers, we are promoting the development and sophistication of three channels: real, web, and center.

Development and sophistication of 3 channels

Real	Based in the community. Able to respond flexibly, being closest to the customer.
Web	Available 24 hours a day, 365 days a year. Allow customers to easily solve issues on their own.
Center	Staffed with many employees with specialized knowledge. Provide fast and high-quality support.

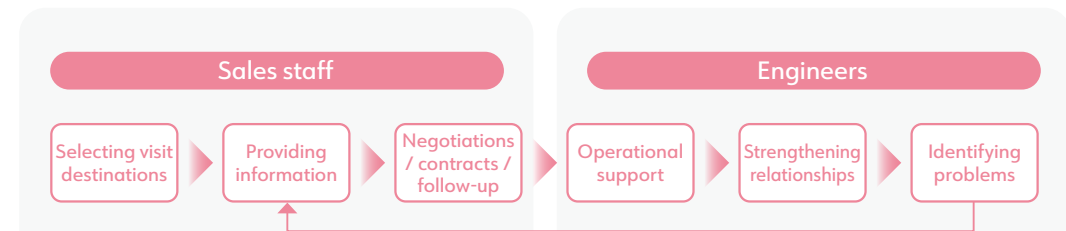
3 channels working in coordination, as one unified frontline
To become a presence that takes pride
in knowing our customers better than anyone else



*OTSUKA big data, an aggregate of customer data, interaction data, transaction histories, etc.

Real Sales Staff / Engineers

We provide community-based customer support through our engineers, who make up the largest portion of our workforce, and our sales team of over 3,000 people.

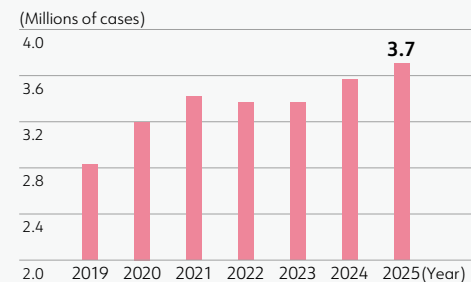


- Streamline sales activities using AI

By leveraging AI and other digital technologies to streamline operations, we are reallocating this saved time to customer service, thereby enhancing the quality of customer contact points. Strengthening Customer Relationships Through Digital Technology Utilization → P.33

Increase in customer contact points

Number of business negotiations per year (Millions of cases)



CASE Helpful Knowledge

Through this mail magazine, we share and communicate necessary information to aid our engineers be of help to and relied upon by customers. We seek clues to solutions to our customers' problems by sharing the individual experiences of our engineers, as well as the strategies they employ when interacting with customers. This initiative not only makes our customers happy but also enhances the job satisfaction of our engineers.

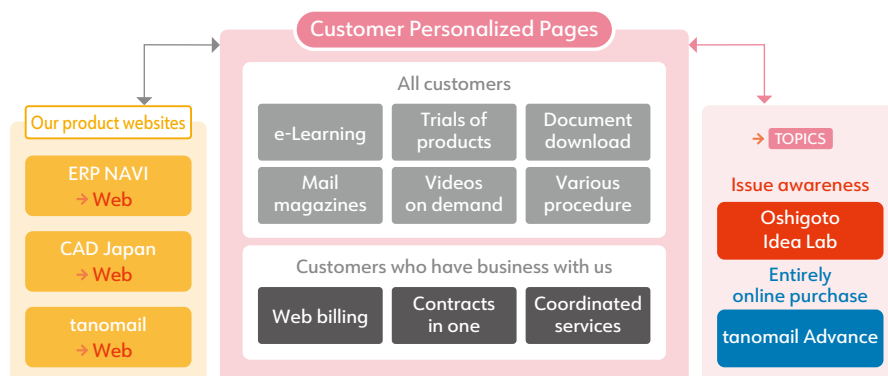


Maintenance and Expansion of the Customer Base

Web

Customer Personalized Pages

We offer various services, such as business e-Learning, free trials of products, etc. through these pages as a contact point on the web for us to get close to the customers. We issue an OTSUKA ID to each of the users in customer companies. The screen display is customized for each of them, giving access to contract details and billing statuses depending on the level of their authorization. We are striving to make the pages a customer portal that is convenient for users. By integrating them with various OTSUKA CORPORATION websites, we aim to foster continuous relationships with our customers through enhanced convenience and value proposition.



Coordination

Center

The Inside Business Center (IBC)

At the Inside Business Center (IBC), we work to coordinate with our Real and Web support services and seek to create and sustain relationships with a large number of customers.

Through outbound marketing centered on tanomail products and inbound marketing via interfaces such as the

OTSUKA CORPORATION website, we reach out not only to active customers, but also dormant and potential customers, in a bid to further expand and strengthen our customer base.

TOPICS

Oshigoto Idea Lab / tanomail Advance: Office IT Completed Online

In 2025, we launched our new web media, Oshigoto Idea Lab, and e-commerce site, tanomail Advance, offering a slightly different service from before.

Oshigoto Idea Lab

Owned media where visitors can learn about IT information in an enjoyable way, entirely online. Using illustrations and animations, we provide easy-to-understand explanations of hints and ideas for solving common work-related problems. → Web

はたらくあなたに、うれしいヒント!
**おしごと
アイデア
LAB**



Even in emergencies, your data is securely protected!



Discover at
LAB
Realize with
Advance

tanomail Advance

A website where IT services can be purchased entirely online. By reducing the time and effort spent on filling out application forms, obtaining estimates, and placing orders, IT services can be used as soon as the next day. → Web

**たのめーる
アドバンス**

Easy online purchases

Comprehensive support from
OTSUKA CORPORATION

Manage everything from applications
through to contracts through
Customer Personalized Pages



● Comprehensive IT Consultation Desk (The Inside Business Center) → Web

オンライン相談も可能!

オフィスのお悩み、**無料で**

ITよろず相談窓口が解決します



Consultation and inquiry services are available via our corporate website and Customer Personalized Pages.

Maintenance and Expansion of the Customer Base

Good Partner Program: Sharing Customers' IT Success Stories and Know-How

The Good Partner Program was established in January 2006 with the aim of fostering long-term collaboration and growing and developing together with customers who are actively working to introduce IT. With the cooperation of approximately 340 model users who have agreed to share their cases (as of March 31, 2026), we provide customers who are considering whether to introduce our systems with real-world experiences, including those about the background, benefits, issues, current operational status, and challenges of their IT implementation. We also support the further business growth of our customers by providing opportunities for customers to connect with each other, visits to leading companies, and DX and AI experiences. About the Good Partner Program | OTSUKA CORPORATION's ERP Navi → [Web](#)

TOPICS

Cross-Industry Exchange / Study Session 2025 "PARTNER—Toward a New Future Connected by DX and AI—"

In October 2025, we held our 19th exchange session, with many customers participating both in-person and online. It will make the 20th anniversary of the program in 2026.



In addition to the Good Partner Program, we also have the User Community, where customers can connect with one another, and we publish practical know-how derived from our various partnerships on our YouTube channel, Mirai Kakeru SMEs. We give back valuable people, knowledge, and opportunities to provide support for SMEs' efforts to solve the issues they face.

User Community

We provide a place for customers using our core business systems to connect with one another. We support new insights and discoveries through the sharing of expertise and frontline challenges.



Mirai Kakeru SMEs → [Web](#)

Our YouTube channel for Japanese SME owners and staff.



Strengthening Customer Relationships Through Collaboration with External Experts

● Management support services—solving business challenges that IT alone cannot solve—

We offer "management support services" that go beyond just IT implementation, providing comprehensive support ranging from business management and taxation to knowledge acquisition.

Business diagnosis service	Business analysis by Small and Medium Enterprise Management Consultants	Training and workshops for business owners	Online business seminar, Keiei Manabiba
Services to support utilization of subsidies	One-stop support for all application-related tasks	DX Certification Acquisition Support Service	→ PICK UP

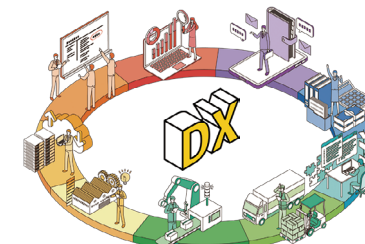
We leverage our strengths as an IT professional while collaborating with external experts, primarily Small and Medium Enterprise Management Consultants, to address the wide range of challenges in business management, including organizational structure, HR, finance, and marketing. We provide greater opportunities for solving business challenges and support sustainable growth for SMEs, which often operate under resource constraints.

PICK UP

DX Certification Acquisition Support Service (launched in November 2025)

This service provides one-stop support for acquiring DX certification, which recognizes companies that are proactively promoting the use of digital technologies based on standards set by the Japanese government, from organizing management and DX strategies to understanding the framework and formulating action plans. We ensure smooth certification acquisition tailored to each customer's situation.

Gaining DX certification boosts a company's trustworthiness and growth
DX Certification Acquisition Support Service | ERP Navi → [Web](#)



Materiality ②

Coexistence and Co-prosperity with Partners

The external environment surrounding our customers is constantly evolving, marked by serious labor shortages and diversifying work styles. As a result, customers' concerns are becoming more varied and complex, making cooperation with partners essential to delivering solutions. We currently collaborate with approximately 2,400 partner companies, and have established a unique business ecosystem that allows us to provide solutions tailored to customer needs.

OTSUKA CORPORATION will continue to contribute to solving our customers' problems through coexistence and co-prosperity with our partners.



Sustainable Procurement Policies and Guidelines

At OTSUKA CORPORATION, guided by our Mission Statement, we strive to continue contributing to the further development of Japan and the creation of a spiritually enriching society.

Our business activities are supported by cooperation with our ecosystem of partners (suppliers). To achieve our mission and goals, it is essential to promote initiatives across the entire supply chain.

In 2022, we formulated our Sustainable Procurement Policies and Guidelines to strengthen initiatives with our partners in the supply chain and fulfill greater social responsibility. We remain committed to contributing to the realization of a sustainable society across the entire supply chain.

Sustainable Procurement Policies

Respect for human rights	Improvement of working environments	Consideration for the environment
Ensuring the quality and safety of products and services	Fair and appropriate transactions	Information management and appropriate disclosure

Sustainable Procurement Policy and Guidelines → [Web](#)

Supply chain management → [P.64](#)

Awards and Certifications from Partners → [Web](#)

Our sales performance and support system have been highly praised, earning us numerous awards and certifications both at home and abroad.

Major awards received since January 2025

Partner	Awards and Certifications
Microsoft	- Awarded Microsoft Japan Partner of the Year 2025 (for the 27th consecutive year) "Scale solutions award" - Infra and Database Migration to Microsoft Azure "Specialization"
HENNGE	HENNGE Partner Award 2025 "Best Sales Award"
Dassault Systems	3D EXPERIENCE World 2026 "SOLIDWORKS No. 1 Domestic Sales" *For the 30th consecutive year

PICKUP

A Remarkable Achievement: Two Employees Received Awards Simultaneously! "Microsoft Top Partner Engineer Award 2025" → [Web](#)

Two engineers from OTSUKA CORPORATION received the Microsoft Top Partner Engineer Award 2025 simultaneously. This award recognizes their advanced expertise in the cloud and security fields, as well as their sincere approach to addressing on-site challenges and their commitment to deploying new technologies at OTSUKA CORPORATION as well as to their customers in an easy-to-understand manner.

The existence of individuals who verify new technologies themselves, shape them into services, and then deploy and share them both internally and externally helps to strengthen trust with our partners and support sustainable value creation.



Specializing in security and compliance (measures against internal fraud within organizations), I am working to develop services from a frontline perspective. I strive to gain understanding through firsthand experience and deliver it as value. I am currently working to develop security x AI services.



Kota Yoshida

I am promoting Modern Work (a work style that increases productivity while ensuring security regardless of location or time) centered on the cloud management of devices. I place value on clearly communicating the knowledge gained from large-scale implementation both internally and externally.



Takeru Kurihara

Coexistence and Co-prosperity with Partners

Expanding through AI ! Entire DX Jissen (Practical) Solutions Fair 2026

OTSUKA CORPORATION holds the Jissen (Practical) Solutions Fair (hereinafter, JSF) every February as a showcase of our vision to Energize Your Office with IT. In 2026, OTSUKA CORPORATION held its largest customer-oriented exhibition event for the 49th time, welcoming approximately 14,900 visitors from 8,400 companies across Tokyo and Osaka in collaboration with a record 148 sponsor partners.

Starting this year, popular JSF content was also made available in the form of limited-time archived streams on the Oshigoto Idea Lab website (→ P.41). We revamped the system so that all content can be viewed without registration or application. As a result, the number of visitors to the site reached about 320,000 people, allowing us to deliver the value of the JSF to even more people.

Through these initiatives, we are spreading the knowledge and value gained through collaboration with our partners to society at large, and building relationships that allow for continuous mutual growth.



Tokyo and Osaka

Approx. 14,900 visitors from about 8,400 companies

Archive

Approx. 320,000 visitors

Main Stage



OTSUKA CORPORATION presents its vision of Entire DX, which involves collaboration with AI, from infrastructure development to the integration of the latest AI tools, through specific demonstrations.

AI solutions
(excerpt)Security & high-speed
10G network

Uninterrupted business operations with impenetrable defense and smooth communication!



Key Highlights of the Practical Solutions Fair 2026

POINT
1

Showcasing our "support for the entire office" approach

As in last year's fair, we featured an integrated exhibition space with our sponsor partners showcasing our "support for the entire office" approach

Workstyle transformation through "support for the entire office" approach

Manufacturing DX through "support for the entire office" approach
Construction DX through "support for the entire office" approach

Strengthening competitiveness through "support for the entire office" approach

Retail DX through "support for the entire office" approach
Nursing-care DX through "support for the entire office" approach

Strengthening security and infrastructure through "support for the entire office" approach

Disaster preparedness DX through "support for the entire office" approach

POINT
2

AI World 360

The theme of this year's fair, AI, was prominently featured in our exhibition

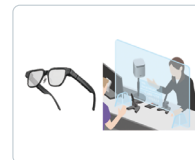
Operational reforms
that create the futureManagement strategies
that shape the futureHuman resource
development
that supports the futureEfficiency improvements
in daily operations
that drive the futureDemo booth
(Excerpt)POINT
3

Mirai DX Lab

Creating the future through cutting-edge DX! Proposing efficiency improvements with advanced solutions such as robots and AI



Latest robots



Translation solutions



Disaster preparedness DX

POINT
4Seminars and
latest trends stage

We provide information on trending topics (including content only available in the archive)

Seminar



Over 50 courses have been implemented and made available

Latest trends stage



15 sponsor partners

Materiality③

Coexistence with the Community

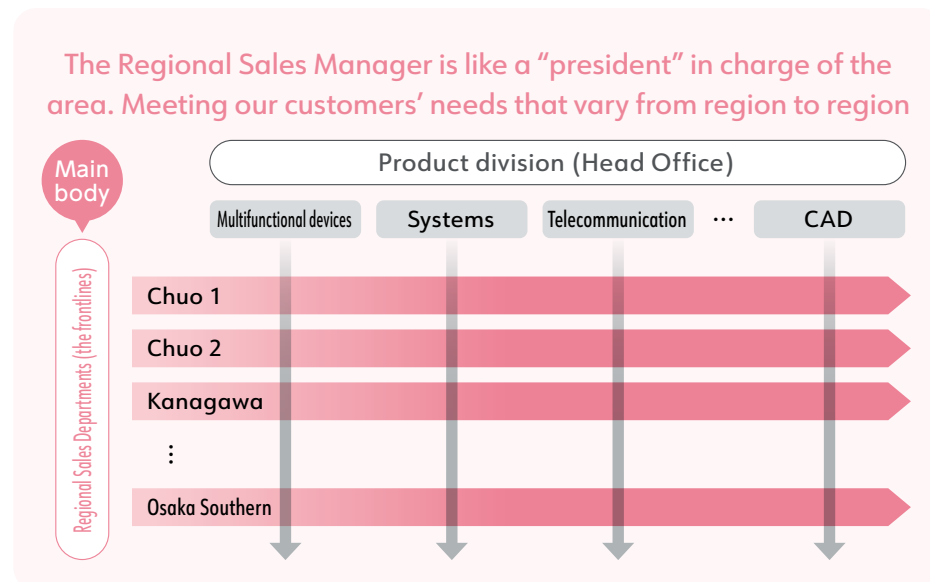
Since its founding, OTSUKA CORPORATION has emphasized customer support that is rooted in the community. The widening regional economic disparity is one of Japan's major challenges today. It is now more important than ever to stay closely connected to local communities, understand the regional market characteristics, and propose solutions to solve regional issues. We also continue to provide support to local governments and other public organizations that support each region. The continuation of business activities rooted in the community will result in coexistence with the community, creating a virtuous cycle of mutual development.

Community-Based Organizational Structure

As our business domains and product offerings have expanded, our sales activities have increasingly centered around the product division (Head Office). In this context, we have come to recognize the importance of enhancing customer contacts in order to better solve customers' challenges.

In 2016, we announced, both internally and externally, our return to the starting point of community-based operations, led primarily by our regional sales departments and broad-regional branches (the frontlines), and we have continued to advance this approach ever since.

No matter how advanced technology becomes with the arrival of the digital society, OTSUKA CORPORATION's style of staying rooted in local communities and growing alongside them will remain unchanged.



PICKUP

Full of Experiences and Discoveries! The tanomail "support for the entire office" Fair

The tanomail "support for the entire office" Fair, presented by tanomail, is an event that introduces key office themes such as BCP, disaster prevention, DX, and AI, focusing on office supplies, through hands-on experiences. Through exhibits directly related to practical work, such as disaster simulations, emergency food tastings, and booths in collaboration with stationery manufacturers, we aim to deepen purchasing and general affairs divisions' understanding of products and services that are necessary for the office.

In 2025, we also started holding the fair in Osaka and Nagoya, leading to the creation of customer contact points in these regions. We will continue to hold events tailored to regional characteristics and needs with the aim of building continuous relationships with customers across Japan.

Experience

Disaster simulations

Disaster experience using VR



Experience

Drink and food tastings

Tasting of emergency food and coffee from a coffee machine



Discover

Exhibition space

Exhibits where visitors can see, touch, and experience disaster prevention supplies, stationery, and IT products



IT seminar

We also held seminars on the latest AI and security solutions



Coexistence with the Community

Regional Promotion Department

The Regional Promotion Department works closely with local communities on-site, to promote promotional activities that take into account regional characteristics and market environment. Playing a key role in connecting the frontlines with our Head Office, the department optimizes company-wide strategies formulated at the Head Office to suit the characteristics and customer challenges of each region, and deploys them to the frontlines, enabling the implementation of highly effective measures.

By improving the proposal skills and closing rates of our sales staff, the department contributes to maximizing sales results and ensuring the implementation of company-wide strategies on the frontlines.

Main operations



● Expanding through AI ! Entire DX Fair 2026 – Spring –

Through this large-scale event organized by the Regional Promotion Department, we continuously share the latest IT trends twice a year, in spring and autumn, at locations across Japan. In spring 2026, we held events at 17 locations and 20 venues nationwide. A distinctive feature of this fair is that regional promotion sections take the lead in its planning and operation.

In addition to exhibits showcasing the latest AI and security solutions that help streamlining operations, we also offer a wide variety of exhibits and proposals that are unique to each location, taking into account the industrial structure, characteristics of each industry and business type, and the specific challenges faced by companies in different regions. In doing so, we aim to provide visitors with more practical and concrete insights and value.

● The power of connection: Exchange meetings to deepen the bonds between regions and companies held in Kanagawa

In response to concerns about the impact on the regional economy following the closure of Nissan Motor's Oppama Plant in Kanagawa Prefecture, we collaborated with Kanagawa Prefecture to hold an information provision event for SMEs.

We held seminars on government support measures, consultation services, and subsidies that can be used for securing personnel, and also provided a space of interaction for companies. We played a role in connecting government agencies with SMEs, fostering information exchanges among regional companies and creating opportunities for future business development.

CASE

Demonstration Experiment Agreement for Streamlining Daily Operations Using Generative AI with Kita City, Tokyo

Streamlining operations and enhancing the quality of resident services in local governments are crucial issues that need to be addressed to realize a sustainable society. Against this backdrop, the use of generative AI and other advanced technologies is garnering unprecedented attention as being key to accelerating the digital transformation (DX) of the government.

On October 31, 2025, OTSUKA CORPORATION concluded an Demonstration Experiment Agreement for Streamlining Daily Operations Using Generative AI with Kita City, Tokyo (from October 2025 to March 2026). Aiming to improve employee productivity and enhance quality of services provided to city residents through this initiative, we will contribute to value creation in the local community.



*Microsoft 365 Copilot pilot test. OTSUKA CORPORATION possesses extensive expertise, having participated in the project in August 2023 as one of the companies that conducted the pre-launch verification of Copilot in Japan. We also leverage our deep understanding of the unique security requirements and operational processes of local governments to provide practical, on-site support for its application.

MESSAGE



Mayer of Kita City, Tokyo Kanako Yamada

We are deeply grateful to OTSUKA CORPORATION for concluding with us an Demonstration Experiment Agreement for Streamlining Daily Operations Using Generative AI, and for the tangible results we have achieved.

