

Otsuka

Otsuka Pakistan Ltd.

(A Company of Otsuka Group Japan)

Half Yearly Reports

for the period ended December 31, 2025



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COMPANY INFORMATION

| | |
|---|---|
| BOARD OF DIRECTORS | : Mr. Mikio Bando (Chairman) (Alternate: Mr. Hideshi Tsunazawa) Mr. Moin ur Rehman (Director and Chief Executive Officer) Mr. Kimitaka Naito Mr. Tariq Mehtab Feroz Mr. Suhari Mukti (Alternate: Mr. Tauseef Ahmed Shaikh) Mr. Abid Hussain (Independent Director) Mrs. Navin Salim Merchant (Independent Director) |
| CHIEF FINANCIAL OFFICER | : Mr. Tauseef Ahmed Shaikh |
| COMPANY SECRETARY | : Mr. Shahab Khalid Subzwari |
| AUDIT SUB COMMITTEE OF THE BOARD | : Mr. Abid Hussain (Chairman) Mr. Kimitaka Naito (Member) Mr. Tariq Mehtab Feroz (Member) |
| HEAD OF INTERNAL AUDIT: | Mr. Jawaid Noor (Secretary) |
| RISK MANAGEMENT AND SUSTAINABILITY (ESG) COMMITTEE | : Mr. Abid Hussain (Chairman) Mr. Kimitaka Naito (Member) Mr. Moin ur Rehman (Member) Mrs. Navin Salim Merchant (Member ESG) Mr. Tauseef Ahmed Shaikh (Secretary) |
| HUMAN RESOURCES REMUNERATION & NOMINATION SUB-COMMITTEE OF THE BOARD | : Mrs. Navin Salim Merchant (Chairperson) Mr. Moin ur Rehman (Member) Mr. Kimitaka Naito (Member) Mr. Tariq Mehtab Feroz (Member) Mr. David Sunil (Secretary) |
| AUDITORS (EXTERNAL) | : Yousuf Adil Chartered Accountants (An Independent Correspondent Firm to Deloitte Touche Tohmatsu Limited) |
| AUDITORS (INTERNAL) | : Suriya Nauman Rehan & Co. (Chartered Accountants) |
| LEGAL ADVISORS | : Dr. Moneeba Hamid |
| BANKERS | : Citibank N.A., Habib Metropolitan Bank Limited Bank Alfalah Limited Bank Alfalah Islamic Bank Al-Habib Limited Meezan Bank Limited Habib Bank Limited, Allied Bank Limited MCB Bank Limited, National Bank of Pakistan |
| REGISTERED OFFICE | : Head Office: 30-B, Sindhi Muslim Co-operative, Housing Society, Karachi-74400 Tel.: 34528651 – 4, E-mail: secretarialcompliance@otsuka.pk Web site: www.otsuka.pk Factory: Plot No. F/4-9, Hub Industrial Trading Estate, Distt. Lasbella (Balochistan) Tel.: (0853) 303517-8, Fax: (0853) 303519 |
| SHARE REGISTRAR | : M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street # 2, D.H.A., Phase VII, Karachi. Customer Support Services Tel No. (0092-21) 111-000-322 Fax: (0092-21) 35310191 Email: sfc@thk.com.pk. |

DIRECTORS' REPORT

The directors are pleased to present accounts of the Company for the half year ended December 31, 2025.

The composition of Board of Directors (“the Board”) and its sub-committees are as follows:

| CATEGORY | NAMES | GENDER |
|-------------------------|-----------------------------|--------|
| Executive Director | Mr. Moin ur Rehman (CEO) | Male |
| Non-Executive Directors | Mr. Mikio Bando (Chairman)* | |
| | Mr. Tariq Mehtab Feroz | |
| | Mr. Kimitaka Naito | |
| | Mr. Suhari Mukti** | |
| Independent Directors | Mr. Abid Hussain | Female |
| | Mrs. Navin Salim Merchant | |

* Mr. Hideshi Tsunazawa is the alternate director of Mr. Mikio Bando.

**Mr. Tauseef Ahmed Shaikh is the alternate director of Mr. Suhari Mukti.

Board Sub-Committees

| NAME OF BOARD SUB-COMMITTEE | NAME OF MEMBER |
|--|---|
| Audit Committee | Mr. Abid Hussain (Chairman) Mr. Kimitaka Naito Mr. Tariq Mehtab Feroz Mr. Jawaid Noor (Secretary) |
| Human Resource Remuneration & Nomination Committee | Mrs. Navin Salim Merchant (Chairperson) Mr. Moin ur Rehman Mr. Kimitaka Naito Mr. Tariq Mehtab Feroz Mr. David Sunil (Secretary) |
| Risk Management & Sustainability (ESG) Committee | Mr. Abid Hussain (Chairman) Mr. Moin ur Rehman Mr. Kimitaka Naito Mrs. Navin Salim Merchant (Member ESG) Mr. Tauseef Ahmed Shaikh (Secretary) |

