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October 30, 2026

Consolidated Financial Report for the Nine Months Ended September 30, 2026 <Under Japanese GAAP>

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

Listing: Tokyo Stock Exchange, Code 4768
Representative: Yuji Otsuka, President & Chief Executive Officer
Contact: Hironobu Saito, Director & Executive Corporate Officer; General Manager of Business Administration Headquarters (Tel: +81-3-3264-7111)
Scheduled date to commence dividend payments: —
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: No

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

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

(1) Consolidated results of operations (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	1,094,309	8.8	69,643	4.7	72,377	6.3	49,778	7.0
September 30, 2025	1,005,719	22.3	66,529	27.5	68,071	26.0	46,531	27.0

Note) Comprehensive Income: For the nine months ended September 30, 2026: 49,096 million yen [(1.0)%]
For the nine months ended September 30, 2025: 49,579 million yen [38.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
September 30, 2026	131.27	131.09
September 30, 2025	122.71	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	772,541	410,495	52.4
December 31, 2025	729,200	399,588	54.1

Reference) Equity: As of September 30, 2026: 404,861 million yen
As of December 31, 2025: 394,324 million yen

2. Dividends

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

Note) Revision of the recently announced financial forecasts: No

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

(Percentages indicate year-on-year changes.)

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

Notes) Revision of the recently announced financial forecasts: No

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

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

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

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

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of shares issued (common shares)

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

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

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

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

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

Nine months ended September 30, 2026:	379,201,184 shares
Nine months ended September 30, 2025:	379,201,199 shares

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No**

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	252,058	202,407
Notes and accounts receivable - trade, and contract assets	219,579	234,938
Merchandise	53,670	102,253
Work in process	1,462	1,646
Raw materials and supplies	864	761
Other	78,041	90,471
Allowance for doubtful accounts	(163)	(171)
Total current assets	605,514	632,307
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,100	13,689
Other, net	21,700	21,588
Total property, plant and equipment	35,800	35,277
Intangible assets	30,610	36,302
Investments and other assets		
Investment securities	25,124	25,943
Other	32,632	43,143
Allowance for doubtful accounts	(482)	(433)
Total investments and other assets	57,274	68,653
Total non-current assets	123,685	140,233
Total assets	729,200	772,541

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	159,850	203,953
Electronically recorded obligations - operating	26,739	22,262
Short-term borrowings	4,300	4,300
Current portion of long-term borrowings	1,700	1,700
Income taxes payable	16,807	8,975
Provision for bonuses	5,697	15,687
Other	107,715	98,238
Total current liabilities	322,810	355,117
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	662	684
Retirement benefit liability	3,811	4,010
Other	2,326	2,232
Total non-current liabilities	6,801	6,927
Total liabilities	329,611	362,045
Net assets		
Shareholders' equity		
Share capital	10,374	10,374
Capital surplus	16,254	16,254
Retained earnings	356,326	368,184
Treasury shares	(143)	(143)
Total shareholders' equity	382,812	394,670
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,673	7,535
Deferred gains or losses on hedges	551	(73)
Revaluation reserve for land	(5,201)	(5,201)
Foreign currency translation adjustment	445	435
Remeasurements of defined benefit plans	8,042	7,495
Total accumulated other comprehensive income	11,511	10,190
Non-controlling interests	5,264	5,634
Total net assets	399,588	410,495
Total liabilities and net assets	729,200	772,541

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net sales	1,005,719	1,094,309
Cost of sales	819,394	895,908
Gross profit	186,324	198,401
Selling, general and administrative expenses	119,794	128,757
Operating profit	66,529	69,643
Non-operating income		
Interest income	305	638
Dividend income	242	308
Share of profit of entities accounted for using equity method	586	854
Foreign exchange gains	317	1,024
Other	536	609
Total non-operating income	1,987	3,435
Non-operating expenses		
Interest expenses	49	67
Donations	394	632
Other	2	1
Total non-operating expenses	446	701
Ordinary profit	68,071	72,377
Extraordinary income		
Gain on sale of investment securities	5	6
Total extraordinary income	5	6
Extraordinary losses		
Loss on retirement of non-current assets	50	114
Loss on change in equity	—	96
Loss on liquidation of investment securities	2	—
Total extraordinary losses	53	211
Profit before income taxes	68,023	72,173
Income taxes	20,815	21,607
Profit	47,207	50,565
Profit attributable to non-controlling interests	676	787
Profit attributable to owners of parent	46,531	49,778

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit	47,207	50,565
Other comprehensive income		
Valuation difference on available-for-sale securities	1,366	(170)
Deferred gains or losses on hedges	(417)	(766)
Revaluation reserve for land	68	—
Remeasurements of defined benefit plans, net of tax	1,342	(560)
Share of other comprehensive income of entities accounted for using equity method	11	27
Total other comprehensive income	2,371	(1,469)
Comprehensive income	49,579	49,096
(Breakdown)		
Comprehensive income attributable to owners of parent	48,958	48,457
Comprehensive income attributable to non-controlling interests	620	638

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	68,023	72,173
Depreciation	6,824	8,828
Increase (decrease) in allowance for doubtful accounts	62	(41)
Interest and dividend income	(547)	(946)
Interest expenses	49	67
Share of loss (profit) of entities accounted for using equity method	(586)	(854)
Loss on retirement of non-current assets	50	114
Loss (gain) on sale of investment securities	(5)	(6)
Loss (gain) on change in equity	—	96
Decrease (increase) in trade receivables	(21,436)	(15,359)
Decrease (increase) in inventories	11,535	(48,663)
Increase (decrease) in trade payables	4,773	39,625
Other, net	5,942	(13,235)
Subtotal	74,686	41,798
Interest and dividends received	842	1,288
Interest paid	(35)	(48)
Income taxes paid	(23,323)	(28,959)
Net cash provided by (used in) operating activities	52,170	14,078
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,660)	(1,820)
Purchase of software	(11,478)	(12,276)
Purchase of investment securities	(36)	(727)
Proceeds from sale of investment securities	8	7
Payments into time deposits	(100)	(10,000)
Other, net	(269)	(291)
Net cash provided by (used in) investing activities	(15,537)	(25,109)
Cash flows from financing activities		
Dividends paid	(47,395)	(37,921)
Other, net	(222)	(269)
Net cash provided by (used in) financing activities	(47,618)	(38,190)
Effect of exchange rate change on cash and cash equivalents	(0)	(4)
Net increase (decrease) in cash and cash equivalents	(10,984)	(49,226)
Cash and cash equivalents at beginning of period	229,488	253,620
Cash and cash equivalents at end of period	218,503	204,394

Segment Information

Information concerning net sales and profit/loss by reportable segment

Nine months ended September 30, 2025 (Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in quarterly consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	697,889	307,829	1,005,719	—	1,005,719
Inter-segment sales/transfers	837	1,298	2,136	(2,136)	—
Total	698,727	309,127	1,007,855	(2,136)	1,005,719
Segment profit	54,350	22,075	76,425	(9,896)	66,529

Nine months ended September 30, 2026 (Millions of yen)

	Reportable segments		Total	Adjustment	Amount recorded in quarterly consolidated statements of income
	System Integration business	Service and Support business			
Net sales					
Outside customers sales	764,866	329,443	1,094,309	—	1,094,309
Inter-segment sales/transfers	807	1,348	2,156	(2,156)	—
Total	765,673	330,792	1,096,466	(2,156)	1,094,309
Segment profit	58,462	21,613	80,075	(10,431)	69,643