Through this demonstration experiment, we were able to confirm the potential of generative AI to reduce the workload of staff and enhance services for city residents, while also recognizing the challenges we face as a city in its introduction and operation.

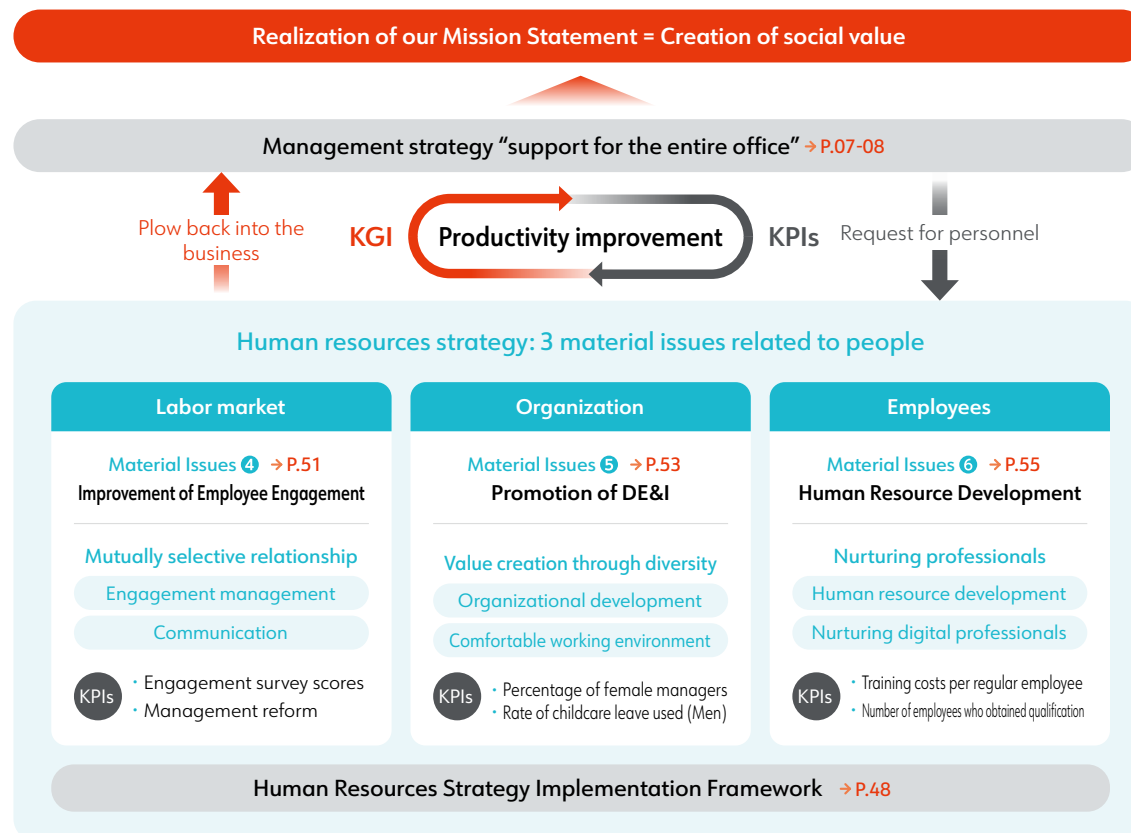
We are confident that the use of generative AI will serve as an important pillar of Kita City's further DX promotion going forward, and as a technology that will determine the competitiveness of local governments. While utilizing AI as a supplementary tool, we will take appropriate measures, giving full consideration to risks such as security and the protection of personal information, and strive to establish a system that maximizes the decision-making skills and creativity of our staff, thereby enabling them to provide better services to each city resident. We sincerely ask for OTSUKA CORPORATION's continued cooperation in these endeavors moving forward.

Overview of Human Resources Strategies

Integration of Our Human Resources and Management Strategies

For OTSUKA CORPORATION, people are its most important capital and the driving force behind its value creation. Our management strategy centered on “support for the entire office” guides our future direction, while our human resources strategy is the foundation that supports its realization. OTSUKA CORPORATION's human resources strategy is based on three material issues related to people, aiming to realize “support for the entire office” by combining the expertise and diversity of each employee and plowing this back into our business.

Amid a rapidly changing business environment, we will further strengthen the integration of our human resources and management strategies to contribute to the creation of social value through the realization of our Mission Statement.



Productivity Per Employee (Non-consolidated)

OTSUKA CORPORATION's business model focuses on enabling each employee to realize their full potential to increase added value. The main indicator for this is productivity per employee, which is both a KGI in our human resources strategy and a means of measuring the integration of it with our management strategy.

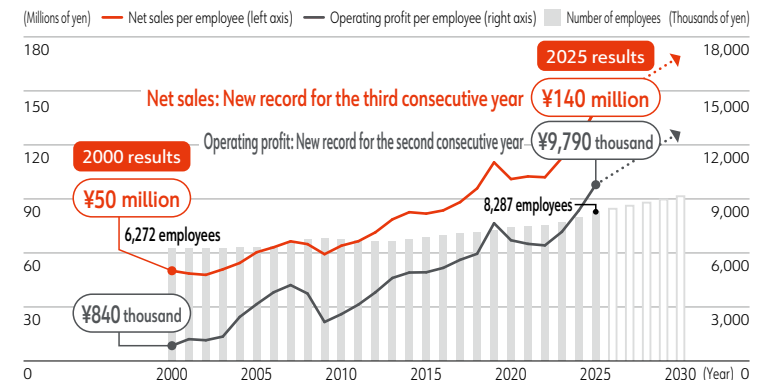
KGI that encapsulates the human resources strategies

Productivity per employee	
KPIs	Engagement survey
	Percentage of female managers
	Training costs per employee etc.

Our productivity per employee is among the highest in the industry and is one of our strengths. The further improvement of productivity is a key theme in our Medium- to Long-term Management Policy, and our workforce plan calls for gradually increasing employee numbers based on the premise of improving productivity. Looking at the average growth rate over the past ten years, net sales per employee increased by 5.5% and operating profit per employee increased by 7.1%, while the number of employees only rose by 1.9%.

In addition to our human resources strategy, which is the foundation supporting the achievement of our “support for the entire office” approach, we will promote system development and the streamlining of operations through the implementation of our digital strategies (→ P.31) as part of our efforts to improve productivity.

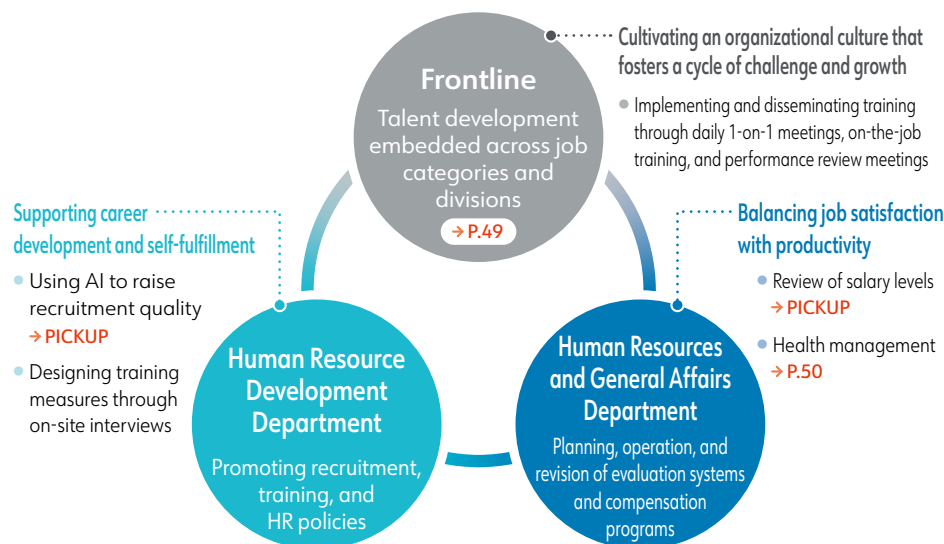
Productivity per employee (non-consolidated) and number of employees



* Figures from 2000 to 2025 represent actual results; figures from 2026 onward are projections

Human Resources Strategy Implementation Framework

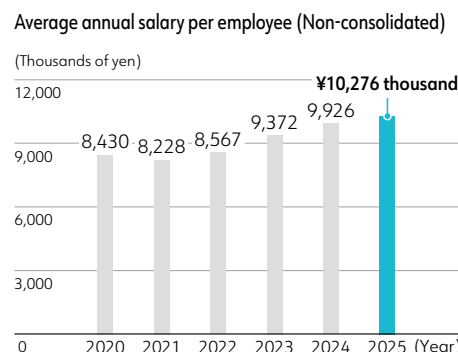
We are implementing our human resources strategy in close cooperation with HR-related departments and various job categories and divisions.



PICKUP

Review of Salary Levels

We have been gradually reviewing our salary levels since 2022 to further strengthen our human capital and enhance job satisfaction. To protect employees from the impact of rising prices, we implemented two major basic salary increases in 2022 and 2024. We also introduced a performance-linked bonus program that reflects the company's growth, and in 2025, the average annual salary per employee (non-consolidated) exceeded ¥10 million, a reflection of our strong performance. Going forward, in addition to these monetary compensation, we will continue to support self-fulfillment and provide growth opportunities.

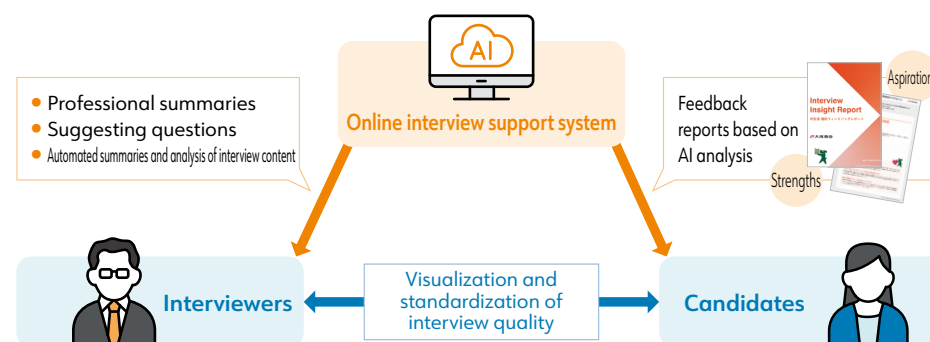


PICKUP

Recruitment Using DX: Enhancing Interview Quality and Experience Value with AI x Web Interviews

To ensure fair and consistent recruitment interviews, we have introduced an online interview support system run by an external partner. Interviewers are provided with professional summaries and suggestion functions based on the candidate's resume information. After the interview, a summary automatically generated and a handover report quickly facilitate the next interview.

We give candidates feedback reports based on AI analysis, providing them with an opportunity to objectively understand their strengths and aspirations. By deepening mutual understanding with candidates, we support the prevention of mismatches after joining the company and healthy mutual selection, while also enhancing experience value through the visualization and standardization of interview quality and a deeper understanding of candidates.



VOICE

Osaka Southern tanomail Sales Section No. 2 Mami Hotta

I primarily conduct online interviews for new graduates. Thanks to AI, which analyzes candidates' resumes and organizes perspective of interview questions and supporting materials, I can now prepare for interviews with greater precision. It is also easier to identify points I want to explore further, allowing me to deepen my understanding of candidates even within the limited interview time.

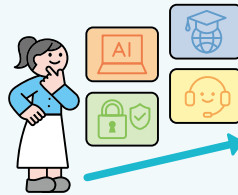
The AI scores factors like smile rate and speaking ratio at the end of each interview, enabling me to objectively reflect on my interview style and use that feedback to improve, which I find encouraging. It makes me happy and glad to have been involved each time I see a candidate I interviewed thriving after joining the company.

Frontline – Talent Development Embedded Across Job Categories and Divisions –

Job Posting

To respond to the increasingly diverse career aspirations and to foster a culture of taking on challenges, we revised our career path system for corporate staff in 2025 and introduced our first company-wide job posting system.* In doing so, we aim to improve employee mobility and strengthen their execution capabilities, while also promoting the “DE&I of knowledge and experience” by creating an environment in which existing expertise can be utilized in new departments.

*Employees apply to job postings in departments that require personnel. A system where departments are treated as a “company,” and the company functions as a recruitment/job change market.



CASE Digital Worker (Initiative for Back-Office Reform)

We began pilot operations of AI agents that autonomously perform tasks in 2025. Currently, six digital workers are performing tasks such as email processing, quotation creation, and order processing within the scope of their granted permissions.

AI can streamline repetitive tasks such as routine administrative processing and information organization, enabling an increase in both work quality and speed. This environment allows individual employees to dedicate significant time and energy to areas requiring unique human values, such as decision-making skills, creativity, and the ability to negotiate through dialogue.

Education Promotion System

OTSUKA CORPORATION's strength lies in its wide-ranging business domains, supported by technical staff that possess extensive technical knowledge as well as on-site problem-solving skills. Enhancing the skills of each member of our technical staff, who make up the largest portion of our workforce, is a crucial human capital investment that underpins the value

we provide to our customers, the quality of our services, our corporate brand, and our sustainable growth. To efficiently and effectively cultivate technical staff, we have established a system to provide the necessary types and amount of training to the technical staff that need it. While also using AI as a supplementary tool, our technical staff are striving to expand the value we provide to our customers by focusing on more advanced areas.

Human Capital Management System (HCMS)

- Understanding individual skill levels
- Understanding performance and workload

Technical staff training department

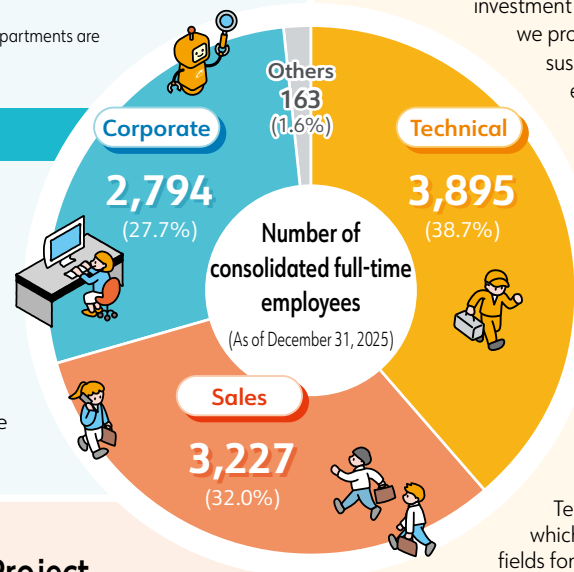
- Defining of “desired skills”
- Training and skill mapping

Skill Assessment System (SAS)

- Measurement of individual skills
- Measurement of post-training effects

Learning Management System (LMS)

- Management of training attendance history
- Proposal of training courses to supplement lacking skills



Handling exceptions and complex troubleshooting

Optimal configuration design based on an understanding of the customer's entire business process

Decision-making and proposals tailored to customers' specific situations. Support based on mutual trust between people

CASE Internal Study Abroad Program (Initiative for Multiskilling)

Technical divisions have established their own internal study abroad program, which allows employees to “study abroad” in different organizations or specialized fields for a set period of time. This program enables employees to directly experience the latest technologies and frontline knowledge through on-the-job training.

Five years have passed since the program began, with approximately 100 people having participated so far. The decision-making and application skills based on practical experience, which are difficult to acquire through classroom learning alone, are utilized across departments even after employees return to their original departments. This helps boost the technical capabilities and enhance the service quality of the organization as a whole. This initiative is not merely about skill improvement. By increasing the number of personnel with knowledge and experience in different fields, it also serves as a foundation for promoting the “DE&I of knowledge and experience” within the organization. Collaboration among engineers with diverse backgrounds enables more creative and flexible problem-solving, leading to the overall enhancement of OTSUKA CORPORATION's technical capabilities.

Company-Wide Sales Capability Reinforcement Project

To realize our Mission Statement, we are carrying out a project aimed at cultivating “solution sales professionals that can deliver value to customers.”

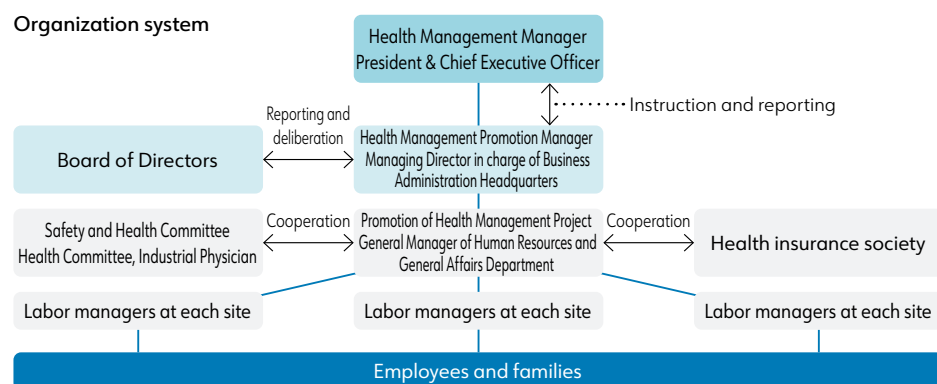
Frontline training managers, stationed at each regional sales office, formulate training plans that leverage regional characteristics to plan and implement training sessions, lectures, etc. Information sharing between each frontline training manager and the Human Resource Development Department, along with the horizontal deployment of best practices, expertise, etc., also contributes to enhancing company-wide sales capabilities.

Initiatives for Health Management

Policy and System

Promoting employee health is one of our important growth strategies. To maintain the physical and mental health and social and economic well-being of each employee, we have formulated the Health Management Philosophy and Basic Policy and are working to resolve issues.

Organization system



Health Management Philosophy and Basic Policy → [Web](#)

Recognized as a 2026 Outstanding Organization of KENKO Investment for Health

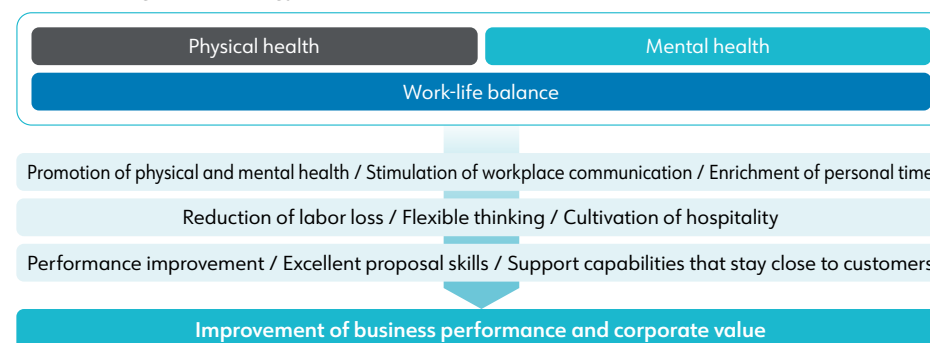
In March 2026, we were recognized as one of the 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category), which were jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (for three consecutive years). We will continue efforts to obtain certification on an ongoing basis.



Well-Being Management Strategy

We support awareness reform and behavioral changes so that employees themselves can maintain their own health autonomously. We aim to achieve our KGI through the implementation of a wide range of measures (→ [CASE](#)) aimed at both improving productivity and promoting well-being.

Health management strategy map → [Web](#)



Well-being KPIs* (monitoring)

- Indicators related to the status of health investment policy initiatives
- Indicators related to changes in employee awareness and behavior
- Final target indicators related to health
- Indicators related to occupational safety and health

*Please see our website for details → [Web](#)

2027 Target KGI

Ratio of presenteeism performance rating* of 80% or more

80% or higher

*Presenteeism measuring method: Single-Item Presenteeism Question (SPQ)

CASE Smart Kanpai Challenge



Held in August 2025

300 employees enjoyed after-work communication while gathering around non-alcoholic beverages and snacks.

We held the Smart Kanpai Challenge to create an opportunity for employees to think about health while having fun. We prepared a venue where employees could experience various non-alcoholic beverages so that even employees who have a drinking habit could view alcohol-free days in a positive light. We also provided opportunities to deepen understanding of the relationship between drinking

and health through lectures by a registered dietitian.

As an event easy to participate in regardless of drinking habits, it has contributed to promoting interaction after work and has become an initiative for creating a comfortable working environment and deepening connections among employees.

Enjoy a delicious cheers without alcohol ♪ Smart Kanpai Challenge → [Web](#)

Materiality ④

Improvement of Employee Engagement

We emphasize the importance of building healthy relationships in order to build a mutually selective relationship with our employees. Creating an environment that encourages empathy for the Mission Statement and taking on autonomous challenges through improved employee engagement also leads to the foundation for sustainable growth and improvement of corporate value.