Directors' Remuneration

The Board has a formal policy and transparent procedures for the remuneration of its Directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. Currently, the two independent directors and a non-working alternate director are getting fixed fees for attending the Board and its committee meetings. The aggregate amount of remuneration paid to each director of the Company during the period is given below:

| CATEGORY | NAMES | NATURE OF REMUNERATION | AMOUNT (Rs. In '000) |
|-------------------------|----------------------------|------------------------|-------------------------|
| Executive Director | Mr. Moin ur Rehman (CEO) | Salaries and benefits | 10,086 |
| Non-Executive Directors | Mr. Mikio Bando (Chairman) | Not applicable | Nil |
| | Mr. Tariq Mehtab Feroz | Meeting Fees | 150 |
| | Mr. Kimitaka Naito | Not Applicable | Nil |
| | Mr. Suhari Mukti** | Not applicable | Nil |
| Independent Directors | Mr. Abid Hussain | Meeting Fees | 225 |
| | Mrs. Navin Salim Merchant | Meeting Fees | 225 |

Business Review

Sales for the half-year ended have demonstrated a robust 27% growth, with the second quarter reflecting a 22% increase compared to the same period last year. The growth was mainly driven by higher sales in the Clinical Nutrition (CN) business compared to the same period last year, due to strategic change in the direction of the company. The gross profit margin improved to 34% from 19% in the same period last year, mainly due to price increase, favorable product mix, quantitative growth in CN business and effective cost control measures.

Selling and distribution expenses increased by 57%, primarily driven by higher advertising and promotional expenditures related to the launch of two new Enteral Nutrition (EN) products i.e. Neo-Mune and Once-Dialyze. The increase also reflects the induction of a dedicated EN sales team and higher outward freight costs following the implementation of a door-to-door, distributor warehouse-based logistics model. Despite the increase in operating expenses, the Company achieved a significant improvement in operating profit. Consequently, earnings per share rose substantially to Rs. 27.25, compared to Rs. 3.87 in the corresponding period last year.

Despite the fact that Company continues to face several production challenges, particularly ageing production machinery and cap mold related issues, which have increased maintenance requirements and occasionally affects production efficiency, the management is closely monitoring and evaluating capex requirements to improve productivity, product quality, stable supply and GMP compliance with evolving regulatory requirements.

Future Outlook

The pharmaceutical and healthcare industry in Pakistan is expected to demonstrate further improvement, supported by relatively stable macroeconomic conditions, moderate inflation, and an improved overall business environment owing to organic market demand.

The Company anticipates steady performance during FY2025–26, building on the momentum generated in the first half. The recently launched Clinical Nutrition products are expected to contribute positively to sales growth and further diversify revenue streams in the coming quarters.

These upcoming value-added products will offer a unique value-proposition, contributing to stronger top-line and bottom-line performance in the years ahead.

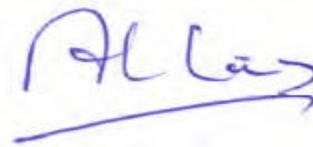
Acknowledgement

We would like to express our sincere appreciation for the dedicated efforts of our employees and business partners. We also extend our heartfelt gratitude to our shareholders for their unwavering trust, which continues to inspire us as we remain committed to our journey.

On behalf of the Board



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director

Dated: February 26, 2026

ڈائریکٹرز رپورٹ

ڈائریکٹرز کمپنی کے نصف سالانہ مالیاتی بیانات، برائے مدت ختم ہونے والی 31 دسمبر 2025، پیش کرتے ہوئے مسرور ہیں۔

بورڈ آف ڈائریکٹرز ("بورڈ") اور اس کی ذیلی کمیٹیوں کی تشکیل حسب ذیل ہے:

| درجہ بندی | نام | جنس |
|------------------------|---|--------------|
| ایگزیکٹو ڈائریکٹر | جناب معین الرحمن (سی ای او) | مرد |
| نان ایگزیکٹو ڈائریکٹرز | جناب میکو بانڈو (چیئرمین) جناب طارق مہتاب فیروز جناب کیمیتا کاناٹو جناب سہاری مکتی | مرد |
| آزاد ڈائریکٹرز | جناب عابد حسین مسنوین سلیم مرچنٹ | مرد خاتون |

* جناب ہدیشی تسونیز او، جناب میکو بانڈو کے متبادل ڈائریکٹر ہیں۔
** جناب توصیف احمد شیخ، جناب سہاری مکتی کے متبادل ڈائریکٹر ہیں۔

| بورڈ کی ذیلی کمیٹیاں | ممبر کا نام |
|--|--|
| آڈٹ کمیٹی | جناب عابد حسین (چیئرمین) جناب کیمیتا کاناٹو جناب طارق مہتاب فیروز جناب جاوید نور (یکریٹری) |
| ہیومن ریسورسز و معاوضہ اور نامزدگی کمیٹی | محترمہ نوین سلیم مرچنٹ (چیئر پرسن) جناب معین الرحمن صاحب جناب کیمیتا کاناٹو جناب طارق مہتاب فیروز جناب ڈیوڈ سنیل (یکریٹری) |
| رسک مینجمنٹ کمیٹی | جناب عابد حسین (چیئرمین) جناب معین الرحمن صاحب جناب کیمیتا کاناٹو جناب توصیف احمد شیخ (یکریٹری) |

ڈائریکٹرز کے معاوضے کی تفصیلات:

بورڈ کے پاس اپنے ڈائریکٹرز کے معاوضے کے لیے کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ایک رسمی پالیسی اور شفاف طریقہ کار موجود ہے۔ اس وقت، دو آزاد ڈائریکٹرز اور ایک غیر فعال متبادل ڈائریکٹر بورڈ اور اس کی کمیٹیوں کی میٹنگز میں شرکت کے لیے مقررہ فیس وصول کر رہے ہیں۔ اس مدت کے دوران کمپنی کے ہر ڈائریکٹر کو ادا کیے گئے مجموعی معاوضے کی رقم درج ذیل ہے:

| پاکستانی روپے '000 | معاوضے کی تفصیلات | نام | عہدے |
|--------------------|---------------------|-----------------------------|-----------------------|
| 10,086 | تنخواہیں اور مراعات | جناب معین الرحمن (سی ای او) | ایگزیکٹو ڈائریکٹر |
| - | قابل اطلاق نہیں | مکیو مانڈو (چیزمین) | نان ایگزیکٹو ڈائریکٹر |
| 150 | مینگ فیس | طارق مہتاب بیروز | |
| - | قابل اطلاق نہیں | جناب کیمپیتا کاناٹو | |
| - | قابل اطلاق نہیں | سہاری کتی | |
| 225 | مینگ فیس | جناب عابد حسین | آزاد ڈائریکٹر |
| 225 | مینگ فیس | مزنون سلیم مرچنٹ | |

کاروباری جائزہ

نصف سال کے دوران فروخت میں مضبوط 27 فی صد اضافہ ریکارڈ کیا گیا، جبکہ دوسرے سہ ماہی میں پچھلے سال کی اسی مدت کے مقابلے میں 22 فی صد اضافہ دیکھا گیا۔ یہ نمو بنیادی طور پر کلینیکل نیوٹریشن کے کاروبار میں فروخت میں اضافے کی وجہ سے ہوئی، جو کمپنی کی حکمت عملی کے رخ میں تبدیلی کا نتیجہ ہے۔ مجموعی منافع کی شرح پچھلے سال کی اسی مدت میں 19 فی صد سے بڑھ کر 34 فی صد ہو گئی، جس کی بنیادی وجوہات قیمتوں میں اضافہ، موزوں پروڈکٹ مکس، کلینیکل نیوٹریشن کے کاروبار میں مقداری اضافہ اور مؤثر لاگت کنٹرول اقدامات ہیں۔

فروخت اور تقسیم کے اخراجات میں 57 فی صد اضافہ ہوا، جو بنیادی طور پر دو نئی انٹرنل نیوٹریشن کی مصنوعات، یعنی نیو-میون اور ونس-ڈائیلیز کے آغاز سے متعلق اشتہارات اور تشہیری اخراجات میں اضافے کی وجہ سے ہے۔ اس اضافے کی ایک اور وجہ وقف شدہ انٹرنل نیوٹریشن کی فروخت کی ٹیم کی تشکیل اور گھر سے گھر تک، تقسیم کنندہ کے گودام پر مبنی ترسیل کے نظام کے نفاذ کے بعد بڑھنے والے مال برداری کے اخراجات ہیں۔ آپریٹنگ اخراجات میں اضافے کے باوجود، کمپنی نے آپریٹنگ منافع میں نمایاں بہتری حاصل کی۔ نتیجتاً، فی حصص آمدنی نمایاں طور پر بڑھ کر 27.25 روپے ہو گئی، جو پچھلے سال کی اسی مدت میں 3.87 روپے تھی۔

اگرچہ کمپنی کو کئی پیداواری چیلنجز کا سامنا ہے، خصوصاً پرانی پیداواری مشینری اور کیپ مولڈ سے متعلق مسائل، جو دیکھ بھال کی ضروریات میں اضافہ کرتے ہیں اور بعض اوقات پیداواری استعداد پر اثر انداز ہوتے ہیں، انتظامیہ پیداواری صلاحیت، مصنوعات کے معیار اور مستحکم فراہمی کو بہتر بنانے کے لیے سرمایہ جاتی اخراجات کی ضروریات کا بغور جائزہ لے رہی ہے اور ان کی نگرانی کر رہی ہے۔

مستقبل/حکمت عملی کا جائزہ

پاکستان میں دواسازی اور صحت کی دیکھ بھال کی صنعت سے توقع کی جاتی ہے کہ وہ مزید بہتری کا مظاہرہ کرے گی، جس کی حمایت نسبتاً مستحکم معاشی حالات، معتدل مہنگائی، اور قدرتی مارکیٹ کی طلب کے نتیجے میں مجموعی کاروباری ماحول میں بہتری سے ہوگی۔

کمپنی کو توقع ہے کہ مالی سال 2025-26 کے دوران کارکردگی مستحکم رہے گی، پہلے نصف سال میں حاصل ہونے والی رفتار کی بنیاد پر۔ حال ہی میں متعارف کروائی گئی کلینیکل نیوٹریشن کی مصنوعات سے فروخت میں اضافے کی توقع ہے اور آئندہ سہ ماہیوں میں آمدنی کے ذرائع کو مزید متنوع بنانے میں مدد ملے گی۔ یہ آئندہ متعارف ہونے والی اضافی قدر کی حامل مصنوعات ایک منفرد فائدہ فراہم کریں گی، جو آنے والے سالوں میں کمپنی کی مجموعی آمدنی اور خالص منافع میں مضبوط کارکردگی میں معاون ثابت ہوں گی