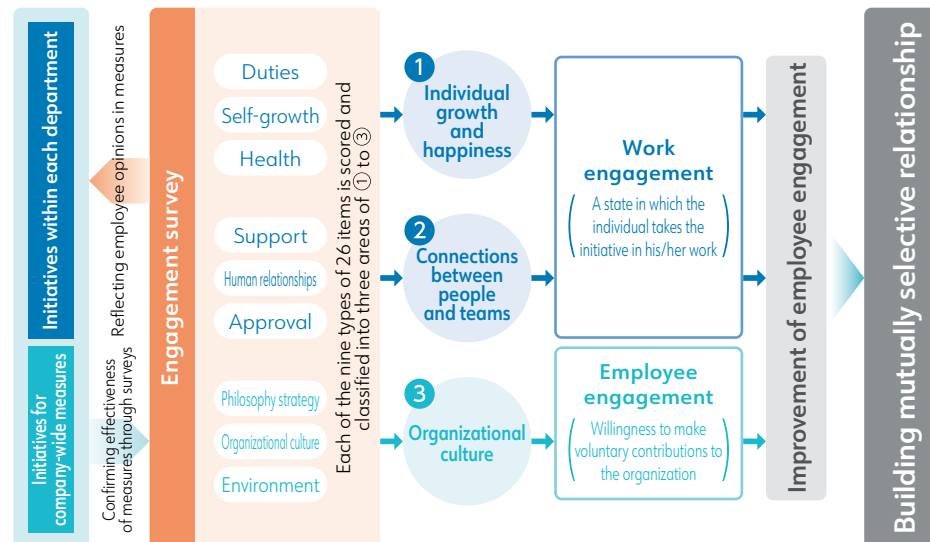
Engagement Management

Structure and system

We have continued an annual employee awareness survey since 2007 as a mechanism for reflecting the views of employees in management. In 2024 we introduced a new engagement survey tool to enable comparative analysis with external benchmarks.

Survey results are organized into three areas based on nine types of indicators (26 items): ① individual growth and happiness, ② connections between people and teams, and ③ organizational culture, to visualize changes in employee autonomy and willingness to contribute.

Based on these data, we will continue to operate the cycle of investigation, analysis, reporting, and planning measures in order to strengthen human capital management aimed at improving engagement.



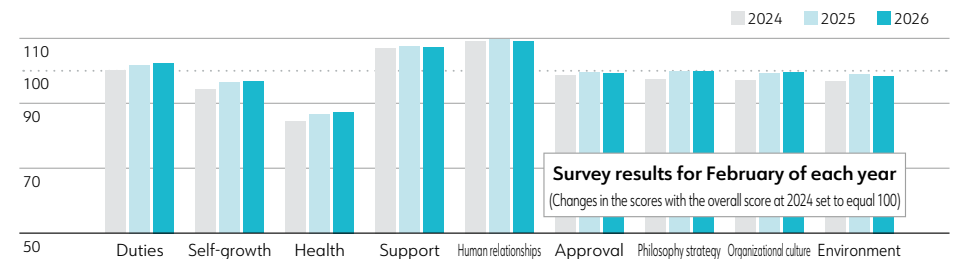
Introduction of company-wide measures based on the engagement survey

In the engagement survey conducted in February 2026, we maintained a high participation rate with a 90% response rate. This was the third time since the new tool was introduced, and data accumulation and analysis precision are gradually improving. Survey results, together with the content of individual interviews, are reported at management meetings and have been utilized for the planning and implementation of multiple company-wide measures to date.

Implemented measures (examples)

2022	2023	2024	2025	2026 (including plans)
	Support Human relationships	Introduction of a manager promotion system (decline in sense of purpose, management reform)		
	Environment	Review of salary levels → P.48 (decreased satisfaction with compensation, response to rising prices)		
	Support Organizational culture	Introduction of OWL's → P.53 (concerns regarding balancing work and family life)		
	Support Human relationships	Company-wide rollout of AI Happiness → P.52 (insufficient psychological capital and psychological safety)		
	Approval Organizational culture			
	Support Organizational culture Environment	Diversity promotion project → P.53 (balancing job satisfaction and a comfortable working environment)		
		Health	Promotion of health management → P.50	
		Duties Self-growth	Job posting → P.49 (career development support)	

In the 2026 survey results, "support" and "human relationships" continued to maintain high scores and remain strengths of OTSUKA CORPORATION, while "health" fell below the overall score and is an area that needs improvement. While taking into account variations between departments, we will continue to incorporate survey results into the improvement cycle and use them for planning and improving human capital measures.



Improvement of Employee Engagement

Communication

● AI Happiness

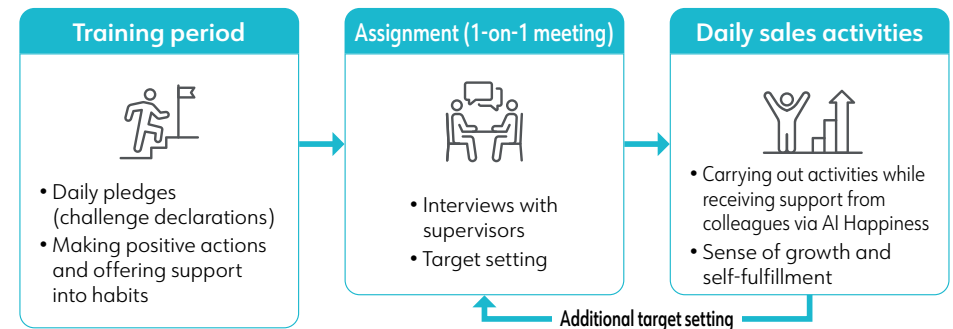
Based on the 2024 survey results, in which the score for “a culture of taking on challenges,” an item under “organizational culture,” was relatively low, we introduced a new communication app called AI Happiness. This app allows employees to share small daily challenges as pledges and support one another, thereby strengthening connections within the organization and enhancing psychological safety. Since July 2024, we have promoted company-wide use of the app to stimulate communication and build good relationships.



● 1-on-1 meetings

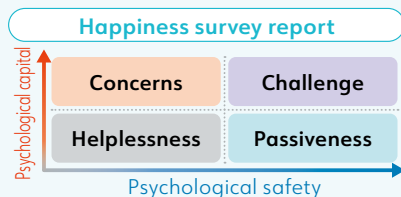
Development of young sales employees is being strengthened by combining AI Happiness and 1-on-1 meetings. New hires use AI Happiness from the training period onward and make a habit of positive actions through pledge postings and mutual support. We have a system in place to allow new hires to proceed to field assignment after psychological safety has been ensured.

After assignment, goals set in 1-on-1 meetings are incorporated into daily pledges, and managers provide continuous follow-up through AI Happiness. This leads to the enhancement of young employees' sense of growth and self-fulfillment and has also been effective in preventing turnover.



TOPIC AI Happiness Use Case

Although it is being rolled out as a company-wide measure, the way it is used varies by department. Through the happiness survey conducted monthly, we visualize organizational conditions in four quadrants, and based on the insights obtained from those results, each department implements measures according to its issues.



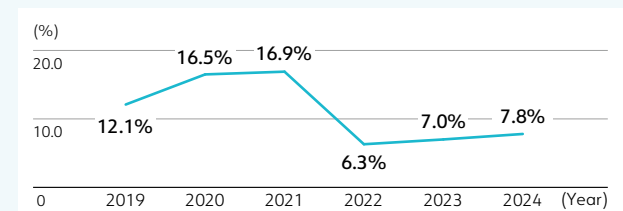
The Kanagawa Sales Department is promoting the creation of a positive work culture through initiatives such as the distribution of a mail magazine on AI Happiness and awards for pledges and supportive comments. Through these activities, we are working to stimulate communication within the sales department to improve psychological safety and build a foundation for collaboration.



TOPIC Reduction in Turnover Rate of First-Year New Graduates Engaged in Sales

The turnover rate of first-year new graduates engaged in sales (approximately 200 per year) remained above 10% in or before 2021, but has improved to below 10% for graduates who joined in 2022 and later. In addition to advancing recruitment using DX (→ P.48), we believe the results of building a follow-up system for new hires through communication measures such as AI Happiness and 1-on-1 meetings are now visible in the numbers.

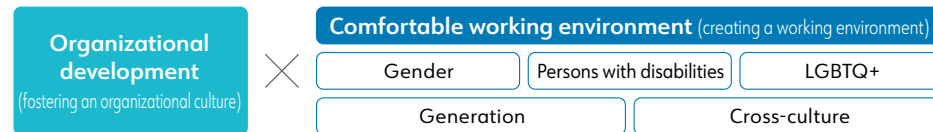
Turnover rate of first-year new graduates engaged in sales



Materiality 5

Promotion of Diversity, Equity, and Inclusion (DE&I)

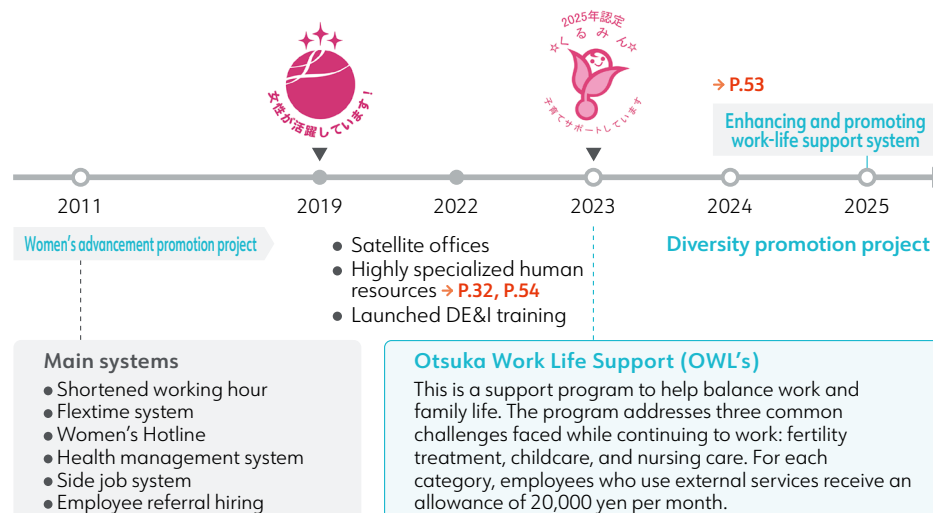
In order to realize sustainable value creation, it is important for all employees to be able to demonstrate their diverse individualities and values. We are working to promote DE&I by fostering an organizational culture in which all employees can feel secure in demonstrating their abilities, and by creating a working environment in which each situation can be handled fairly and equitably.



Organizational Development

Promotion system

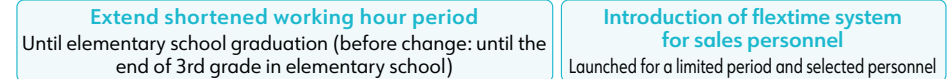
In January 2024, we dissolved the existing women's advancement promotion project in a developmental manner and launched the diversity promotion project, which consists of employees from various job categories and levels and two Directors. We respect diversity not only in terms of gender, but also in terms of age, nationality, experience, and values, and by transforming each difference into new value, we will energize the organization and enhance its creativity.



*2025 total number of cases: 1,149; number of users: 214

Enhancing and promoting work-life support system

As part of the diversity promotion project, some system changes were implemented in April 2024.



In July 2025, a second revision was made to reflect employee input, further supporting DE&I's efforts through the enhancement of the system. The results of our efforts and the creation of an environment where employees can use the system with peace of mind are widely communicated through such means as introducing the experiences of system users through internal communications.

	Issues (before)	Plans for improvement (after)
① Before / after taking childcare leave or nursing care leave	Concerns before the leave - Impact on evaluations for taking time off - Burden on others for absence support ⇒ Hard to actively use due to high acquisition hurdles	Solutions - Guaranteed evaluation - Formulation of an evaluation system for employees who have done the work of absent employees
	Post-return concerns - I may not be able to work as hard as I did before - Unable to attend meetings/training first thing in the morning or in the evening... ⇒ Unable to engage in the level of work I want	Solutions - Established new temporary position for after returning to work - Actively encouraging telecommuting twice a week - Consideration for meeting/training time
② How managers work	- Management seems to be busy... - Not likely to be possible for employees with restrictions, such as those raising children or caring for family members ⇒ Giving up on being (or continuing to be) a manager	- Declaration of Short-Time Managers (a way of working that is not constrained by time) - Career options (change to a specialist position, report for transfer to another department)

CASE Rate of Childcare Leave Used by Male Employees

As an environmental improvement measure for childcare leave, the company recommends paternity leave of one month or more, on the premise that leave of 14 days or more are taken.

The acquisition rate continues to rise each year, and we will continue to support diverse work styles by fostering a corporate culture that supports a balance between childcare and work.

	2022	2023	2024	2025
Male employees	39.3%	46.3%	52.3%	63.5%

Promotion of Diversity, Equity, and Inclusion (DE&I)

Comfortable Working Environment

Gender

We have positioned the development of an environment in which diverse human resources are satisfied in their work and can maximize their abilities as an important management issue, and we have formulated an action plan (→ [Web](#)) and are steadily promoting initiatives from both the institutional and cultural perspectives.

In the action plan formulated in 2016, we set a goal of raising the percentage of women hired to more than 30% in three years, given the low level of women in the company's workforce. As a result of ongoing measures such as internships for women and various information sessions, the ratio of women hired is now being firmly established at 30% or more, leading to a sustainable expansion of human resource diversity.

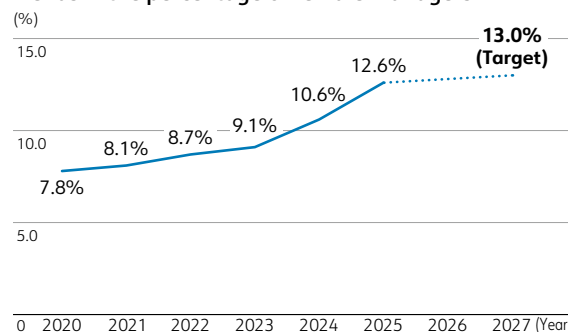
Expansion of female employees				
Action plan	KPI	2016 results	Target	Present
2016-2022	Ratio of new female graduates recruited	22.9%	30% or higher	Retention of 30% or higher
Expansion of female managers				
Action plan	KPI	2020 results	Target	Present
2023-2027	Percentage of female managers	7.8%	10% or higher	Early achievement and upward revision

Furthermore, in the five-year plan that began in 2023, we have identified the insufficient work-life support system, an environment that makes it difficult for women to develop long-term careers, and the low ratio of female managers as issues to be addressed, and have been making efforts to improve such issues. Enhancing and promoting work-life support system → [P.53](#) OWL's → [P.53](#)

Through initiatives such as encouraging participation in the OTSUKA Management College, an institution for training the next-generation leaders, and enhancing systemic support, we achieved our initial goal of a 10% ratio of female managers in 2024, three years ahead of schedule. We have now set a new target of reaching 13% by 2027.

OTSUKA Management College → [P.55](#)

Trends in the percentage of female managers



Persons with disabilities

Employees with disabilities are actively contributing across various departments. At our satellite offices in Tokyo and Osaka, we strive to support employees who wish to continue working with a certain level of support by providing completely barrier-free facilities, job coaches on site, and regular interviews. This serves not only as a means to fulfill our corporate social responsibility, but also to generate new perspectives and ideas through nurturing diversity within the company.

*Employment of persons with disabilities rate: 2.76% as of December 31, 2025; target: 2.8% as of December 31, 2026

LGBTQ+

Our Human Rights Policy and Principles of Corporate Behavior clearly state that any form of discrimination is unacceptable, and we conduct internal training programs, etc. to ensure compliance. In addition, we support activities for LGBTQ+ children and youth through the OTSUKA CORPORATION Heartful Fund. Human Rights Policy → [P.63](#) OTSUKA CORPORATION Heartful Fund → [Web](#)

Generation

In April 2025, we introduced an optional retirement system, and 151 employees returned to regular employees from contract employees. With the agreement between the company and the employee, the employee can work as a regular employee until his/her 65th birth month, and as a contract employee thereafter until his/her 70th birth month. We are creating an environment in which seniors with a wealth of experience and knowledge can continue to play an active role, and we are working to pass on knowledge across generations and strengthen our organizational capabilities.

Cross-culture

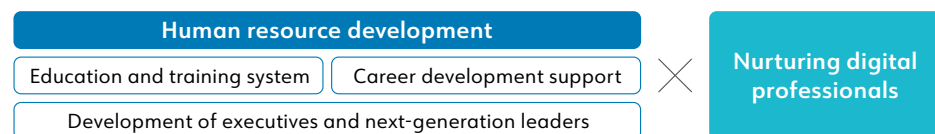
We are welcoming graduates from the Indian Institutes of Technology, a university known worldwide for producing outstanding human resources, as highly specialized human resources such as AI engineers and data scientists (job-based recruitment started in 2022). In addition to daily activities such as consideration for dress code and eating habits, we provide opportunities for activities where employees can experience different cultures and deepen interaction with each other on holidays, to create an environment where they can demonstrate their abilities.



Materiality 6

Human Resource Development

The growth of each employee is essential for contributing to the growth of our customers and achieving sustainable corporate value enhancement. We have various systems in place to support not only the improvement of business skills, but also the growth as an individual. In addition, we view the development of next generation executives as an important management issue and are working to strengthen our training measures.



Human Resource Development

● Education and training system

We are developing human resource development measures based on systematic training programs with the aim of cultivating professionals with a strong management mindset and human skills. In the optional, voluntary participation type training programs, lectures are given by experts and celebrities in various fields, with a focus on human skills, and a total of approximately 1,900 people participated in 2025.

In addition, we utilize an online learning platform with a wide variety of courses and provide reskilling opportunities to strengthen skills directly related to practical work. *Number of users in 2025: Approx. 2,350

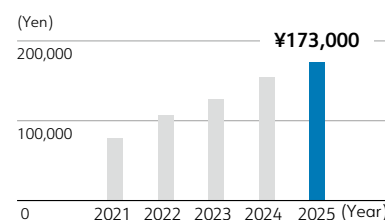
Training programs

Training by division	Division A	Division B	Division C	...
Training by job category	Sales	Technical	Corporate	
Training by job level	OTSUKA Leader's College and OTSUKA Management College	Officers, managers, mid-level employees, young employees, new hires, and prospective employees		
Company-wide training	Mandatory training	Optional training		

Major optional training achievements in fiscal 2025

Nurturing areas	Main themes
External environment	Understanding economic topics Improving reading comprehension
DE&I	Environment surrounding DE&I
Self-transformation	Behavioral changes & leadership

Training costs per regular employee



● Career development support

We encourage the growth and self-fulfillment of each employee through support for autonomous career development and acquisition of various qualifications. In 2025, we also launched a new job posting system (→ P.49) for corporate staff.

Personnel rotation	- Self-reporting system - Job posting system - Sales grade system
Self-improvement support	- Providing various training opportunities - Support for qualification acquisition (Total of 15,822 persons obtained qualifications, as of December 31, 2025) → P.06
Behavioral evaluation	Deepening self-understanding through multi-source feedback (Conducted annually)
Action plan	Management by Objectives (MBO) targeting all corporate staff and some technical staff.

● Development of executives and next-generation leaders

In 2015, we launched a dedicated program for the development of executives and next-generation leaders, and we are continuing its operation. In addition to acquiring management literacy, the program also seeks to develop practical management skills through a variety of output opportunities both inside and outside the company.

Development system for executives and next-generation leaders

		Purpose	Students*	Theme
OTSUKA Leader's College	Senior Leader College	Development of next-generation officers	34	Integration of knowledge and experience
	Leader College	Development of next-generation General Managers	117	New practice opportunities
OTSUKA Management College	Next-Generation Leader College	Development of next-generation leaders	443	Acquisition of knowledge
	Leadership Development Program	Understanding and experiencing leadership	404	Fostering a foundation

*Cumulative total of current students and graduates (as of March 31, 2026)

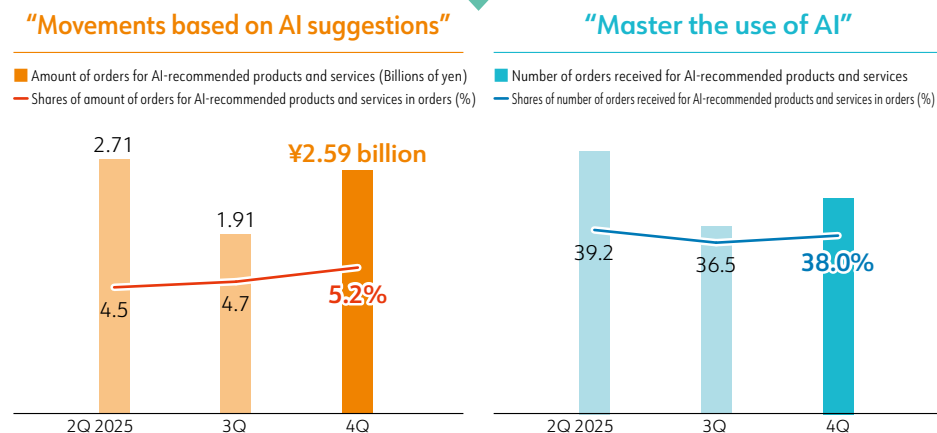
Human Resource Development

Nurturing Digital Professionals Definition of digital professionals → P.32

In order to stay close to many of our customers through the use of digital technology, we need a facilitator who is in constant contact with our customers and who can efficiently and effectively execute our approach to solving their issues. The In-house AI Promotion Leader Committee, which began in 2022, continues to study specific ways to incorporate AI into our sales activities and take actions for its establishment, in addition to understanding AI itself.



Through these efforts, not only "taking actions based on AI insights (practicing AI recommendations)" but also "effectively using AI (using AI to build hypotheses and discover potential issues for customers)" are gradually taking hold.



*All graphs show the situation in divisions that utilize AI recommendation

Initiatives to Improve the Digital Literacy of All Employees

① Promotion system

In accordance with the Guidelines for the Use of Generative AI (formulated in 2023 and updated on a timely basis), we encourage the use of AI agents equipped with guardrails to control risks such as copyright infringement, thereby aiming to achieve both business reform and safe use.

Digital Governance → P.32

② Skill input

AI-related G-Certificate and E-Certificate are encouraged to obtain. Follow-up support are provided to those who have obtained certification, including the provision of a relearning program aimed at keeping up with the latest technologies.

*As of December 31, 2025 (consolidated group results)
G-Certificate: 2,023 employees, E-Certificate: 71 employees

③ Status of utilization for business transformation

We are promoting initiatives for business transformation that go beyond mere efficiency improvement, such as company-wide deployment of Copilot, in which we participated from the verification stage prior to its introduction in Japan, as well as business automation that combines workflow and autonomous agents.

Sustainability Management

OTSUKA CORPORATION promotes sustainability management with the aim of realizing both sustainable society and enhancement of corporate value.

Our Mission Statement, which we announced in 2003, includes the goal, to demonstrate harmonious coexistence and growth with nature and society. We have continued to grow while undertaking ESG-conscious initiatives.

With the establishment of the Sustainability Committee in 2021, we have been working to enhance our systems to promote ESG initiatives and striving to strengthen activities to improve their effectiveness. We aim to realize our Mission Statement by contributing to solving social issues through our wide range of business activities, such as the “support for the entire office (→ P.07-08)” approach and become a 100-year company by growing together with our customers.

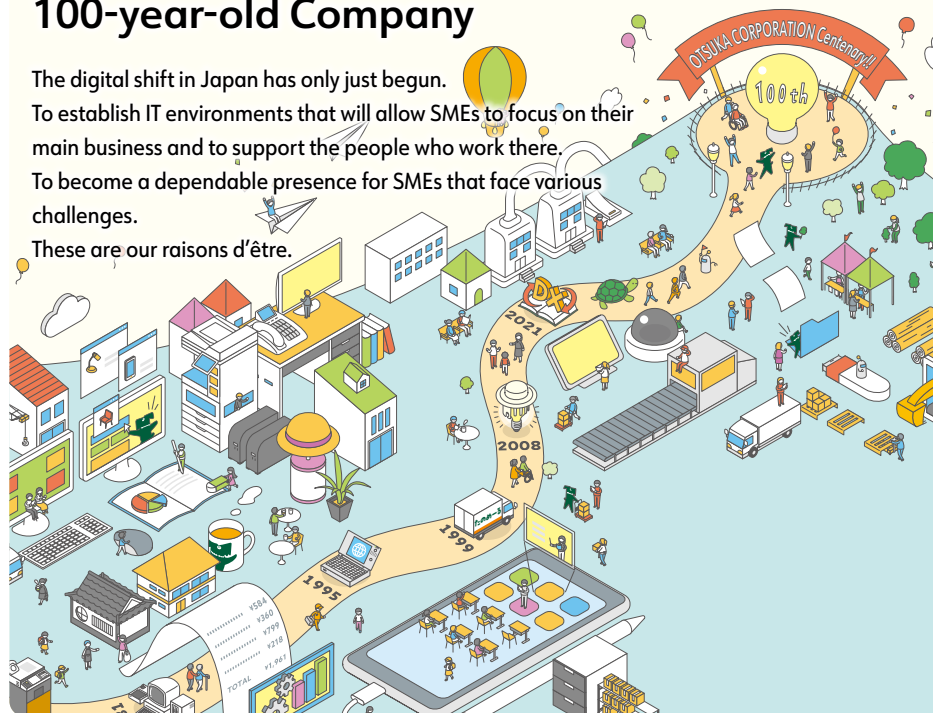
Our Commitment to Becoming a 100-year-old Company

The digital shift in Japan has only just begun.

To establish IT environments that will allow SMEs to focus on their main business and to support the people who work there.

To become a dependable presence for SMEs that face various challenges.

These are our raisons d'être.



Realizing our Mission Statement

Toward Becoming a 100-year Company

Value creation through business activities → P.39-46

Customer base

Partner

Community

Support for employee growth and self-fulfillment → P.51-56

Three material issues related to people

Growth foundation: Promotion of a sustainable society

Basic Policy on Sustainability → Web Materiality: Identification process → P.19

Policies related to sustainability

→ Web

Implementation of responsible corporate activities

Materiality 7 → P.58

Contribution to Global Environmental Conservation

Materiality 8 → P.63

Realizing a Safe, Secure, and Comfortable Society

Materiality 9 → P.67

Strengthening Corporate Governance

Promotion systems
(the Committee and the Secretariat)

→ Web

Materiality 7

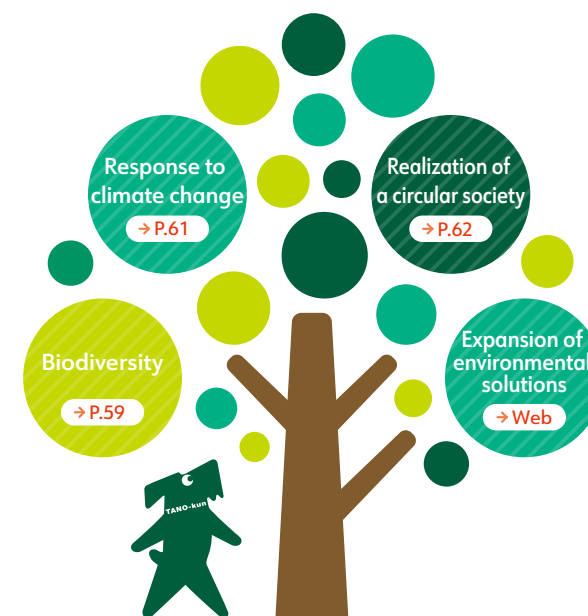
Contribution to Global Environmental Conservation

We have declared to demonstrate harmonious coexistence and growth with nature and society. For over 20 years, we have been continuously working to realize this vision. In addition to our Environmental Policy, established in 2000 and revised in 2023, we have set forth the OTSUKA Eco-Action Plan as a concrete action plan to promote our contribution to global environmental conservation.

OTSUKA Eco-Action Plan (2026 to 2030) | A medium-term action plan to achieve environmental goals [→ Web](#)

OTSUKA CORPORATION has formulated a five-year OTSUKA Eco-Action Plan and is working to achieve its goals. A new Action Plan for 2026 to 2030 has been formulated.

Item	Targets	Main measures
Environmental products and services	Reduce environmental impact by expanding sales of environmentally friendly products and services	- Reduce CO₂ by expanding sales of LED lighting - Expand sales of tanomail environmental products
Decarbonization	Targets by 2030 from 2021 levels - Scope 1 and 2: 42% reduction - Scope 3 (Category 1, 11): 25% reduction	- Energy-saving activities and use of energy-saving products - Replacement of company vehicles with electric vehicles - Conversion of electricity use to renewable energy - Promote engagement with stakeholders - Consider the adoption of internal carbon pricing
Resource recycling and pollution prevention	- Work to reduce water consumption - Promote waste emission control and recycling - Ensure safety management aiming for zero environmental accidents and violations to prevent pollution	- Promote green procurement - More efficient water use - Promote Reduce and Reuse initiatives - Maintain a recycling rate of 97% or higher - Zero accidents and violations of environmental laws and regulations due to chemical substances through employee training and systemization
Biodiversity	Promote social contribution activities that lead to the conservation of biodiversity	- Amazon rainforest reforestation project → P.60 - Oyama Senmida conservation activities - Support for WWF Japan



OTSUKA Eco-Action Plan

Environmental Policy [→ Web](#)

Mission Statement [→ P.22](#)

Structure and System
[→ Web](#)

TOPIC Efforts to Comply with the Act on Rational Use and Proper Management of Fluorocarbons

OTSUKA CORPORATION positions response to climate change and reducing environmental impact as important management issues, and is committed to proper management of fluorocarbons. Air conditioning equipment and refrigeration units in the cafeteria are properly managed in accordance with the Act on Rational Use and Proper Management of Fluorocarbons by conducting statutory inspections and filling, disposing, etc. of fluorocarbons. In addition, the refrigerant management system RaMS is utilized to centrally manage the creation and storage of documents related to refrigerant management, as well as viewing and approval procedures.

The calculated leakage of fluorocarbons in fiscal 2025 was 833 tCO₂ and is not subject to reporting to the competent minister.

Contribution to Global Environmental Conservation

Biodiversity

● Disclosure of information in line with the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations

OTSUKA CORPORATION has declared its support for the TNFD recommendations. Going forward, we will continue our efforts to enhance the disclosure of nature-related information and contribute to the realization of a sustainable society.

Governance	Strategies	LEAP Approach	① Locate	Identify natural contact points and priority areas
As with the TCFD (→ P.61), establish a system for nature-related issues centered on the Board of Directors and the Sustainability Committee	Conduct a study on dependencies, impacts/risks, and opportunities for direct operations in our System Integration (SI), Service and Support (S&S), and Hotel Businesses, using the LEAP approach as a reference		② Evaluate	Identify dependencies and impacts
			③ Assess	Identify risks and opportunities
			④ Prepare	Initiatives based on risks and opportunities

① Locate	② Evaluate	③ Assess
[Identify points of contact between our business and nature] Utilized the international analytical tool ENCORE to assess in the form of a dependency and impact heat map [Identify priority areas] Investigated areas requiring attention and identified three sites ● Ichinomiya Seaside Otsuka (Ichinomiya-machi, Chosei-gun, Chiba Prefecture) ● Biwa Lake Otsuka (Otsu City, Shiga Prefecture) ● Ijikasou (Toba City, Mie Prefecture) *All of these are lodging facilities that operate hotel businesses	Based on the assessment of the dependency and impact heat map, the following were identified: [SI and S&S Businesses] ● Greenhouse gas and waste emissions associated with IT equipment and mail order of office supplies are likely to impact nature ● Greenhouse gas impacts are organized in the TCFD (→ P.61) [Hotel Business] ● Relatively high potential for impact on nature due to dependence on water resources and cultural services ● Water use and wastewater discharge have no significant natural impacts at this time, due to compliance with laws and regulations and thorough circulation management ● Three sites are adjacent to protected areas, but there is no evidence of direct impact from our business activities	Based on the contact points with nature and the relationship of dependency and impact, a scenario analysis was used to understand what risks and opportunities will result in future financial impacts. In formulating the scenarios, the TNFD’s recommended scenarios were considered, and the impact assessment was conducted with Scenario #1 as the subject of the analysis. Scenario #1 ● Proactive initiatives ● Nature’s loss is moderate ● While there is room for companies to take proactive action on natural capital, skepticism is growing as it is difficult to prove that actions on natural capital have a positive impact on carbon neutrality
④ Prepare		
Based on the results of the assessment to date, we have examined measures to address risks and opportunities.		

Contribution to Global Environmental Conservation

	Risks/opportunities identified in Assess					Prepare measures to address risks and opportunities
	Risks and opportunities	Expected risks and opportunities	Impact on business	Time axis	Degree of importance	Countermeasures
SI and S&S Businesses (excluding Hotel Business)	Transition risk	Tighter regulations on water resources and soaring water values	Cost increase	Long-term	Small	
	Physical risk	If the business site is in a water-stressed area, not having enough water for employees due to water resource constraints (restricted use of toilets and heating/cooling) could result in a risk of affecting business continuity	Loss of sales opportunities	Long-term	Small	Inform about rainwater use and reducing excessive water use among employees
	Opportunities	- Trade-in and collection are conducted at the same time as sales, and although solid waste is generated by trade-in, etc., the majority of the waste is recycled as valuable resources - Waste reduction contributes to CO₂ reduction and cost reduction	- Increase in sales, improvement of brand value - Reduction in expenses	Short-term	Medium	- Equipment that can be reused will continue to be sold to reuse companies, and equipment that cannot be reused will be handed over to companies that can recycle it as material by thoroughly separating it - For unavoidable waste, priority is given to industrial waste disposers that do not rely on incineration or landfill disposal - Promote procurement and purchasing of products that are easy to recycle
Hotel Business	Transition risk	Loss of reputation and operating permits due to significant impact on nature of high conservation importance, etc., as a result of an increase in large volumes of solid waste	Decrease in sales, loss of brand value	Short-term	Small	- Entrust solid waste to a contractor that can properly dispose of it - Predict supply and demand and reduce food loss - Work to reduce the use of plastic amenities
	Physical risk	Business continuity risk due to water shortage (water stress)	Decline in sales due to business shutdown	Long-term	Medium	- Circulation and reuse of water from hot springs and swimming pools - Inform about reducing excessive water use
	Opportunities	Increase in the value of tourist destinations through investments in landscape preservation	Increase in sales, improvement of brand value	Long-term	Medium	- Investment in forest protection to recharge* water sources - Biwa Lake Otsuka: Lake Papyrus® made from dead reeds that grow in Lake Biwa to improve the water quality of Lake Biwa is used for business cards and envelopes. Employees volunteer to cut the dead reeds in Lake Biwa.

*Recharge: to gradually nurture and grow

● Amazon rainforest reforestation project

We are working on reforestation in Pará, Brazil, using agroforestry, which combines agriculture and reforestation. Working with Conservation International, an international NGO, and local small farmers, the project entered its fourth year in July 2025.

Currently, we continue to provide post-planting monitoring, maintenance, and technical training. The seedlings are generally growing well and will be replanted as needed. Socioeconomic surveys are also underway and have confirmed an increase in farmers' environmental awareness.

Phase 1
July 2022 to
June 2024

Reforestation with seedlings,
income generation for participating
farmers via fruit sales

Phase 2
July 2024 to
June 2029

Assessing the impact of the reforested
area on the local community



Contribution to Global Environmental Conservation

Response to Climate Change

Responding to global climate change is a major issue that should be tackled globally. OTSUKA CORPORATION is promoting initiatives to mitigate climate change through its business activities, including endorsing various frameworks such as the TCFD and adopting renewable energy.

● Disclosure of information in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations → Web

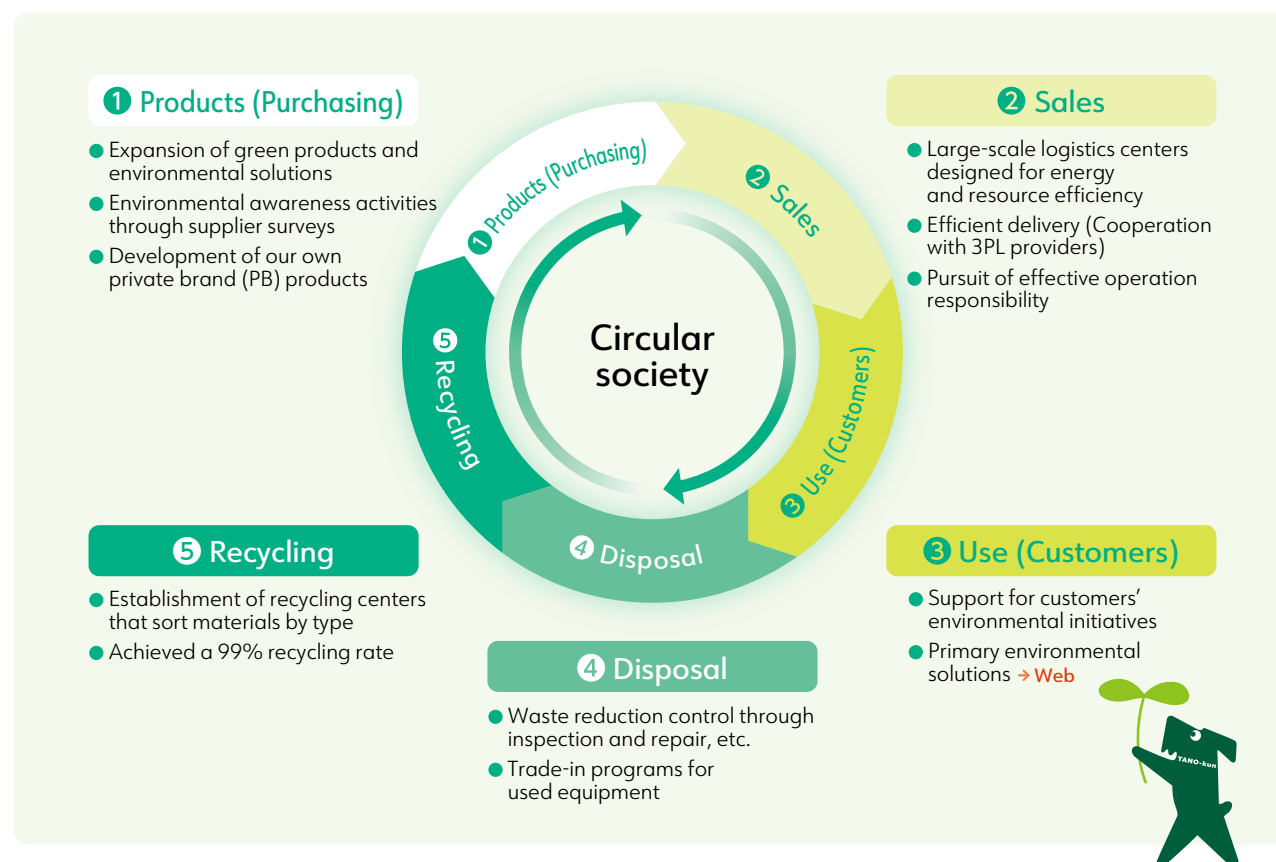
Governance	Strategies	Risk Management	Metrics and Targets																								
Board of Directors: Receive reports related to climate change from the Sustainability Committee and, based on the Board’s regulations, deliberate and resolve on significant risks and opportunities, providing instructions and monitoring progress on responses. Sustainability Committee: Formulate company-wide policies and targets regarding sustainability, develop a promotion system, and formulate and implement a transition plan. Contribute to the achievement of the SDGs and address ESG issues through the monitoring of each activity under the ISO14001 management system. If new climate change-related initiatives are required, consider whether or not they should be implemented, and implement them.	We have identified risks and opportunities in our entire supply chain that may arise as a result of climate change, analyzed the impact on our business, and examined the possible impacts in 2030 and 2050. <table><tr><th>Less than 1.5°C scenario</th></tr><tr><td>Reference scenario: IEA NZE2050</td></tr><tr><td>Worldview: A scenario in which the rise in the average temperature is limited to less than 1.5°C compared to pre-industrial levels. In order to achieve sustainable development, bold policies and technological innovations will occur, and the social changes associated with the transition to a decarbonized society are more likely to affect businesses.</td></tr></table> <table><tr><th>4°C scenario</th></tr><tr><td>Reference scenario: IPCC RCP8.5</td></tr><tr><td>Worldview: The average temperature is expected to increase by approximately 4°C compared to pre-industrial levels. Although it is close to being left to chance and will not cause social change, extreme weather and disasters associated with climate change are more likely to affect business.</td></tr></table> *The period for which the scenario analysis was conducted (October 2024–January 2025) Scenario analysis and strategy on climate change risks and opportunities → Web	Less than 1.5°C scenario	Reference scenario: IEA NZE2050	Worldview: A scenario in which the rise in the average temperature is limited to less than 1.5°C compared to pre-industrial levels. In order to achieve sustainable development, bold policies and technological innovations will occur, and the social changes associated with the transition to a decarbonized society are more likely to affect businesses.	4°C scenario	Reference scenario: IPCC RCP8.5	Worldview: The average temperature is expected to increase by approximately 4°C compared to pre-industrial levels. Although it is close to being left to chance and will not cause social change, extreme weather and disasters associated with climate change are more likely to affect business.	①Established a Risk Management Committee as the body to promote and control business risk management as well as identify and assess company-wide risks. Instruct relevant departments to establish risk management systems for important risks. ②For climate change-related risks, the Sustainability Committee leads a detailed assessment and response to risks with material financial or strategic impact. ③The status of response to climate change-related risks is monitored monthly and shared with the Environmental Management Committee twice a year, after which the Sustainability Committee reviews the response. ④For disclosure items and important matters in line with TCFD recommendations, the CSO reports to the Board of Directors twice a year (at the time of first-half and second-half settlements) for discussion and resolution, instructions for action, and progress confirmation. ⑤We also identify, assess, and respond to significant climate change-related opportunities as with risks. Corporate Governance System → P.69	Target: We aim to reduce CO₂ emissions associated with our business activities by 2030, compared to 2021 levels as follows. <table><tr><td>Scope 1 and 2</td><td>42% reduction</td></tr><tr><td>Scope 3*</td><td>25% reduction</td></tr></table> *Category 1: Purchased goods and services Category 11: Use of sold products These targets have been certified by the SBT Initiative as science-based reduction targets, aligned with the 1.5°C Pathway (WB2°C Pathway for Scope 3). CO₂ emissions—Scope 1 and 2* (Consolidated) (Tons) <table><tr><th>Year</th><th>CO₂ Emissions (Tons)</th></tr><tr><td>2021</td><td>16,102</td></tr><tr><td>2022</td><td>16,550</td></tr><tr><td>2023</td><td>13,772</td></tr><tr><td>2024</td><td>13,682</td></tr><tr><td>2025</td><td>13,071</td></tr><tr><td>2030 (Target)</td><td>9,500 (42% reduction vs. 2021)</td></tr></table> *Scope 1: In 2026, the scope of aggregation was partially revised, and figures from previous years have been revised retrospectively *Scope 2: CO₂ emissions are market-based emissions	Scope 1 and 2	42% reduction	Scope 3*	25% reduction	Year	CO ₂ Emissions (Tons)	2021	16,102	2022	16,550	2023	13,772	2024	13,682	2025	13,071	2030 (Target)	9,500 (42% reduction vs. 2021)
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Contribution to Global Environmental Conservation

Realization of a Circular Society

We are committed to the realization of a circular society by making effective use of limited resources. Under the policy we have set since our founding—pursuit of effective operation responsibility—, we have worked on promoting efficient sales and extended product use through maintenance and repair to minimize waste. Also, as part of our comprehensive “support for the entire office” approach, we offer data wiping and buyback services, as well as disposal of confidential documents.