یہ آئندہ متعارف ہونے والی اضافی قدر کی حامل مصنوعات ایک منفرد فائدہ فراہم کریں گی، جو آنے والے سالوں میں کمپنی کی مجموعی آمدنی اور خالص منافع میں مضبوط کارکردگی میں معاون ثابت ہوں گی۔

اظہار تشکر

ہم اپنے ملازمین اور کاروباری شراکت داروں کی وقف شدہ کوششوں کے لیے دل کی گہرائیوں سے شکریہ ادا کرتے ہیں۔ ہم اپنے شیئر ہولڈرز کے استوار اعتماد کے لیے بھی دلی قدر دانی کا اظہار کرتے ہیں، جو ہمیں مسلسل متاثر کرتا ہے اور جس کی روشنی میں ہم اپنے سفر کے لیے پُر عزم رہتے ہیں۔

مورخہ: 25 فروری، 2026

بورڈ کی جانب سے



معین الرحمان

چیف ایگزیکٹو آفیسر



عابد حسین

ڈائریکٹر

INDEPENDENT AUDITORS' REVIEW REPORT **To the members of Otsuka Pakistan Limited**

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **OTSUKA PAKISTAN LIMITED** as at **December 31, 2025**, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flow and notes to the condensed interim financial statements for the six month period then ended (here-in-after referred to as 'condensed interim financial statements'). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 – 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Other matter

The cumulative figures for the half year, pursuant to the requirement of the section 237 (1) (b) of the companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended September 30, 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditors' review report is **Hena Sadiq**.



Yousuf Adil
Chartered Accountants

Place: Karachi

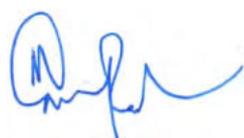
Date: February 27, 2026

UDIN: RR202510057e3DHWbQCf

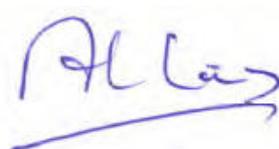
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

| | Note | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|--|------|--------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 654,596 | 614,178 |
| Intangible assets | | 1,483 | 446 |
| Loan to employees | | 5,458 | 6,860 |
| Long-term deposits | | 1,463 | 1,463 |
| Deferred tax asset | 7 | 63,640 | 87,113 |
| | | 726,640 | 710,060 |
| Current assets | | | |
| Stores and spares | | 65,391 | 63,555 |
| Stock-in-trade | 8 | 1,163,926 | 1,039,093 |
| Trade debts | 9 | 228,023 | 89,744 |
| Loans and advances | 10 | 62,106 | 86,853 |
| Trade deposits, short-term prepayments and other receivables | 11 | 30,626 | 31,931 |
| Sales tax refundable | 12 | 47,172 | 47,172 |
| Prepaid levies | | - | 49,463 |
| Advance tax - net | | 17,104 | 51,797 |
| Short-term investment | | 364,610 | 264,610 |
| Bank balances | 13 | 104,492 | 114,207 |
| | | 2,083,450 | 1,838,425 |
| Total assets | | 2,810,090 | 2,548,485 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 14 | 121,000 | 121,000 |
| Revenue reserves | | 904,531 | 574,779 |
| Total shareholder's equity | | 1,025,531 | 695,779 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Short-term loan from a related party | 15 | 984,060 | 1,083,500 |
| Trade and other payables | 16 | 794,038 | 764,912 |
| Unclaimed dividend | | 1,955 | 1,955 |
| Mark-up accrued | | 4,506 | 2,339 |
| | | 1,784,559 | 1,852,706 |
| Total equity and liabilities | | 2,810,090 | 2,548,485 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 17 | | |

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director

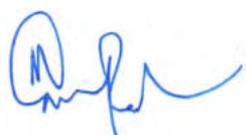


Tauseef Ahmed Shaikh
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025**

| | Note | Half year ended December 31, | | Quarter ended December 31, | |
|--|------|---------------------------------|-------------|-------------------------------|-----------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | ----- (Rupees in '000) ----- | | ----- (Rupees in '000) ----- | |
| Revenue from contracts with customers | 18 | 2,266,543 | 1,783,704 | 1,190,439 | 972,790 |
| Cost of sales | | (1,488,042) | (1,441,304) | (751,311) | (769,542) |
| Gross profit | | 778,501 | 342,400 | 439,128 | 203,248 |
| Selling and distribution expenses | | (323,320) | (205,682) | (165,179) | (103,827) |
| Administrative and general expenses | | (97,785) | (86,932) | (52,042) | (45,382) |
| (Provision) / reversal against expected credit loss on trade debts | | - | 43,424 | - | 43,424 |
| | | 357,396 | 93,210 | 221,907 | 97,463 |
| Other income | 19 | 196,754 | 68,359 | 132,720 | 40,478 |
| | | 554,150 | 161,569 | 354,627 | 137,941 |
| Other expenses | 20 | (49,674) | (47,639) | (30,016) | 79,680 |
| Operating profit | | 504,476 | 113,930 | 324,611 | 217,621 |
| Finance cost | | (4,657) | (2,618) | (2,124) | (1,121) |
| Profit before levies and income tax | | 499,819 | 111,312 | 322,487 | 216,500 |
| Levies | 21 | - | (2,520) | - | (2,520) |
| Profit before income tax | | 499,819 | 108,792 | 322,487 | 213,980 |
| Taxation | 22 | (170,067) | (61,939) | (112,933) | (47,442) |
| Profit for the period | | 329,752 | 46,853 | 209,554 | 166,538 |
| ----- (Rupees) ----- | | | | | |
| Earnings per share - basic and diluted | 23 | 27.25 | 3.87 | 17.32 | 13.76 |