Since 2008, the OTSUKA CORPORATION Recycling Centers (in Tokyo and Osaka) have been established to promote the collection and reuse of resources. The waste collected at the recycling centers is primarily returned to the toner manufacturer, converted to valuable resources, and consigned to an industrial waste contractor that can recycle it, thereby achieving a recycling rate of approximately 99%.



TOPIC Recycling of Used Stretch Film

To recycle stretch film generated at recycling centers and distribution centers in the Tokyo metropolitan area, OTSUKA CORPORATION sells the stretch film as raw material, which is then cleaned and otherwise pre-processed by contractors for recycling into pellets. The processed recycled pellets are managed according to quality standards, and trial production is underway for use as protective covers for clothing used during apparel shipments. We promote waste reduction and resource reuse by effectively utilizing stretch film that would otherwise be discarded as a recyclable resource.

Stretch film



Materiality ⑧

Realizing a Safe, Secure, and Comfortable Society

Based on our Mission Statement, to demonstrate harmonious coexistence and growth with nature and society, we are working toward realizing a safe, secure, and comfortable society with five themes as pillars.

Five Themes

Realization of a Symbiotic Society → P.63	Efforts toward a society where all people are respected ● Respect for human rights TOPIC AAR Japan [Association for Aid and Relief, Japan] ● Supply chain management ● Barrier-free mindset VOICE Guide Dog & Service Dog & Hearing Dog Association of Japan
Solving Social Issues Linked to Business Activities → P.65	Solving social issues linked to the business, such as labor shortages and nursing care problems due to the aging of the population, and educational and digital disparities ● Solutions which contribute to solving social issues TOPIC Support for Exhibiting at Expo 2025 Osaka, Kansai, Japan—Tourism DX
Measures Against Natural Disasters and Support for Reconstruction → P.65	Contribution to damage control in the event of a disaster, early restoration of lifelines, and maintenance of social stability by strengthening cooperation among local communities ● Disaster preparedness DX through Corporate Hometown Tax Contributions TOPIC Disaster Preparedness DX Symposium
Stakeholder Engagement → P.66	Achieve sustainable growth of society and the company by building trust and co-creating value with stakeholders
Social Contribution Activities and Support for Nurturing the Next Generation	Promoting a wide range of social contribution activities, from company-led activities that take advantage of our business characteristics to spontaneous volunteering activities by employees Social contribution activities → Web Nurturing the next generation → Web

Realization of a Symbiotic Society

● Respect for human rights

In April 2022, we formulated the OTSUKA CORPORATION Group Human Rights Policy.

The policy is consistent with the International Bill of Human Rights issued by the United Nations and the ILO Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO).

In addition to conducting training, we have established regulations in compliance with the Whistleblower Protection Act and a consultation help desk to prevent, detect at an early stage, and correct issues.

Furthermore, in March 2025, we formulated and published our Basic Policy on Customer Harassment (→ Web), which is reflected in our training content, and we continue to enhance our internal initiatives in response to changes in the social environment.

Training implementation status in 2025 (for employees excluding those on leave, etc.)

Compliance training	100.0%
Human rights and harassment prevention training	100.0%

OTSUKA CORPORATION Group Human Rights Policy → Web

1. Our basic thinking toward human rights
2. Scope of application of the policy
3. System to promote respect for human rights
4. Commitment to human rights issues related to corporate activities
 1. Elimination of discrimination
 2. Appropriate workplace environments
5. Human rights due diligence
6. Remedies
7. Education and training
8. Information disclosure

Internal reporting system	For the purpose of prevention, early detection, and correction of violations of laws and regulations and the Principles of Corporate Behavior, we have established an internal reporting system.
Internal consultation help desk	In partnership with an external specialized company, we accept consultations from all employees.
External compliance help desk	We have an external compliance helpdesk on our website.

TOPIC AAR Japan [Association for Aid and Relief, Japan]

AAR Japan is one of the donation recipients of the "Tie-up-type" SDGs participation lease and rental program in 2025 in cooperation with RICOH LEASING COMPANY, LTD. During Volunteering Month, a charity goods sales event was held at the Head Office, and employees supported the activities of AAR Japan [Association for Aid and Relief, Japan] by purchasing T-shirts and other miscellaneous goods.



Realizing a Safe, Secure, and Comfortable Society

● Supply chain management (Ensuring sustainable supply chains)

① Why it matters

OTSUKA CORPORATION receives a wide range of excellent products, services, and technologies across a wide range of fields from many partners (hereafter referred to as "suppliers"). To ensure stable supply, it is essential to secure a supply chain based on strong relationships of trust with these suppliers.

Recognizing global issues such as environment, human rights, and labor issues, we established our Basic Policy on Sustainability and Sustainable Procurement Policy in 2022. As part of our efforts to harmonize with the Earth and society across our ecosystem, we are working toward realizing a safe, secure, and comfortable society.

② Monitoring

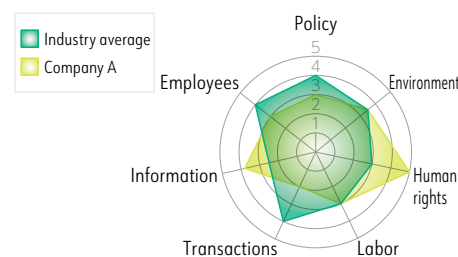
To enhance the effectiveness of our supply chain management, we added a requirement for compliance with the Sustainable Procurement Guidelines to the contracts of all new suppliers from 2024 onward. For existing suppliers with whom we had transactions prior to 2023, we began conducting a supplier survey in 2022. As of 2025, we received responses from suppliers representing 84% of our purchasing value—a continued increase for three consecutive years (34% in 2022, 62% in 2023, and 71% in 2024).

③ Initiatives for advancement

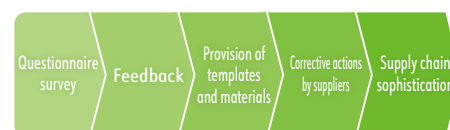
We provide suppliers who responded to our survey with feedback comparing their responses against industry averages to help encourage more sustainable activities. In 2025, we offered human rights policy templates and reference materials for calculating GHG emissions.

Many of our suppliers are SMEs that lack dedicated ESG personnel. OTSUKA CORPORATION is committed to supporting these suppliers and strengthening supply chain management to enhance social responsibility and sustainability across the entire ecosystem.

Feedback (Concept)



Sophistication process



● Barrier-free mindset

Barrier-free mindset refers to the effort to realize a society that respects differences in physical and mental characteristics and values, and supports each other while deepening mutual understanding. OTSUKA CORPORATION has appointed Kei-kun, an assistance dog, as a special employee and Barrier-Free Mindset Ambassador with the cooperation of the Guide Dog & Service Dog & Hearing Dog Association of Japan from 2020. Currently, Luke-kun, a second-generation service dog, is conducting activities to raise awareness through demonstrations and interaction.



Luke-kun, our second-generation special employee

Main activities

- 🐾 Luke-kun's demonstration and exchange activities (once a month)
- 🐾 Regularly publish a column in the internal newsletter (four times a year)
- 🐾 Conduct seminars for employees
- 🐾 Continuous information provision through digital signage

VOICE

Guide Dog & Service Dog & Hearing Dog Association of Japan



Representative Director Yoshiko Park

I deeply respect your company's efforts to realize a barrier-free mindset through the use of corporate facility dogs, which are still rare in Japan.

Represented by assistance dogs, the steps taken to support the participation of diverse people in society are very meaningful. The starting point was the Barrier-free Mindset Seminar in 2019, and after being recognized as a best practice by the Cabinet Office and the Tokyo metropolitan government, the efforts have continued while changing forms. I am sure that the passion and efforts of your employees were behind this.

I still remember how your employees took the initiative to lead Kei-kun, the first Barrier-Free Mindset Ambassador, around the company, calling out to people as they went. We hope for future development, and our association will make every effort to support progress.

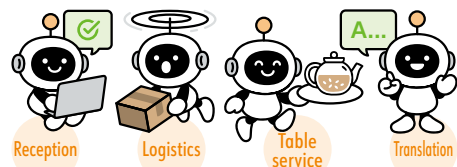
Realizing a Safe, Secure, and Comfortable Society

Solving Social Issues Linked to Business Activities

Solutions which contribute to solving social issues

Utilizing OTSUKA CORPORATION's solutions, we are working to solve social issues such as labor shortages and nursing care problems due to the aging of the population, and educational and digital disparities.

Labor and human resource shortages



Various robots handled by OTSUKA CORPORATION → [Web](#)

Nursing care problems



Medicare Project, OTSUKA CORPORATION's specialized team for the medical and nursing care field → [Web](#)

Support for nurturing digital professionals using Corporate Hometown Tax Contributions

We donated "temi" autonomous walking robots to high schools in Saitama, Kanagawa, and Wakayama Prefectures to help enhance programming and AI education. We will provide ongoing learning support to help students acquire skills and increase their interest in social issues.

Photo: Students of Saitama Prefectural Urawa Girls' Upper Secondary School



Measures Against Natural Disasters and Support for Reconstruction

Disaster preparedness is an important theme for local governments and companies. OTSUKA CORPORATION provides products and services for each stage of the process, from disaster preparedness to damage assessment, to help ensure community safety and business continuity.

Disaster preparedness DX through Corporate Hometown Tax Contributions

Since the commemorative project for our 60th anniversary in 2021, OTSUKA CORPORATION has donated equipment to prepare for disasters, including water circulation systems and LP gas generators, mainly to areas that are expected to be affected by a major Nankai Trough earthquake. In the Noto Peninsula Earthquake of 2024, equipment donated to Shikoku was utilized at shelters and received high praise.

OTSUKA CORPORATION acts as a hub to support rapid disaster response by concluding cooperation agreements between local governments across prefectural borders and providing the Mieru Platform.

Donation results → [P.20](#)

Be prepared for "what if"

- Earthquake Early Warnings
- Lightning strike countermeasures
- Heat stroke countermeasures

If "what if" happens

- Confirmation of safety in the event of a disaster
- Secure emergency equipment
- Secure disaster stockpiles

Visualization of "what if"

- Mieru Platform
Realize centralized management and visualization of all devices, people, and objects

The status of damage and stockpiles can be quickly seen and managed!



Overview of Mieru Platform → [Web](#)

TOPIC Support for Exhibiting at Expo 2025 Osaka, Kansai, Japan—Tourism DX

We promoted tourism DX as part of regional revitalization and supported local governments' exhibition in Expo 2025 Osaka, Kansai, Japan. The "Digital Travel Zone" at the venue provided a mechanism to experience the tourism resources of 58 municipalities across Japan through VR goggles, and created an environment where travel reservations can even be made. Support for exhibition expenses through the Corporate Hometown Tax Contributions encouraged participation, and has led to actual visits in some cases.



TOPIC Disaster Preparedness DX Symposium

In May 2025, the Disaster Preparedness DX Symposium was held in Uwajima City, Ehime Prefecture. This was the second time the symposium was held, following the initiative in 2024. In addition to Ehime and Kochi prefectures, local governments of Hokkaido and Honshu also participated, and exchanged opinions around "phase free."

The Cabinet Office and Cabinet Secretariat also reported on national disaster prevention measures, confirming the importance of disaster preparedness DX through public-private partnerships.



Stakeholder Engagement

The growth of OTSUKA CORPORATION to date has only been made possible by the support of its many stakeholders.

Moving forward, we will continue to build trust and co-create value with our stakeholders, and aim for the sustainable growth of both society and the Company.

	Basic approach	Main dialogue opportunities/initiatives
 Customers ① Maintenance and expansion of the customer base	Energize offices with IT and grow together with our customers	- Day-to-day business activities - Customer service office - Good Partner Program → P.42
 Partners ② Coexistence and co-prosperity with partners	- Build relationships of trust with partners through fair and equitable transactions - Create new value through new product development and service improvements	- Day-to-day business activities - Supplier surveys → P.64 - Various fairs and seminars → P.44-46
 Employees and families ④ Improvement of employee engagement ⑤ Promotion of DE&I ⑥ Human resource development	- Use each employee's capabilities to maximum effect - Encourage employee growth and self-realization	- Engagement survey → P.51 - Various interviews - Internal newsletter/portal site
 Local community ③ Coexistence with the community ⑦ Contribution to global environmental conservation ⑧ Realizing a safe, secure, and comfortable society	Become a progressive corporate group that demonstrates harmonious coexistence and growth with nature and society through implementation of responsible corporate activities	- Participation in regional activities → P.46 - Disclosure of environment-related information → P.58 - Participation in volunteer, etc. → Web
 Shareholders and investors ⑨ Strengthening corporate governance	Achieve sustainable improvement of our corporate value through timely and appropriate information disclosure and promotion of constructive dialogue	- General Meeting of Shareholders - Financial results briefing - Investor meetings TOPIC

*①-⑨ are related material issues

TOPIC Status of dialogue with shareholders

In 2017, we established a basic policy for dialogue with our shareholders, and we are working to create a system to enhance corporate value through constructive dialogue. Dialogue is primarily led by the President & Chief Executive Officer, the Director in charge of investor relations, and staff in charge of investor relations, with the President & Chief Executive Officer responsible for overseeing all dialogue with investors and analysts both in Japan and overseas.

We focus on individual meetings as a means of dialogue, and where possible and within reason, our policy is to respond individually. In 2025, we held 309 individual meetings (including online meetings), 45 of which were led directly by the President & Chief Executive Officer.

No. of individual meetings in 2025

	Number of meetings	Composition ratio
Domestic investors	203	65.7%
Overseas investors	106	34.3%
Total	309	100.0%

Through broad discussions on management policies, business strategies, market trends, performance, and KPIs at these meetings, we are striving to reflect feedback from capital markets into management. While carefully checking on our investors' management policies, we will engage in constructive dialogue to ensure sustainable growth into the future.

Main topics reflected into management through dialogue

- Formulation of the Medium- to Long-term Management Policy
- Enhanced shareholder returns
- Strengthening human capital
- Board of Directors composition
- Promotion of diversity
- Development of next-generation management
- Disclosure of amount of retirement benefits for individual officers
- Introduction of a remuneration plan that will be a medium- and long-term incentive → P.72

Materiality 9

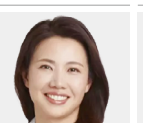
Strengthening Corporate Governance

List of Directors and Audit & Supervisory Board Members (Skill Matrix) (as of March 27, 2026)

The composition of the Board of Directors and the Audit & Supervisory Board as well as the expertise of each officer are shown in the table below.

This does not list all the knowledge and experience of each of Directors and Audit & Supervisory Board Members, but describes their representative skills.

Primary skills: ● Supplementary skills: ○

													
Directors		Yuji Otsuka	Kazuyuki Katakura	Hironobu Tsurumi	Hironobu Saito	Minoru Sakurai	Koichiro Yamada	Kazuo Uneno	Jiro Makino	Tetsuo Saito	Fuminori Suzumura	Yoko Nakai	Emi Wakatsuki
Name / Title and position / (Main) Areas of responsibility		President & Chief Executive Officer	Managing Director & Senior Executive Operating Officer	Managing Director & Executive Operating Officer	Managing Director & Executive Operating Officer	Managing Director & Operating Officer	Managing Director & Operating Officer	Managing Director & Senior Managing Officer	Director	Director	Director	Director	Director
		General Manager of MM Headquarters	General Manager of Sales Headquarters	Deputy General Manager of Sales Headquarters, Executive Department Head of CAD Department, General Manager of CAD Promotion Department	General Manager of Business Administration Headquarters, In charge of Project Promotion Office, In charge of Office of Auditors, In charge of Multi-AI Research Center, In charge of Customer Personalized Pages Promotion Center	General Manager of Technology Headquarters, Executive Department Head of AP Solution Department	Executive Department Head of Industry SI Department, General Manager of Headquarters SI Supervision Department, General Manager of Industry SI Promotion Department	General Manager of Finance and Accounting Department	Corporate legal affairs	Corporate management (governance)	Corporate management, sales, marketing	Corporate management, sales, marketing	Corporate legal affairs
									Outside Independent	Outside Independent	Outside Independent	Outside	Outside Independent
Years in office		34	29	16	19	15	1	1	11	10	1	Newly elected	Newly elected
Nomination & Remuneration Committee		●	—	—	●	—	—	—	● Chairperson	●	●	—	—
Required experience and skills	Corporate Management	◎	◎	◎	◎	○	○	○	○	◎	◎	◎	
	Finance & Accounting	◎	○	○	◎	○	○	◎		◎	○	○	
	Legal / Risk Management	◎	◎	○	◎	◎	○	○	◎		○	○	◎
	Sustainability / ESG	◎	○	○	◎					○	○	○	
	Personnel & Labor Relations / Human Resource Development	◎	○	○	◎	○	○	○			○	○	
	Technical Research and Development	◎	◎	○	○	◎	○	○			○	○	
	DX / ICT	◎	◎	◎	◎	◎	◎	○			◎	◎	

Strengthening Corporate Governance

Primary skills: ◎ Supplementary skills: ○				
Audit & Supervisory Board Members				
	Standing Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Name / Title and position / (Main) Areas of responsibility	Business in general	Finance, accounting	Finance, accounting, corporate legal affairs	Corporate legal affairs
		Outside Independent	Outside Independent	Outside Independent
Years in office	5	14	10	6
Nomination & Remuneration Committee	—	—	—	—
Required experience and skills	Corporate Management	◎	◎	◎
	Finance & Accounting	○	◎	◎
	Legal / Risk Management	◎	◎	◎
	Sustainability / ESG			
	Personnel & Labor Relations / Human Resource Development	○		
	Technical Research and Development			
	DX / ICT			

Required experience and skills

Skill item	Reason for election	Skill item	Reason for election
Corporate Management	Work experience and professional expertise regarding corporate management that are required to appropriately evaluate risks and opportunities in broad business domains covering our businesses that “support for the entire office” approach and to achieve sustainable improvement of our corporate value	Personnel & Labor Relations / Human Resource Development	Work experience and professional expertise regarding personnel, labor relations and human resource development that are required to understand employees’ diverse skills, experience, and values and to develop a working environment and cultivate an organizational culture in which each of our employees can realize their full potential
Finance & Accounting	Work experience and professional expertise regarding finance and accounting that are required to ensure accurate financial reporting as well as to build a robust financial base that supports sustainable improvement of our corporate value and to create value on the medium to long term through strategic capital allocation	Technical Research and Development	Work experience and professional expertise regarding technical research and development that are required to make management decisions for actively introducing new technologies and to supervise and provide advice on value creation through research and development
Legal / Risk Management	Work experience and professional expertise regarding legal affairs and risk management that are required to comply with laws and to ensure that our corporate activities are sound and based on high ethical standards	DX / ICT	Work experience and professional expertise regarding DX and ICT that are required to fully understand OTSUKA CORPORATION’s business model and organizational culture and to innovate and gain competitive advantage by using and leveraging digital technology
Sustainability / ESG	Work experience and professional expertise regarding sustainability and ESG that are required to properly recognize social issues, such as environmental problems and human rights issues, and to fulfill our corporate social responsibility by creating social value and economic value		

Succession plan

In order to constantly increase the effectiveness of the Board of Directors, we have developed a succession plan for Directors. As a development program, we launched OTSUKA Leader’s College in 2015 (→ P.55) and started training programs for developing candidates for successors of the next generation and the generation after the next. We give a curriculum that fosters knowledge, expertise, and experience that will contribute to achieving sustainable growth of the Company and medium- to long-term improvement of corporate value. In the curriculum, we also emphasize the importance of being an individual of good character, which is part of the policy on election of candidates for Directors.