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

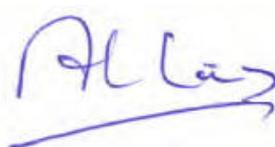
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025**

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|--------|-------------------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | ----- (Rupees in '000) ----- | | ----- (Rupees in '000) ----- | |
| Profit for the period | 329,752 | 46,853 | 209,554 | 166,538 |
| Other comprehensive income | | | | |
| Items that will be subsequently classified into profit and loss statement | - | - | - | - |
| Items that will not be subsequently classified into profit and loss statement | - | - | - | - |
| Total comprehensive income for the period | 329,752 | 46,853 | 209,554 | 166,538 |

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

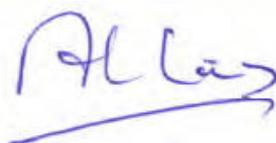
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

| | Note | Half year ended December 31, | |
|---|------|--------------------------------------|-----------------|
| | | 2025 ----- (Rupees in '000) ----- | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit for the period before taxation | | 499,819 | 111,312 |
| Adjustment for non-cash charges and other items: | | | |
| Depreciation on operating fixed assets and right of use asset | | 60,471 | 35,929 |
| Amortisation on intangible assets | | 187 | 158 |
| Gain on disposal of operating fixed asset - net | 19 | (5,876) | (27) |
| Reversal of provision against slow moving and obsolete stock-in-trade - net | 19 | (26,739) | (13,490) |
| Provision against expected credit losses on trade debtors | | - | (43,424) |
| Unrealised exchange (gain) / loss on related party loan | 19.1 | (99,440) | 29,480 |
| Provision for staff retirement benefit fund | | 11,014 | 19,493 |
| Finance cost | | 4,657 | 2,618 |
| Operating cash flows before working capital changes | | 444,093 | 142,049 |
| (Increase) / decrease in current assets | | | |
| Stores and spares | | (1,836) | (1,276) |
| Stock-in-trade | | (98,094) | 8,092 |
| Trade debts - unsecured | | (138,279) | 156,762 |
| Loans and advances | | 24,747 | (66,828) |
| Trade deposits, short-term prepayments and other receivables | | 1,305 | 9,372 |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 35,084 | (99,164) |
| Cash generated from operations | | 267,020 | 149,007 |
| Finance cost paid | | (2,490) | (16,321) |
| Levies paid | | - | (2,520) |
| Income tax paid | | (62,438) | (40,710) |
| Decrease in long-term deposits | | - | 2,236 |
| Decrease / (Increase) in long-term loans | | 1,402 | (382) |
| Staff retirement benefit fund paid | | (16,972) | (6,069) |
| Net cash generated from operating activities | | 186,522 | 85,241 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment | | (105,165) | (24,006) |
| Additions to intangible assets | | (1,224) | - |
| Proceeds from disposal of operating fixed assets | | 10,152 | 2,195 |
| Net cash used in investing activities | | (96,237) | (21,811) |
| Lease rentals paid | | - | (24,826) |
| Net cash used in financing activities | | - | (24,826) |
| Net increase in cash and cash equivalents | | 90,285 | 38,604 |
| Cash and cash equivalents at the beginning of the period | | 378,817 | 311,646 |
| Cash and cash equivalents at the end of the period | 27 | 469,102 | 350,250 |

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

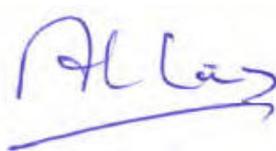
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

| | Issued, subscribed and paid-up capital | Revenue reserves | | | Total |
|---|---|--------------------|--------------------------|----------------|------------------|
| | | General reserve | Unappropriated profit | Sub-total | |
| ----- (Rupees in '000) ----- | | | | | |
| Balance at July 01, 2024 | 121,000 | 491,980 | 62,715 | 554,695 | 675,695 |
| Profit for the period | - | - | 46,853 | 46,853 | 46,853 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the half year ended December 31, 2024 | - | - | 46,853 | 46,853 | 46,853 |
| Balance as at December 31, 2024 | 121,000 | 491,980 | 109,568 | 601,548 | 722,548 |
| Balance as at July 01, 2025 | 121,000 | 491,980 | 82,799 | 574,779 | 695,779 |
| Profit for the period | - | - | 329,752 | 329,752 | 329,752 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the half year ended December 31, 2025 | - | - | 329,752 | 329,752 | 329,752 |
| Balance as at December 31, 2025 | 121,000 | 491,980 | 412,551 | 904,531 | 1,025,531 |