Strengthening Corporate Governance

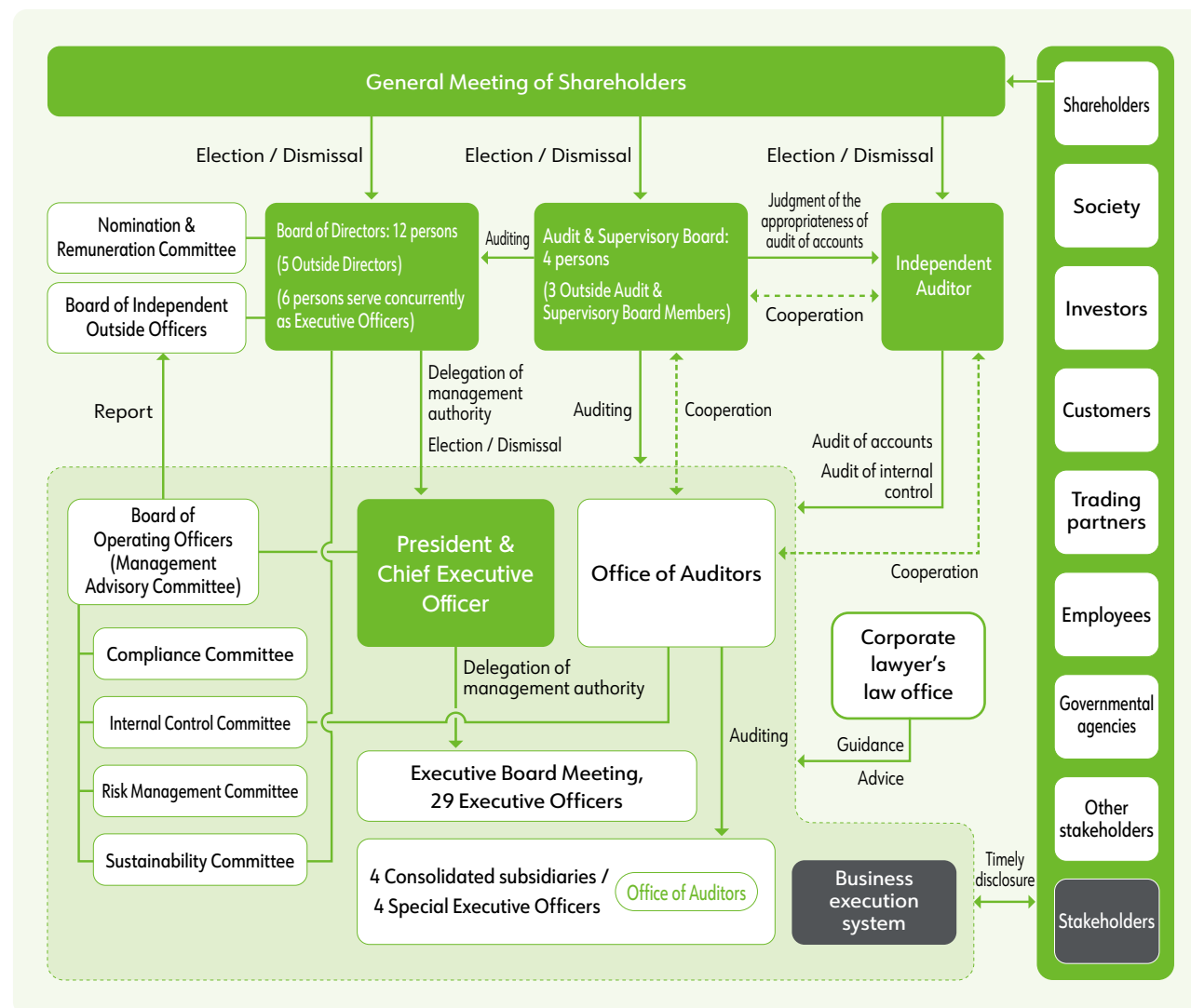
Corporate Governance System

Based on corporate ethics and the spirit of compliance spelled out in its Mission Statement, the OTSUKA CORPORATION Group aims to adapt agilely to changes in the environment and augment its competitiveness by ensuring thorough compliance and raising both operational transparency and fairness.

OTSUKA CORPORATION consists of various statutory bodies such as the General Meeting of Shareholders, Directors and the Board of Directors, Audit & Supervisory Board Members and the Audit & Supervisory Board, and the Independent Auditor. An Audit & Supervisory Board Members System has therefore been adopted. Additionally, the Company appoints Outside Directors and outside auditors with the aim of strengthening the monitoring of the execution of duties. Moreover, the introduction of the Executive Officer System aims to separate the functions of business execution and supervision in order to realize more rapid decision-making on operational matters and strengthen the oversight of the Board of Directors. To this end, Executive Officers elected by the Board of Directors are responsible for the execution of business operations while the Board of Directors and Audit & Supervisory Board Members handle the oversight of business execution.

Furthermore, Group Management Meetings are held four times a year to clarify operational conditions and progress in achieving profit targets at each Group company and to strengthen corporate governance. The Group Management Meeting is chaired by Hironobu Saito, Managing Director & Executive Operating Officer; General Manager of Business Administration Headquarters, and consists of 25 members, including six internal Directors, excluding the President & Chief Executive Officer, one Standing Audit & Supervisory Board Member, four top managers of Group companies (Special Executive Officers), five Executive Officers who are deeply involved in operations at Group companies, as well as the Corporate Planning Office and the Finance and Accounting Department.

Corporate governance system chart (As of March 27, 2026)





Strengthening Corporate Governance

Board of Directors

In fiscal 2025, the Board of Directors is chaired by Yuji Otsuka, President & Chief Executive Officer, and consists of 11 persons, including four Outside Directors. The Board of Directors holds a regular meeting once a month, in principle, to deliberate and decide on important matters that require its resolutions as stipulated by laws and regulations and the Articles of Incorporation and supervises the execution of duties by Directors.

● Main resolutions and reports at the Board of Directors' meetings (Fiscal year ended December 31, 2025)

Management and business	• Changes in organizations and personnel assignments • Annual financial plan for 2025 • Matters related to financial results (including the announcement plan and implementation of an interim dividend) • Matters related to LION OFFICE PRODUCTS CORP. (approval of listing, changes to number of loaned/borrowed shares)
Governance	• Report from the Nomination & Remuneration Committee • Matters regarding the 64th Annual General Meeting of Shareholders (agenda, officer assignments, matters to be resolved, etc.) • Submission of the corporate governance report • Sale of policy stocks • Management that is conscious of capital costs and share price • Report on the evaluation of effectiveness of the Board of Directors
Sustainability	• Revision of material issues • Update of information disclosure in line with the TCFD recommendations • Company responses to opinions and requests at workplace improvement roundtable conferences • Regulation revisions (review of retirement and re-employment system, etc.)

● Reasons for increase in number of Directors

In March 2026, we increased the number of female Directors to enhance our management structure and sophisticate our decision-making functions. Moving forward, we will aim for management that values diversity.

Evaluation of Effectiveness of the Board of Directors

① Outline of the effectiveness evaluation of the Board of Directors for fiscal 2024

Target	The 64th term (Fiscal year ended December 31, 2024)
Period	From mid-June to early July, 2025
Method	Outside Directors distributed and collected questionnaires to Directors and Audit & Supervisory Board Members (15 in total), and conducted individual interviews based on aggregated results

② Identified issues

Composition	• Increase in female Directors
Management and system	• Appropriate, in general
Agenda	1. Medium- to long-term perspectives and future strategies, including AI 2. Clarification of successor selection process 3. Remuneration plan that will be a medium- and long-term incentive 4. Selection of executive management 5. Internal control system
Others	Continuation of information sharing with the Board of Independent Outside Officers

③ Progress in addressing the issues in fiscal 2025

Composition	• Submission of proposal to elect two female Directors (approved at the March 2026 General Meeting of Shareholders)
Agenda	1. Improvement of consulting services in the sales department in line with the "support for the entire office" strategy; stabilization of revenue base through strengthening of maintenance and subscription business; improvement of status as system integrator through proactive investment and initiatives in AI domains 2. Reinforcement of human resource development, including successors 3. Submission of proposal for remuneration plan that will be a medium- and long-term incentive (approved at the March 2026 General Meeting of Shareholders)
Others	Measures for employee engagement/initiatives to improve organizational culture

Strengthening Corporate Governance

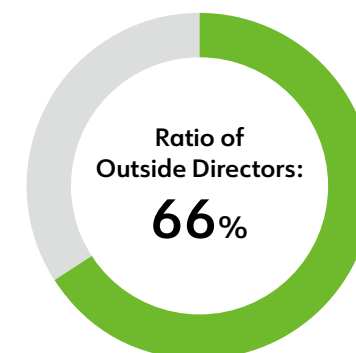
Activities of the Nomination & Remuneration Committee and the Board of Independent Outside Officers (in fiscal 2025)

We are promoting the realization of our Mission Statement by further strengthening corporate governance through the establishment and operation of the following committees.

● Nomination & Remuneration Committee Number of meetings held: 7 (January to December 2025)

The Nomination & Remuneration Committee consists of six Directors, the majority of whom are Independent Outside Directors. It aims to enhance corporate governance by strengthening the transparency, fairness, and objectivity of the procedures related to nomination and remuneration for Directors.

Member composition			Attendance (attendance rate)	Main topics discussed
[Chairperson]	Jiro Makino	(Outside Director)	7 (100%)	● Nomination of Directors (in fiscal 2025 and fiscal 2026) ● Medium- to long-term incentives ● Determination of amount of bonuses ● Determination of composition of officer remuneration and payment amount for fiscal 2025
[Members]	Tetsuo Saito	(Outside Director)	7 (100%)	
	Makiko Hamabe	(Outside Director)	7 (100%)	
	Fuminori Suzumura	(Outside Director)	3 (100%)	
	Yuji Otsuka	(President & Chief Executive Officer)	7 (100%)	
	Hironobu Saito	(Director)	6 (85%)	



● The Board of Independent Outside Officers Number of meetings held: 11 (January to December 2025)

The Board of Independent Outside Officers consists of all Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, with Jiro Makino as the Lead Independent Outside Officer. The information obtained by each board member is shared and utilized in their respective duties, and reports and opinions are given to the Board of Directors and the President & Chief Executive Officer as necessary.

Member composition			Attendance (attendance rate)	Main topics discussed
[Lead Independent Outside Officer]	Jiro Makino	(Outside Director)	11 (100%)	● Preliminary review of agendas for meetings of the Board of Directors ● Management that is conscious of capital costs and share price (updates to the corporate governance report) ● Reports on outcome of response to whistleblowing reports (including disciplinary action) ● Matters related to sustainability (revision of material issues, TCFD recommendations) ● Long-term retained stock/announcement plan/financial plan, etc.
[Members]	Tetsuo Saito	(Outside Director)	11 (100%)	
	Makiko Hamabe	(Outside Director)	11 (100%)	
	Fuminori Suzumura	(Outside Director)	8 (100%)	
	Kazuhiko Nakai	(Outside Audit & Supervisory Board Member)	10 (90%)	
	Etsuo Hada	(Outside Audit & Supervisory Board Member)	11 (100%)	
	Katsumasa Minagawa	(Outside Audit & Supervisory Board Member)	11 (100%)	



Strengthening Corporate Governance

Directors' Remuneration

The following remuneration is paid or contributed within the range approved by resolution of the General Meeting of Shareholders.

To further clarify the link between Director remuneration and the Company's performance and stock value, and to provide an incentive for Directors to work toward the sustainable enhancement of the Company's corporate value, in fiscal 2026, we introduced a remuneration plan that will be a medium- and long-term incentive (excluding Outside Directors).

● Directors (excluding Outside Directors)

Remuneration is paid according to the composition shown in the table on the right. For Directors who concurrently serve as Executive Officers, position and performance, etc., as an Executive Officer shall be considered in determining their Director remuneration. Remuneration levels as well as the percentages of each type of remuneration as individual remuneration for Directors are set according to job responsibilities, contributions, etc., with reference to survey data from external specialist organizations.

● Outside Directors

From the perspective of maintaining independence, Independent Outside Directors only receive fixed basic remuneration which is based on the remuneration levels of other companies and the Company's standing Directors.

● Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)

Audit & Supervisory Board members receive basic remuneration, which is determined through discussions among Audit & Supervisory Board members.

● Outside Audit & Supervisory Board Members

Outside Audit & Supervisory Board members only receive fixed basic remuneration, which is determined through discussions among Audit & Supervisory Board members.

Composition of remuneration for Directors (excluding Outside Directors)

Basic remuneration	Basic remuneration is paid monthly in an amount determined taking into consideration the balance with the salaries of other companies and employees, as well as the evaluation of the performance of the divisions in charge for past years.
Bonuses	The payment level of bonuses is predetermined based on the achievement rate of target operating profit, which is strongly correlated to stock price. The amount of bonuses to be paid annually in July and December shall be determined based on the performance of the entire company during the bonus payment period, the performance of the department in charge and the degree of contribution to performance of the individual officer, while ensuring the transparency in linking bonuses to business performance.
Earnings bonuses	Earnings bonuses are paid annually around February and August after amounts are decided in accordance with the achievement rate of the annual and semi-annual operating profit based on the annual and semi-annual plan for employees.
Retirement benefits for officers	In accordance with the provisions of the rules for retirement benefits for officers, the annual basic amount of retirement benefits for officers are accumulated for standing Directors based on their positions. The cumulative amount is calculated at the time of their retirement and paid in an amount determined based on a resolution of the General Meeting of Shareholders.
Corporate-type defined contribution pension plan	The corporate-type defined contribution pension plan provides monthly contributions to standing Directors under the age of 60 in an amount equal to the maximum amount paid to employees in accordance with the provisions of the defined contribution pension rules established by a resolution of the Board of Directors.
Remuneration plan that will be a medium- and long-term incentive	[From 2026 onward] Using PSU, the Board of Directors establishes in advance the Company's numerical performance targets for a three-fiscal-year period (evaluation period), the base number of shares, etc. After the evaluation period, the number of the Company's common shares calculated based on the level of achievement of the performance targets, or cash equivalent to the shares, is granted.

Total amount of remuneration for each officer class, total amount by type of remuneration and number of eligible officers (fiscal 2025 results)

Officer class	Total remuneration (millions of yen)	Breakdown of remuneration (millions of yen)			Number of eligible officers (persons)
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	
Directors (excluding Outside Directors)	462	212	220	30	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	25	25	—	—	1
Outside Directors	50	50	—	—	4
Outside Audit & Supervisory Board Members	27	27	—	—	3

(Notes) 1. The amount of remuneration, etc. for Directors does not include the amount of employee salaries of Directors who concurrently serve as employees.
 2. The amount of remuneration for Directors is set at ¥650 million or less per year (however, employee salary portions are not included) based on a resolution of the General Meeting of Shareholders held on March 13, 1990. The number of Directors at the conclusion of said General Meeting of Shareholders was 18.
 3. The maximum amount of remuneration for Audit & Supervisory Board Members is set at ¥80 million or less per year based on a resolution of the General Meeting of Shareholders held on March 27, 2024. The number of Audit & Supervisory Board Members at the conclusion of said General Meeting of Shareholders was four.
 4. The amount of retirement benefits includes an increase in provision for retirement benefits for officers for the fiscal year under review.
 5. The actual results of performance indicators used to calculate the amount of performance-linked remuneration for the fiscal year under review are operating profit for the eligible bonus period of ¥79,656 million (target value ¥72,473 million, achievement rate 109.9%) with regard to bonuses, and annual operating profit of ¥81,196 million (target value ¥74,700 million, achievement rate 108.7%) with regard to earnings bonuses.
 6. The Company resolved at the 61st Annual General Meeting of Shareholders held on March 29, 2022 to abolish the retirement benefits system for standing Audit & Supervisory Board Members upon the conclusion of the said general meeting. Retirement benefits will be paid at the time of retirement to one standing Audit & Supervisory Board Member who was to continue to serve after the conclusion of the meeting, in an amount corresponding to the period of service up to the abolishment of the system.

Strengthening Corporate Governance

Message from Outside Directors

We received messages from our Outside Directors regarding the challenges, expectations, and medium- to long-term risks of OTSUKA CORPORATION's strategies.

Q1.

Regarding the "support for the entire office" approach OTSUKA CORPORATION is aiming for, what do you see as challenges and expectations for the future?

Q2.

From the perspective of an Outside Director, how do you view OTSUKA CORPORATION's biggest medium- to long-term risks and management's preparations for those risks?



Jiro Makino

Q1. Challenges and expectations for the "support for the entire office" approach

"support for the entire office" approach is a strategy that integrates OTSUKA CORPORATION's expansive business model with the various needs of companies. However, there are limits to the capacity of a person in charge to possess all the knowledge and skills, and to respond to customer needs accurately and flawlessly. Therefore, while we are pushing ahead with AI support, we feel it is necessary to further enhance robust systems that provide constant support and assistance, such as a highly functional smartphone AI app.

Q2. Views on the biggest medium- to long-term risks and management's preparations for them

Natural disasters are unavoidable. OTSUKA CORPORATION must create a resilient structure that enables it to support business partners nationwide even in the event that a major earthquake occurs directly beneath Tokyo. It will likely need to establish a strong base in regions such as Kansai, Kyushu, or Hokkaido, and have a mechanism in place to allow this base to take over headquarters functions for a considerable length of time. I think we still have some way to go in achieving further growth going forward, as we still need to formulate a clear strategy for strengthening bases while expanding the scale of business.



Tetsuo Saito

Q1. Challenges and expectations for the "support for the entire office" approach

I believe that the source of OTSUKA CORPORATION's competitive edge lies in its "support for the entire office" provision system underpinned by multi-vendor and multi-field capabilities, as well as its multifaceted customer contact points combining the real, web, and center channels. Additionally, it has established a structure for the S&S business (recurring revenue business), represented by tanomail and various maintenance services, that generates revenue in an efficient and stable manner, significantly contributing to the enhancement of its corporate structure. Given the expansion of its business domains, I expect to see further corporate value enhancement through the proactive provision of "support for the entire office."

Q2. Views on the biggest medium- to long-term risks and management's preparations for them

From the perspective of an Outside Director, I believe that being slow to respond to changes in the business environment and customer environment could pose medium- to long-term risks. OTSUKA CORPORATION is preparing for uncertainty through the use of AI, human resource development, and strengthening of its risk management system, while also making efforts to turn the rapid environmental changes of late into growth opportunities. Based on this understanding of risks, I believe that proactive initiatives such as the use of AI will contribute to sustainable growth.

Strengthening Corporate Governance



Fuminori Suzumura

Q1. Challenges and expectations for the “support for the entire office” approach

While OTSUKA CORPORATION has benefited from favorable market conditions, such as demand associated with EOS for Windows 10 and security issues, the fact that performance remains strong even when removing these factors is evidence that its “support for the entire office” strategy has firmly taken root and become established across the company. On the other hand, considering the estimated market size of ¥50 trillion, there are many fields that can be handled by OTSUKA CORPORATION, leaving ample room for strategic growth. To achieve this, it all comes down to continuously meeting customer expectations and growing together, which is the direction I think the company should steadily head toward.

Q2. Views on the biggest medium- to long-term risks and management's preparations for them

The spread of AI is accelerating the pace of change, and the resulting uncertain and opaque business environment poses a significant risk to many companies. One of the driving forces behind OTSUKA CORPORATION's growth is its strong adaptability to changes in the environment, so refining this is crucial. It is important not to simply chase trends, but for OTSUKA CORPORATION to stay true to its real essence, and to value a management style that always prioritizes customers in decision-making, while also being sensitive to changes in the market and with customers, and boldly addressing these changes.



Yoko Nakai

Q1. Challenges and expectations for the “support for the entire office” approach

Many mid-ranking companies and SMEs, OTSUKA CORPORATION's target customers, face numerous challenges in addressing diversifying IT needs, including system revamps, stable operation, and securing personnel. Addressing these challenges through a comprehensive “support for the entire office” approach offers broad and significant potential. However, given the unprecedented pace of technological innovation and advancement, particularly in AI and security, it is crucial for OTSUKA CORPORATION to deepen its expertise in this field and continuously enhance corporate value to ensure our customers can confidently rely on it.

Q2. Views on the biggest medium- to long-term risks and management's preparations for them

I see three main risks. The first is whether Japanese companies can continue investing in IT given the US tariff policies and the long-term depreciation of the yen impacting the domestic market. The second is establishing a management structure that enables the swift reflection of measures in services and products to respond to the speed of IT innovation. The third is hiring and training up IT/digital personnel, which are currently in short supply. As a newly appointed Director, it is too early for me to make any evaluation. Even so, I will actively discuss these risks going forward and work to incorporate them into management.



Emi Wakatsuki

Q1. Challenges and expectations for the “support for the entire office” approach

These days, it is said that implementing SaaS is relatively easy even with insufficient IT knowledge. However, precisely because of this trend, OTSUKA CORPORATION's initiatives to optimize operations from a multifaceted perspective, including ensuring overall security, are sure to be viewed even more positively. Rather than focusing solely on short-term profits, I hope that OTSUKA CORPORATION will become a trusted partner for its customers, like a family doctor, someone they can rely on first when they encounter problems.