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025**

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Otsuka Pakistan Limited (the Company) was incorporated in Pakistan in the month of February 1988 as a public limited company under the repealed Companies Ordinance, 1984 ((now Companies Act, 2017 (the Act)) and is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing, marketing and distribution of intravenous infusions and trading in pharmaceutical products, nutritional foods and medical equipment. The Company is an indirect subsidiary of Otsuka Pharmaceutical Company Limited, Japan.

| Registered Office In Karachi | Purpose | Manufacturing Facility | Purpose |
|---------------------------------|-------------|--|---------|
| 30-B, S.M.C.H. Society, Karachi | Head Office | Plot No. F/4-9, Hub Industrial Trading Estates, District Lasbella, Balochistan | Factory |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS - 34) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Act, differ from the requirements of IAS-34, the provisions of and directives issued under the Act, have been followed.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except obligations in respect of certain staff retirement benefits that are carried at present value of defined benefit obligation less fair value of plan assets. The Company follows the practice of conducting valuation of staff gratuity annually and the impacts of such valuation are incorporated in the annual financial statements at every year end. For staff retirement benefits, the management has used the assumptions of their appointed experts as of June 30, 2025 for calculating the amount of provision and incorporated the resultant in these condensed interim financial statements.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS-34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the latest annual financial statements of the Company.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the section 237 of the Act.

The comparatives in the condensed interim statement of financial position as at December 31, 2025 have been extracted from the audited financial statements of the Company for the year ended June 30, 2025, whereas, the comparatives in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2024.

This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2025 and December 31, 2024 have not been reviewed.

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistan Rupees which is the functional and presentation currency of the Company.

3. Changes in accounting standards, interpretations and pronouncements

The following amendments are effective for the year ending December 31, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's condensed interim financial statements other than certain additional disclosures:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2025.

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the company for the year ended June 30, 2025.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2025.

6. PROPERTY, PLANT AND EQUIPMENT

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|------------------------------|-----|--------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | | |
| Operating fixed assets | 6.1 | 608,637 | 565,482 |
| Capital work-in-progress | 6.2 | 44,474 | 41,271 |
| Right-of-use asset | | 1,485 | 7,425 |
| | | <u>654,596</u> | <u>614,178</u> |

6.1 The following additions to and disposals from operating fixed assets have been made during the period:

| | (Un-audited) Half year ended December 31, 2025 | | (Un-audited) Half year ended December 31, 2024 | |
|-----------------------------------|--|------------------------------------|--|------------------------------------|
| | Addition / transfer - at cost | Disposal - at net book value | Addition / transfer - at cost | Disposal - at net book value |
| ----- (Rupees '000) ----- | | | | |
| Operating fixed assets | | | | |
| Building on leasehold land | 13,062 | - | 10,646 | - |
| Plant and machinery | 29,904 | 179 | 8,121 | - |
| Furniture, fixtures and equipment | 14,136 | 789 | 4,843 | - |
| Vehicles | 44,860 | 3,307 | 4,943 | 2,168 |
| Total | <u>101,962</u> | <u>4,275</u> | <u>28,553</u> | <u>2,168</u> |

6.2 Capital work-in-progress

| | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|--|--------------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- | | |
| Stores and spares held for capital expenditure | 19,772 | 37,251 |
| Operating fixed asset | 24,702 | 4,020 |
| | <u>44,474</u> | <u>41,271</u> |

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|------------------------------|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 7. DEFERRED TAX ASSET | | | |
| Deferred tax asset | 7.1 | <u>63,640</u> | <u>87,113</u> |

7.1 Deferred tax asset comprises deductible / (taxable) temporary differences in respect of the following:

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|--|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Deductible / (taxable) temporary difference arising in respect of: | | | |
| - Tax depreciation | | 2,283 | (1,444) |
| - Employees' short-term compensated absences | | 9,198 | 8,809 |
| - Impairment of trade debts | | 13,152 | 13,152 |
| - Minimum tax allowance | | 27,084 | 35,374 |
| - Other provisions | | 11,923 | 31,222 |
| | | <u>63,640</u> | <u>87,113</u> |

8. STOCK-IN-TRADE

Raw and packing materials

| | | | |
|--------------|-----|----------------|----------------|
| - in hand | | 360,727 | 318,258 |
| - in transit | | 131,095 | 121,648 |
| | 8.1 | <u>491,822</u> | <u>439,906</u> |

Work-in-process

| | | | |
|--|--|-------|-------|
| | | 4,281 | 9,259 |
|--|--|-------|-------|

Finished goods

| | | | |
|--------------|-----|------------------|------------------|
| - in hand | 8.2 | 698,820 | 628,153 |
| - in transit | | - | 19,510 |
| | | <u>698,820</u> | <u>647,663</u> |
| | | <u>1,194,923</u> | <u>1,096,828</u> |

Provision against:

| | | | |
|---|--|------------------|------------------|
| Slow moving and obsolete stock-in-trade | | (25,115) | (48,293) |
| Stents held with hospitals | | (5,882) | (9,442) |
| | | <u>(30,997)</u> | <u>(57,735)</u> |
| | | <u>1,163,926</u> | <u>1,039,093</u> |

8.1 Raw and packing material includes slow moving and obsolete stock amounting to Rs. 3.07 million (June 30, 2025: Rs. 3.66 million).

8.2 These include items costing Rs. 163.15 million (June 30, 2025: Rs. 232.23 million) that have been valued at their net realisable value amounting to Rs. 141.10 million (June 30, 2025: Rs. 187.60 million).

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|------------------------------------|--|--------------------------------------|-------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 9. TRADE DEBTS | | | |
| Receivable from customers | | 273,373 | 135,094 |
| Provision for expected credit loss | | (45,350) | (45,350) |
| | | <u>228,023</u> | <u>89,744</u> |

| | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|---|--------------------------------------|-------------------------------|
| Note | ----- (Rupees in '000) ----- | |
| 10. LOANS AND ADVANCES | | |
| Loan to employees - current portion | 6,243 | 6,833 |
| Advances to: | | |
| - employees | 5,293 | 5,525 |
| - suppliers | 50,570 | 74,495 |
| | 55,863 | 80,020 |
| | 62,106 | 86,853 |
| 11. TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES | | |
| Trade deposits | 13,455 | 12,817 |
| Short-term prepayments | 8,047 | 10,726 |
| Sales tax adjustable | 5,504 | 4,957 |
| Other receivables | 3,620 | 3,431 |
| | 30,626 | 31,931 |
| 12. SALES TAX REFUNDABLE | 12.1 | 47,172 |

12.1 Through Finance Act, 2022, effective from July 1, 2022, a special regime for pharmaceutical sector was introduced whereby manufacture or import of substances registered as drugs under the Drugs Act, 1976 was subject to 1% sales tax with the condition that such tax shall be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods.

However, this refundable pertains to prior years where sales tax was imposed at standard rate of 17% on purchase / import of Active Pharmaceutical Ingredients (API). As a result, the pharmaceutical sector was allowed claim sales tax refund on all purchases including APIs and provincial sales tax on services. During the year ended June 30, 2025 sales tax refund amounting to Rs. 39.56 million has been processed by the Refund Division, LTO Karachi through Refund Payment Orders (RPOs) dated June 05, 2025. The said refund amount will be credited by CSTRO Islamabad in Company's bank account in due course of time.

| | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|-------------------------|--------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| 13. Bank Balance | | |
| - Current accounts | 29,053 | 37,802 |
| - Saving accounts | 75,439 | 76,405 |
| | 104,492 | 114,207 |

The return on these balances range between 6% to 8% (June 30, 2025 6% to 8%) per annum

| December 31, 2025 (Number of shares) | June 30, 2025 | | December 31, 2025 (Rupees in '000) | June 30, 2025 |
|--|------------------|---|--|------------------|
| 20,000,000 | 20,000,000 | Authorised capital: | 200,000 | 200,000 |
| | | Ordinary shares of Rs. 10 each | | |
| 12,100,000 | 12,100,000 | Issued, subscribed and paid-up capital | 121,000 | 121,000 |
| | | Ordinary shares of Rs. 10 each | | |

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2024 |
|---|-------------|--------------------------------------|-------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 15. SHORT-TERM LOAN FROM A RELATED PARTY - UNSECURED | Note | | |
| In foreign currency | | | |
| Loan from Otsuka Pharmaceutical Factory, Inc. | 15.1 | 984,060 | 1,083,500 |

15.1 This represents foreign currency denominated loan. The loan was obtained in two tranches of JPY 125 million each, drawn down on February 26, 2015, April 27, 2015 and one tranche of JPY 300 million drawn down on May 17, 2024 repayable on or before February 25, 2016, April 26, 2016 and April 10, 2025 respectively. Tranches drawn down on February 26, 2015, April 27, 2015 were rolled forward annually multiple times. As at June 30, 2025, the two tranches payable on February 25th and April 26th were further extended and are now repayable on or before February 25, 2026 and April 26, 2026 respectively.

Mark-up is being charged on the outstanding amount at TIBOR + 0.10% (June 30, 2025: TIBOR + 0.10%) per annum and is payable semi-annually in arrears.

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|---|-------------|--------------------------------------|-------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 16. TRADE AND OTHER PAYABLES | Note | | |
| Accrued liabilities | 15.1 | 300,551 | 197,375 |
| Bills payable | 15.2 | 153,688 | 198,249 |
| Creditors | | 124,743 | 157,071 |
| Contract liabilities | | 81,132 | 73,440 |
| Provision for employees short-term compensated absences | | 31,717 | 30,375 |
| Workers' profits participation fund | | 27,419 | 8,458 |
| Other liabilities | 15.1 | 23,273 | 47,911 |
| Sales tax payable | 15.1 | 17,816 | 24,378 |
| Workers' welfare fund | | 13,014 | 3,389 |
| Payable to staff retirement benefit fund | | 7,070 | 13,029 |
| Central research fund | | 5,423 | 1,704 |
| Payable to employees provident fund | | 4,534 | 4,777 |
| Security deposits | | 2,790 | 3,889 |
| Retention money | | 868 | 868 |
| | | 794,038 | 764,913 |

16.1 There has been no material change in contingencies as disclosed in note 20.2 and 20.6 to the annual audited financial statements of the Company for the year ended June 30, 2025.