Q2. Views on the biggest medium- to long-term risks and management's preparations for them

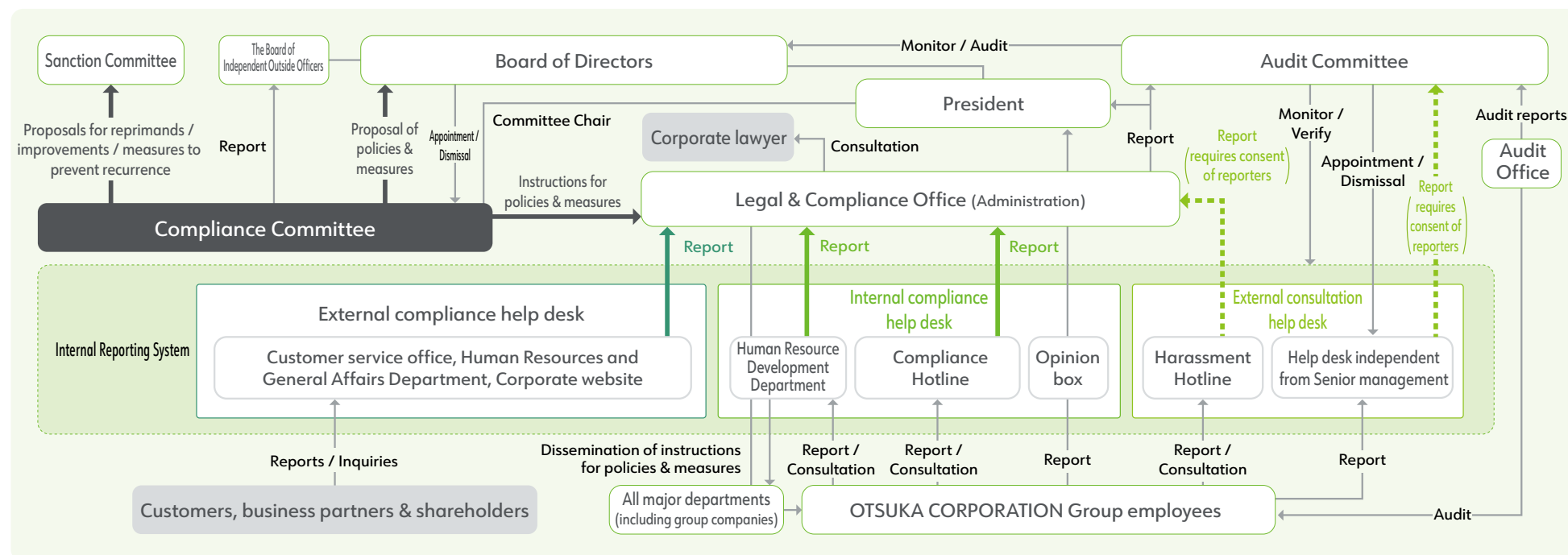
OTSUKA CORPORATION's growth to date is a testament to the efforts of its management team full of ingenuity and creativity. Considering governance demands and increasing labor mobility in Japan, we must develop clear succession plans, including those for senior employees. Fully utilizing the wealth of existing knowledge while establishing systems geared toward future growth will lead to the enhancement of corporate value. In this regard, I like the company's policy of securing, developing, and raising the engagement of diverse range of human resources.

Strengthening Corporate Governance

Compliance System → Web

One of the principles in the Mission Statement of OTSUKA CORPORATION is fully complying with all prevailing laws and regulations, and maintaining high ethical standards. OTSUKA CORPORATION is working to establish and strengthen a compliance system accordingly.

Compliance Structure



① Roles of the Compliance Committee

1. Establish a plan for compliance training
2. Identify potential risks associated with business activities and formulate preventive measures
3. Establish a plan to deal with any compliance violations that may occur
4. Plan measures to prevent recurrence
5. Make proposals to the Board of Directors and implement approved policies and measures

② Initiatives to Ensure Compliance

We have established internal and external help desks for consulting and reporting compliance infringements, with the aim of ensuring that we promptly discover and address compliance issues and prevent their recurrence. In accordance with the Whistleblower Protection Act, we have formulated the Whistleblower Protection Regulations and established consultation desks, such as the Compliance Hotline to ensure proper processing of reporting.

Strengthening Corporate Governance

3 Compliance Education

1. Compliance Manual

The Compliance Manual presents our basic approach toward compliance. We aim to embed and enhance awareness of compliance through various training forums, including new employee training and new manager training.

2. e-Learning

All employees are required to take the following e-Learning courses to reinforce their basic knowledge.

- | | |
|----------------------|------------------------------------|
| 1. Mission Statement | 3. Information security management |
| 2. Compliance | 4. Harassment prevention |

3. CP (Compliance Program) License System

We operate a CP (Compliance Program) License System through e-Learning in order to encourage the reinforcement of knowledge about personal information protection and information security.

Risk Management System

OTSUKA CORPORATION has established a Risk Management Committee as the body to promote and supervise business risk management. The committee identifies and assesses all risks related to the Company. The Risk Management Committee investigates respective measures for key risks. The Committee provides direction on the creation of a risk management system to ensure the ongoing and stable maintenance and management of risks in each division and department in its scope.

Most common risks for the OTSUKA CORPORATION Group → [Web](#) Annual Securities Report (P.21)



Information Security Initiatives

The OTSUKA CORPORATION Group handles a large amount of personal and corporate information pertaining to its business activities. In the unlikely event that such information is leaked, the Group's operations could be significantly impacted due to the incurrence of liabilities for damage and a decline in social credibility. OTSUKA CORPORATION has therefore obtained various certifications, including PrivacyMark, ISMS, and ISO27017, and is striving to appropriately manage information security risks. The Company is also working to raise awareness of information management across the Group through the publication of its Personal Information Protection Policy and the establishment of related regulations. Furthermore, for its information systems, on top of its technical measures, the Company is also working to increase the sophistication of its security measures through external diagnoses, drills against targeted attacks, and the establishment of a monitoring and response system equivalent to a Computer Security Incident Response Team (CSIRT).

Acquired certifications	- PrivacyMark (Japan Institute for Promotion of Digital Economy and Community) - Information Security Management System (ISMS) Conformity Assessment Scheme - ISO27017 (cloud security)
Measures and initiatives	- Release of a Personal Information Protection Policy and establishment of various regulations - Proprietary educational system CP (Compliance Program) License System - Technical measures used at entrances, internally, and at exits - External diagnoses by third parties - Regular drills against targeted e-mail attacks

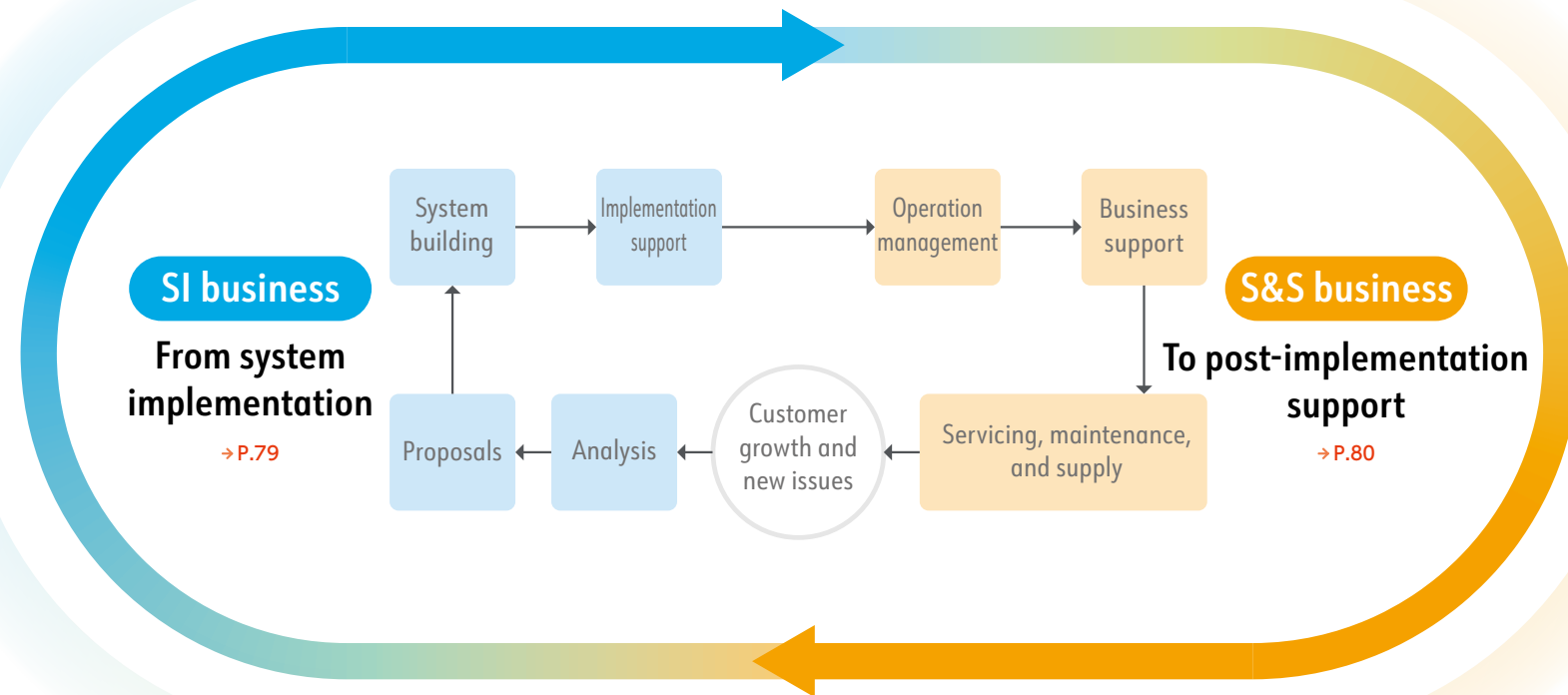
SI and S&S Business Strategies

Characteristics of business segments

OTSUKA CORPORATION classifies its business segments into two categories: System Integration Business (SI business = system implementation) and Service and Support Business (S&S business = post-implementation support). However, each segment cannot be divided by customer industry or business category, or by a specific product line. The most distinctive feature of OTSUKA CORPORATION's business segments is that the two segments work together in an aim to "support for the entire office" of customers.

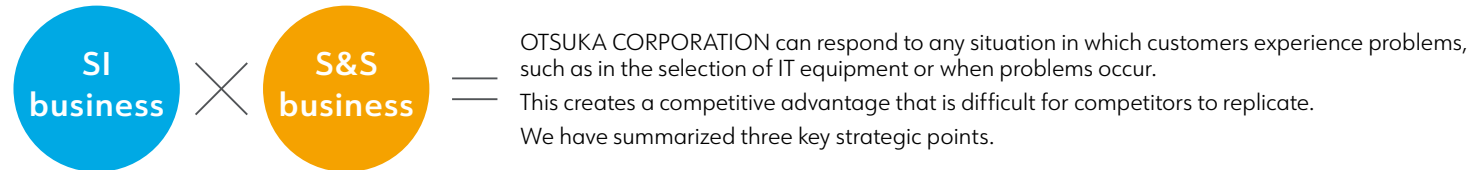
Providing value to customers

A single solution cannot fully resolve customers' challenges in an increasingly complex IT environment. It is important to combine multiple solutions and implement them in stages according to the growth of the customer. Rather than ending with a single transaction, we propose optimal solutions to each customer's issues at the time from a wide range of partner solutions, and provide support from implementation to subsequent support. The cyclical collaboration between the two segments makes it possible to continuously support growing customers.



SI and S&S Business Strategies

Strategic aims of having both SI and S&S businesses



3 strategic points

① Higher switching costs

As IT environment become increasingly complex, support for the entire system lifecycle increases customer loyalty. At the same time, our deep understanding of customer operations increases switching costs and supports the building of long-term relationships. → **PICKUP**

② Contact points with customers and additional sales

Having customer contact points in a variety of situations is effective in discovering customer needs in an increasingly complex IT environment. By building more customer contact points than competitors, we are able to offer additional solutions that directly address customer needs. This is an important revenue opportunity for OTSUKA CORPORATION. → **PICKUP**

③ Expanding the environment

As more customers gather, more partners are attracted, creating a high-quality environment. We will strengthen our customer support and gain a competitive advantage by building a broad business ecosystem that extends beyond the realm of IT. Practical Solutions Fair → **P.44**

PICKUP

Case study: Office IT environment

Typical IT vendor

As responsibilities are divided by company, the scope of support in the event of a failure is unclear

OTSUKA CORPORATION One-stop solutions & one-stop support

OTSUKA CORPORATION: Handling everything from IT environment construction to operation support

Handled entirely by OTSUKA CORPORATION



PICKUP

Visualization and quantification of customer contact points

In addition to providing a wide range of products and services used in daily office environments, we are also working to understand the depth of our customer relationships by visualizing and quantifying our diverse customer contact points—including fairs, seminars, inquiries, and support history—in chronological order. AI Assistant → **P.33**

Moreover, by having AI present future approaches and customer growth stories, we are creating systems to support the growth of our customers. In this way, through a cycle that begins with implementation in the SI business before expansion into the S&S business, we are enabling the building of long-term and sustainable relationships with our customers.

Past Visualize relationships

The degree of relationship is shown in chronological order by shade of color

Present Quantify relationships

74/100

Future Present growth stories

- Advice on the industry
- Projected IT investment amount
- Suggestions by AI

SI business	S&S business	Points
PCs	Operations cloud	Continuous support in line with changes to use environment
Copiers	Copy paper	Regular contact through everyday consumables
	Maintenance	Continuous service to support stable operations
Network equipment	Monitoring operation	Response to failures/sophisticated proposals

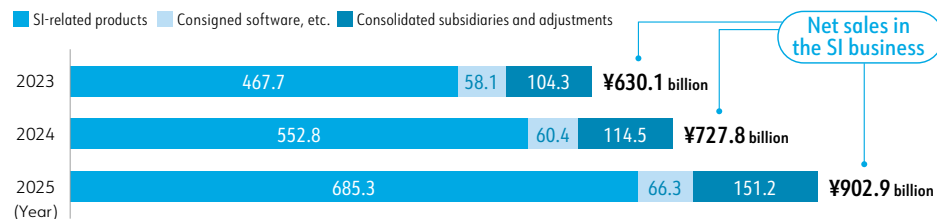
System Integration Business (SI Business)

Review of 2025 Business Results

Results

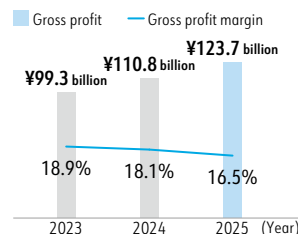
Since the second half of 2024, there has been a gradual rise in renewal demand following the end of support (EOS) for Windows 10. Since then, we have proceeded to secure inventory and strengthen our distribution system to minimize any loss of opportunity. There was also demand associated with the second GIGA School project in 2025, and post-EOS in the fourth quarter of fiscal 2025, we maintained our year-on-year increase (+10.2%) thanks to demand for security software and hardware. As a result, annual net sales in the SI business achieved double-digit growth for the third consecutive year.

[Consolidated] Net sales in the SI business



When looking at the SI business alone, although gross profit margin declined due to the overlap between GIGA School-related projects and EOS-support projects for large enterprises, gross profit increased to ¥123.7 billion (¥12.9 billion or 11.7% increase). Compared to the previous EOS period in 2019, gross profit increased by ¥32.1 billion, showing that the scope of related products is growing. Moreover, as a result of greater sales efficiency thanks to improved productivity per employee, we were able to minimize the increase in selling, general and administrative expenses and boost operating profit.

[Non-consolidated] Gross profit in the SI business



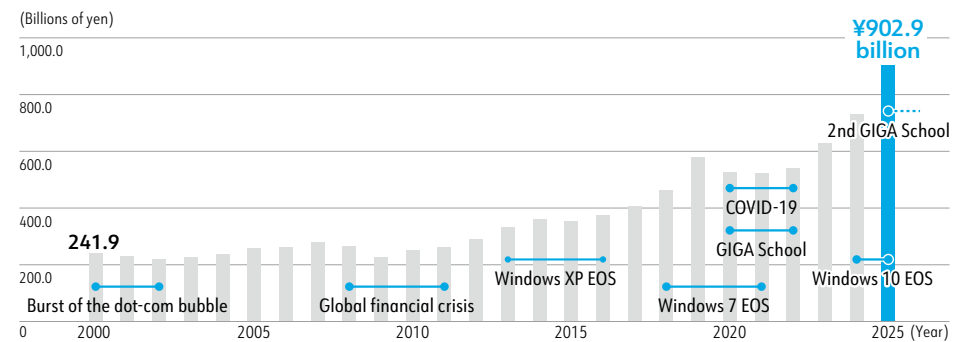
Challenges and initiatives for 2026 onward

Although we expect a reactionary decline from EOS-related renewal demand, with the required response to security countermeasure assessment programs and preparations for server EOS, IT investment needs will remain. By cross-selling security and AI solutions alongside computer sales, we will work to sustain the growth of the SI business through providing continuous value that goes beyond one-time demand.

Overview and Strengths

We provide integrated support for the selection, proposal, and introduction of IT equipment and systems that are essential for our customers' corporate activities. Despite temporary falls in demand due to the burst of the dot-com bubble, the global financial crisis, etc., we have maintained top-line growth over the medium to long term thanks to renewal demand stemming from the EOS for Windows, as well as continuous additional proposals for related solutions.

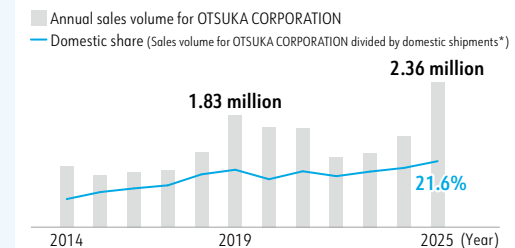
[Consolidated] Long-term change in net sales



*There were changes in accounting standards in 2022.

TOPIC Record share of sales by clients (computers and tablets) (21.6%)

- 2.36 million units were sold in 2025 (+59.9%). Surpassed unit sales from previous EOS period (2019: 1.83 million units).
- 21.6% of units were sold in Japan. Involved in one of five units sold in Japan.
- Reinforced procurement capabilities through expansion of sales volume. Achieved competitive price structure.



*Domestic shipments: Number of domestic PC shipments according to Japan Electronics and Information Technology Industries Association (JEITA)

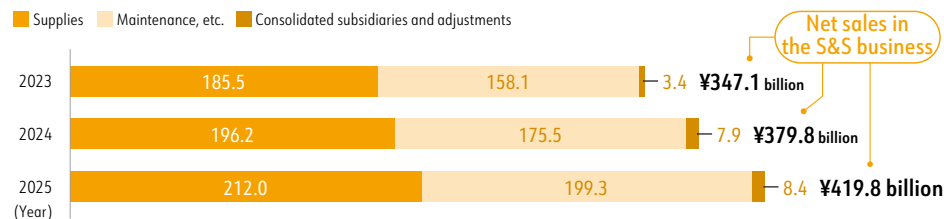
Service and Support Business (S&S Business)

Review of 2025 Business Results

Results

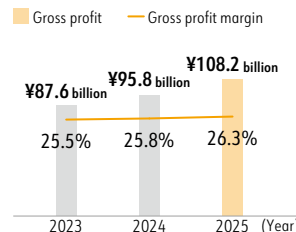
The S&S business comprises highly continuous services centered on supply and maintenance, and as a result we have been able to create a stable revenue base that is not easily impacted by economic changes. In 2025, amid security-related disruptions affecting supply in the industry, OTSUKA CORPORATION was able to act as an alternative and support customers' business continuity, in turn playing a key role in society. Against the backdrop of growing demand for cloud services in recent years, the maintenance segment, including these services, continues to achieve strong growth.

[Consolidated] Net sales in the S&S business



Looking at the S&S business alone, we are making steady progress with improvements to our gross profit margin. As a result, gross profit increased 12.9% year on year and surpassed ¥100.0 billion for the first time. This rate of growth exceeds that of the SI business (11.7% year on year), which itself performed strongly thanks to EOS-related demand. This improvement in profitability is attributable to our high-value-added services, including our original Raku-Raku series of services, which have earned a certain level of recognition from customers.

[Non-consolidated] Gross profit in the S&S business



Challenges and initiatives for 2026 onward

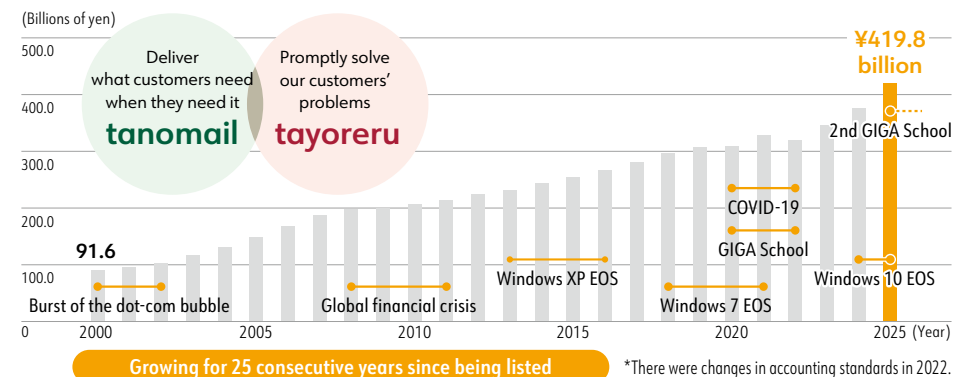
An external survey has placed OTSUKA CORPORATION's Raku-Raku EDR third in terms of market share. The Company is the only non-specialized manufacturer to place among the market's top three. The same survey revealed that approximately 70% of companies have not adopted EDR, showing that there is still significant room for the implementation of security countermeasures. While raising awareness among customers, we will continue to propose highly effective services.

Report on survey of current state of security countermeasures (USEN ICT Solutions CORPORATION; February 3, 2026)

Overview and Strengths

The S&S business is primarily made up of two brands: tanomail, a mail-order business for office supplies, etc., and tayoreru, an all-inclusive support program. Both brands are characterized by continuous business with customers on a regular and recurring basis or based on term contracts. Even during the global financial crisis when growth in the SI business was sluggish, the S&S business achieved steady growth, and when excluding the effect of changes in accounting standards in 2022, the business has achieved stable growth for 25 consecutive years since the Company's listing.

[Consolidated] Long-term change in net sales

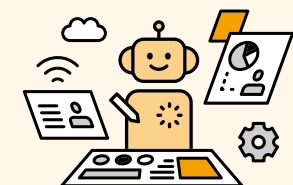


TOPIC tayoreru Business AI Agent

In March 2026, we began offering the tayoreru Business AI Agent service which seamlessly connects with various operational systems and services. This new service is based on the track record and expertise we have accumulated through our many years of supporting mid-ranking companies and SMEs with the implementation and operation of operational systems.

Focusing on the service's usability in frontline operations, we are helping customers improve operational efficiency and productivity through an AI agent service that can be used immediately, is directly linked to operations, and can be used continuously with peace of mind.

tayoreru
Business AI Agent





Principal Financial Data

●: KPI of the Medium- to Long-term Management Policy (Millions of yen)

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financial results (consolidated)	Net sales* ¹	609,045	643,417	691,166	759,871	886,536	836,323	851,894	861,022	977,370	1,107,668	1,322,791
	System Integration Business* ¹	353,170	376,391	408,718	463,293	578,698	526,613	523,609	541,671	630,185	731,712	902,915
	Service and Support Business* ¹	255,490	266,625	282,064	296,577	307,837	309,710	328,284	319,350	347,185	375,955	419,875
	Other business* ²	385	400	383	—	—	—	—	—	—	—	—
	Operating profit	37,311	39,684	44,386	48,058	62,192	56,309	55,827	54,768	62,959	74,360	89,943
	Ordinary profit	38,240	40,780	45,460	49,285	63,706	57,550	57,567	56,639	64,517	75,931	91,525
	Profit attributable to owners of parent	23,705	26,675	31,560	33,601	43,497	39,309	39,927	40,022	47,448	53,481	64,303
Financial position (consolidated)	Total assets	324,755	343,821	380,317	406,732	461,812	471,292	486,254	523,016	561,805	673,903	729,200
	Equity	173,229	189,851	212,897	229,726	259,328	277,348	298,743	319,388	343,112	370,799	394,324
	Interest-bearing debt	9,344	9,008	8,873	8,256	8,807	8,895	8,851	8,441	8,188	7,528	7,855
Cash flows (consolidated)	Net cash provided by (used in) operating activities	27,621	23,932	36,153	38,646	48,762	32,496	57,873	29,196	71,649	37,711	92,218
	Net cash provided by (used in) investing activities	(7,235)	(5,823)	(5,243)	(11,096)	(7,934)	(8,716)	(9,160)	(8,355)	(21,473)	(11,949)	(20,475)
	Net cash provided by (used in) financing activities	(8,742)	(9,532)	(11,528)	(13,470)	(16,221)	(20,988)	(21,957)	(23,307)	(23,839)	(25,891)	(47,613)
	Cash and cash equivalents at end of period	109,587	118,183	137,545	151,585	176,198	178,988	205,746	203,274	229,615	229,488	253,620
Per share data (consolidated)* ³	Earnings per share (EPS) (yen)	62.51	70.35	83.23	88.61	114.71	103.66	105.29	105.54	125.13	141.04	169.58
	Dividend per share of common stock (yen)* ⁴	25.00	30.00	35.00	42.50	55.00	57.50	60.00	62.50	67.50	80.00	90.00
	Dividend payout ratio (%) ●	39.99	42.65	42.05	47.96	47.95	55.47	56.98	59.22	53.94	56.72	53.07
Main financial indicators (consolidated)	Return on equity (%) ●	14.09	14.69	15.67	15.18	17.79	14.65	13.86	12.95	14.32	14.98	16.81
	Operating profit to net sales ratio (%) ●	6.13	6.17	6.42	6.32	7.02	6.73	6.55	6.36	6.44	6.71	6.80
	Equity ratio (%)	53.34	55.22	55.98	56.48	56.15	58.85	61.44	61.07	61.07	55.02	54.08
Relationships with customers (non-consolidated)	Number of customer companies with transactions per year (ten thousand) ●	25.9	26.5	27.0	27.5	27.9	28.5	28.7	29.2	29.5	29.5	31.1
	Net sales per company (ten thousand yen) ●	215	219	230	248	286	262	266	262	293	333	373
Productivity (non-consolidated)	Net sales per employee (thousands of yen)	81,845	83,627	88,233	95,858	110,313	101,022	102,503	102,026	112,741	123,932	140,357
	Operating profit per employee (thousands of yen)	4,925	5,169	5,618	5,953	7,650	6,704	6,504	6,419	7,172	8,365	9,798

*1 The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) since 2022.

*2 Otsuka Auto Service Co., LTD., which was a consolidated subsidiary, was excluded from consolidation from 2018 due to its reduced impact on consolidated business results. Along with this, the Other business segment is not listed from 2018 due to the absence of business results.

*3 Per share data is calculated retroactively for stock splits conducted in the past.

*4 Includes commemorative dividend. (2016: 55th anniversary commemorative dividend: ¥2.50, 2021: 60th anniversary commemorative dividend: ¥2.50, 2024: one-trillion-yen net sales commemorative dividend: ¥5.00)



Principal Non-Financial Data

		2019	2020	2021	2022	2023	2024	2025
Environment (consolidated)	Scope 1 CO ₂ emissions (tCO ₂)* ⁵	—	—	5,950	6,014	6,019	5,545	6,312
	Scope 2 CO ₂ emissions (location-based) (tCO ₂)	—	—	10,201	10,190	9,942	9,427	9,518
	Scope 2 CO ₂ emissions (market-based) (tCO ₂)	—	—	10,152	10,537	7,754	8,137	6,759
	Energy and electricity consumption (MWh)	—	—	23,407	23,278	22,625	22,219	22,395
	Renewable energy consumption (MWh)	—	—	0	1,694	4,235	5,272	7,397
Employees (consolidated)	Number of regular employees (people)	8,912	9,119	9,171	9,208	9,421	9,680	10,079
Employees (non-consolidated)	Number of regular employees (people)	7,272	7,429	7,480	7,524	7,713	7,949	8,287
	Men	5,627	5,692	5,683	5,668	5,751	5,877	6,110
	Women	1,645	1,737	1,797	1,856	1,962	2,072	2,177
	Average annual salary (thousands of yen)	8,511	8,430	8,228	8,567	9,372	9,926	10,276
	Employee awareness survey – engagement survey response rate (%) ^{*6}	74	73	77	75	84	89	89
	Training costs for regular employees (millions of yen)	489	530	590	811	980	1,238	1,440
	Education and training costs per employee (thousands of yen)	67	71	78	107	127	155	173
	Number of new graduates recruited (people)	366	359	352	298	399	428	328
	Men	244	243	250	199	275	295	225
	Women	122	116	102	99	124	133	103
	New graduate retention rate (three years after joining the Company)	74.0	75.0	79.4	67.8	70.0	74.9	85.6
	Percentage of female managers (%)	7.2	7.8	8.1	8.7	9.1	10.6	12.6
	Rate of childcare leave used by male employees (%)	—	—	15.9	39.3	46.3	52.3	63.5
Governance (non-consolidated)	Number of Directors (people)	12	12	10	10	8	8	11
	Men	12	12	9	9	7	7	10
	Women	0	0	1	1	1	1	1
	Number of Outside Directors among the Directors (people)	2	2	3	3	3	3	4
	Number of Executive Officers (people)	23	24	27	33	26	27	24
	Men	23	24	27	32	25	26	23
	Women	0	0	0	1	1	1	1

*5 In 2025, the scope of aggregation was partially revised, and figures from previous years have been revised retrospectively.

*6 New engagement survey tools have been introduced in 2024. (Up to 2023: employee awareness survey response rate. From 2024: engagement survey response rate.)



Financial Statements (Fiscal year ended December 31, 2025)

*In order to more clearly communicate the financial characteristics of the Group, we have reclassified data differently from the annual securities reports and other documents.

Consolidated Balance Sheets

(Billions of yen)

Item	Amount	
	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets	568.8	605.5
Cash and deposits	228.1	252.0
Notes and accounts receivable – trade, and contract assets	200.9	219.5
Merchandise	71.9	53.6
Returned assets	26.4	37.7
Others	41.3	42.4
Non-current assets	105.0	123.6
Total assets	673.9	729.2
Liabilities		
Current liabilities	289.6	322.8
Notes and accounts payable – trade, electronically recorded obligations – operating and contract liabilities	197.5	203.7
Short-term borrowings	4.3	4.3
Current portion of long-term borrowings	—	1.7
Refund liabilities	26.9	39.2
Others	60.8	73.8
Non-current liabilities	8.9	6.8
Long-term borrowings	1.7	—
Others	7.2	6.8
Total liabilities	298.6	329.6
Net assets		
Shareholders' equity	365.9	382.8
Accumulated other comprehensive income	4.8	11.5
Non-controlling interests	4.4	5.2
Total net assets	375.2	399.5
Total liabilities and net assets	673.9	729.2

Consolidated Statements of Income

(Billions of yen)

Item	Amount	
	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	1,107.6	1,322.7
Cost of sales	883.1	1,070.6
Gross profit	224.4	252.1
Personnel costs	75.6	79.9
Logistics expenses	30.4	33.2
Internal system related	8.2	9.0
Research and development expenses	2.2	3.4
Others	33.4	36.4
Total selling, general and administrative expenses	150.1	162.2
Operating profit	74.3	89.9
Ordinary profit	75.9	91.5
Profit attributable to owners of parent	53.4	64.3

Consolidated Statements of Comprehensive Income

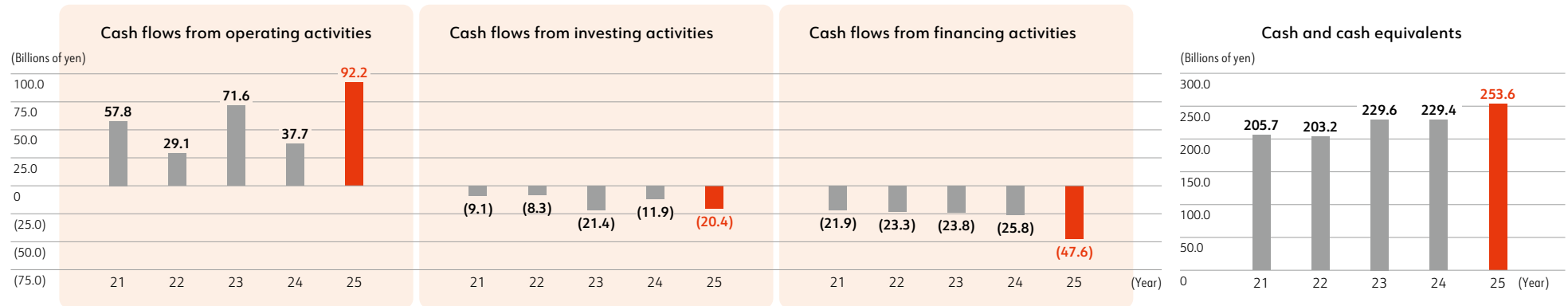
(Billions of yen)

Item	Amount	
	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	54.2	65.1
Other comprehensive income		
Valuation difference on available-for-sale securities	(1.5)	1.7
Deferred gains or losses on hedges	0.2	0.5
Revaluation reserve for land	—	0.0
Remeasurements of defined benefit plans, net of tax	1.0	4.3
Share of other comprehensive income of entities accounted for using equity method	0.1	0.0
Total other comprehensive income	(0.1)	6.7
Comprehensive income	54.0	71.9
(Breakdown)		
Comprehensive income attributable to owners of parent	53.2	70.9
Comprehensive income attributable to non-controlling interests	0.8	1.0



Financial Statements (Fiscal year ended December 31, 2025)

Consolidated Statements of Cash Flows



Consolidated Statements of Changes in Equity

(Billions of yen)

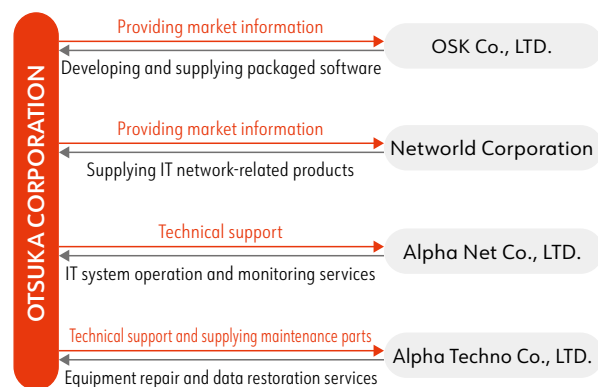
	Fiscal year ended December 31, 2024								Fiscal year ended December 31, 2025							
	Shareholders' equity					Accumulated other comprehensive income	Non-controlling interests	Total net assets	Shareholders' equity					Accumulated other comprehensive income	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity				Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	10.3	16.2	311.5	(0.1)	338.0	5.0	3.8	346.9	10.3	16.2	339.4	(0.1)	365.9	4.8	4.4	375.2
Dividends of surplus			(25.5)		(25.5)			(25.5)			(47.4)		(47.4)			(47.4)
Profit attributable to owners of parent			53.4		53.4			53.4			64.3		64.3			64.3
Purchase of treasury shares				(0.0)	(0.0)			(0.0)					—			—
Net changes in items other than shareholders' equity						(0.1)	0.6	0.4						6.6	0.8	7.4
Total changes during period	—	—	27.8	(0.0)	27.8	(0.1)	0.6	28.2	—	—	16.9	—	16.9	6.6	0.8	24.3
Balance at end of period	10.3	16.2	339.4	(0.1)	365.9	4.8	4.4	375.2	10.3	16.2	356.3	(0.1)	382.8	11.5	5.2	399.5

Corporate Information / Stock Information (as of December 31, 2025)

Corporate Information

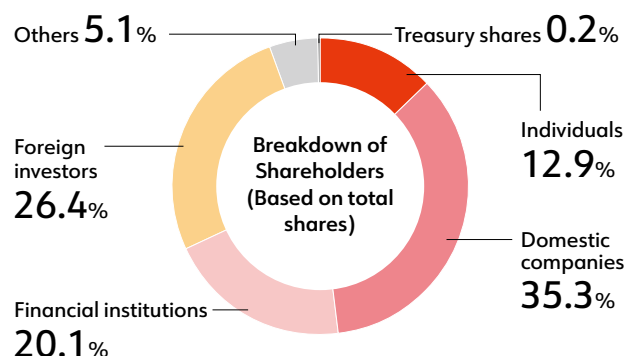
Company Name	OTSUKA CORPORATION	
Establishment	July 17, 1961 (Registered as joint-stock company on December 13, 1961)	
Capital Stock	¥10,374,851,000	
Number of Employees	Consolidated: 10,079 Non-consolidated: 8,287	
Fiscal Year	From January 1 to December 31 (Annual General Meeting of Shareholders: March)	
Business	● System Integration Business → P.79 ● Service and Support Business → P.80	
Head Office Location	2-18-4 Iidabashi, Chiyoda-ku, Tokyo 102-8573 TEL 03-3264-7111	
Local Area Sales Departments	Chuo Sales Dept. 1 Kanagawa Sales Dept. Tama Sales Dept. Northern Kanto Sales Dept. Osaka Northern Sales Dept.	Chuo Sales Dept. 2 Josai Sales Dept. Jahaku Sales Dept. Keiyo Sales Dept. Osaka Southern Sales Dept.
Regional Offices	Sapporo Branch Utsunomiya Branch Tsukuba Branch Kyoto Branch Hiroshima Branch	Sendai Branch Northern Kanto Branch (Takasaki, Kumagaya) Chubu Office Kobe Branch Kyushu Branch

Consolidated Subsidiaries



Stock Information

Authorized Common Stock	1,354,320,000 shares
Issued Common Stock	380,004,240 shares
Number of Shares of Unit Stock	100 shares
Number of Shareholders	10,843
Listed Stock Exchange	Tokyo Stock Exchange (securities code: 4768)

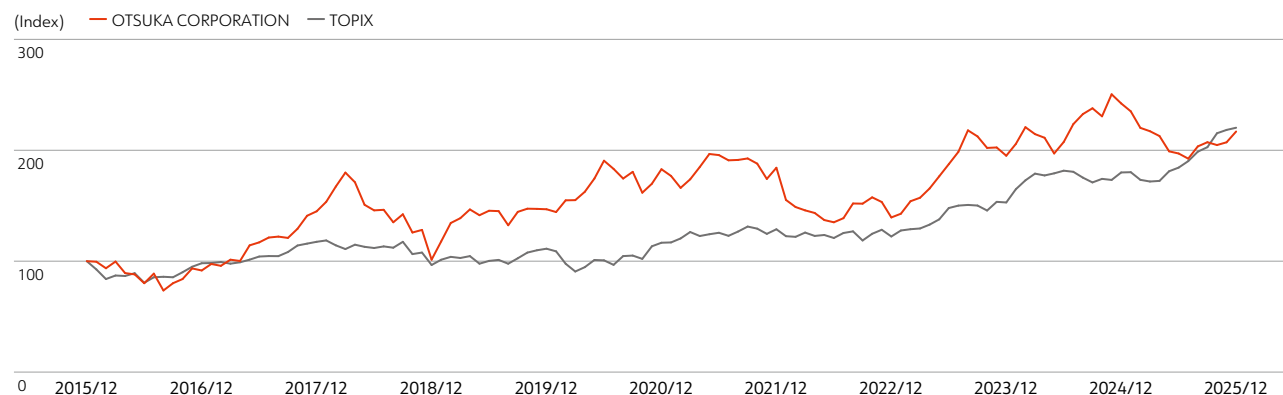


Major Shareholders (top 10)

Name	Number of Shares Held (thousands of shares)	Equity Ownership (%)
Otsuka Sobi Co., Ltd.	127,205	33.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	40,811	10.76
Custody Bank of Japan, Ltd. (Trust Account)	22,437	5.91
Yuji Otsuka	9,363	2.46
OTSUKA CORPORATION Employee Stock-Sharing Plan	8,490	2.23
JP Morgan Securities Japan Co., Ltd.	7,057	1.86
Keiko Otsuka	6,963	1.83
SMBC Nikko Securities Inc.	5,741	1.51
STATE STREET BANK AND TRUST COMPANY 505001	4,200	1.10
BNYM AS AGT/CLTS NON TREATY JASDEC	3,872	1.02

(Note) Equity Ownership is calculated after deducting treasury stock (803,041 shares).

Stock Price Trends



(Note) Changes in the stock price index with the stock price at December 31, 2015 set to equal 100.

Evaluation by External Organizations and Participating Initiatives → Web

Evaluation by External Organizations

DX-Certified Operator



OTSUKA CORPORATION obtained certification as a DX-certified operator from METI in 2021 and renewed its certification in 2025.

Eruboshi certification



Third level

Kurumin certification



Certified KENKO Investment for Health Outstanding Organization in 2026 (Large Enterprise Category)



Science Based Targets (SBT)



CDP (2025)



Score B



Supplier Engagement Assessment A

EcoVadis



Bronze Medal

Participating Initiatives

Task Force on Climate-related Financial Disclosures (TCFD)



The TCFD is a task force established by the Financial Stability Board (FSB) at the request of the G20 to improve companies' reporting of climate-related financial information and provide a useful framework within financial markets. In 2023, OTSUKA CORPORATION conducted disclosure based on the TCFD recommendations.

Japan Climate Initiative



Japan Climate Initiative is a network of non-state actors standing at the forefront of climate change measures. OTSUKA CORPORATION endorsed the initiative in 2021.

Got certified by the Tokyo metropolitan government as a supporting company in promoting the "barrier-free heart."

We support the "barrier-free heart" (→ P.64) advocated by the Tokyo metropolitan government, through which it aims to create an inclusive society and environment for all and continue to take necessary action, and have been registered as a supporting company. In 2021, we were selected as a Best Practice Company in promoting the "barrier-free heart."

Inclusion in the SRI Index

MSCI Japan ESG Select Leaders Index*1

2025 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

MSCI Japan Empowering Women Index*1

2025 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

FTSE JPX Blossom Japan Sector Relative Index*2



FTSE JPX Blossom Japan Sector Relative Index

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