16.2 These include amounts payable to related parties aggregating to Rs. 104 million (June 30, 2025: Rs. 99.85 million).

| | | (Un-audited) December 31, 2025 | (Audited) June 30, 2025 |
|--|--|--------------------------------------|-------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 17. CONTINGENCIES AND COMMITMENTS | | | |
| 17.1 Commitments in respect of: | | | |
| Letters of credit | | 27,451 | 63,755 |
| Letters of guarantee | | 35,833 | 47,173 |

17.2 Details of import letters of credit (sight / usance / acceptance) and letters of guarantee

The Company is availing the facilities relating to the import letter of credit (sight/ usance / acceptance) and letter of guarantee available from the banks as at December 31, 2025 amounting to Rs. 289.61 million (June 30, 2025: Rs. 289.61 million) out of which Rs. 226.27 million (June 30, 2025: Rs. 178.68 million) are available for utilisation of import letter of credit and letter of guarantee.

17.3 There has been no material change in contingencies as disclosed in notes 23.1 and 23.2 to the annual audited financial statements of the Company for the period ended December 31, 2025.

17.4 There were no other contingencies outstanding as on December 31, 2025.

| | | (Un-audited) Half year ended | |
|------------|--|---------------------------------|----------------------|
| | | December 31, 2025 | December 31, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 18. | REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| | Sales | 2,439,494 | 1,913,357 |
| | Sales tax | (45,673) | (41,417) |
| | | <u>2,393,821</u> | <u>1,871,940</u> |
| | Discounts | (127,278) | (88,236) |
| | | <u>2,266,543</u> | <u>1,783,704</u> |

18.1 Sales are net of returns amounting to Rs. 16.56 million (December 31, 2024: Rs. 1.11 million).

18.2 The sales is segregated on the basis of product type and geographical location as disclosed in note 25 to the condensed interim financial statements.

| | | (Un-audited) Half year ended | |
|------------|---|---------------------------------|----------------------|
| | | December 31, 2025 | December 31, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 19. | OTHER INCOME | | |
| | Gain on disposal of operating fixed assets - net | 5,876 | 27 |
| | Scrap sales | 52,913 | 51,717 |
| | Reversal of provision against slow moving and obsolete stock-in-trade - net | 26,739 | 13,490 |
| | Exchange gain - net | 96,069 | - |
| | Income from term deposit receipts | 12,677 | 2,706 |
| | Others | 2,480 | 419 |
| | | <u>196,754</u> | <u>68,359</u> |

19.1 This include an unrealized exchange gain / (loss) arising from the translation of a long-term loan obtained from a related party amounting Rs 99.44 million (December 31, 2024: Rs. 29. 48 million).

| | | (Un-audited) Half year ended | |
|------------|------------------------------------|---------------------------------|----------------------|
| | | December 31, 2025 | December 31, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 20. | OTHER EXPENSES | | |
| | Auditor's remuneration | 1,515 | 1,200 |
| | Donations | 1,400 | - |
| | Worker's profit participation fund | 26,843 | 5,997 |
| | Worker's welfare fund | 10,200 | 2,629 |
| | Central research fund | 5,423 | 1,211 |
| | Exchange loss - net | - | 33,886 |
| | Bank charges and commission | 4,268 | 1,070 |
| | Others | 25 | 1,646 |
| | | <u>49,674</u> | <u>47,639</u> |

| | | | |
|------------|----------------|----------|--------------|
| 21. | LEVIES | | |
| | Revenue tax | - | 2,520 |
| | Final tax on: | | |
| | - export sales | - | - |
| | | <u>-</u> | <u>2,520</u> |

| | | (Un-audited) Half year ended | |
|-------------|--|---------------------------------|----------------------|
| | | December 31, 2025 | December 31, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 22. | TAXATION | | |
| | Income tax | 96,752 | 31,424 |
| | - for prior period | (533) | - |
| | | <u>96,219</u> | <u>31,424</u> |
| | Super tax | 50,375 | 2,137 |
| | Deferred tax | 23,473 | 28,378 |
| | | <u>170,067</u> | <u>61,939</u> |
| 23. | EARNINGS PER SHARE | | |
| 23.1 | Basic | | |
| | Income for the period (Rupees in '000) | <u>329,752</u> | <u>46,853</u> |
| | Weighted average ordinary shares outstanding during the year (Number of shares) | 14 <u>12,100,000</u> | <u>12,100,000</u> |
| | Earning per share - basic and diluted (Rupees) | <u>27.25</u> | <u>3.87</u> |

23.2 Diluted

The impact of dilution on earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2025 and December 31, 2024 which would have had any effect on the earnings per share if option to convert had been exercised.

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include Otsuka Pharmaceutical Company Limited the holding company, associated companies / undertakings (namely Otsuka Pharmaceutical Factory Incorporation, Japan, Thai Otsuka Pharmaceutical Company Limited, Thailand, P.T. Otsuka Indonesia, Otsuka Pharmaceutical Company, Shanghai Micro port Medical (Group) Company Limited, etc.), Danish Enterprises, Qubittech, staff retirement funds and the key management personnel. Details of the transactions with the related parties and the balances with them as at period end other than those which have been disclosed else where are as follows:

Details of these transactions with the related parties and balances with them as at period end other than those which have been already disclosed elsewhere are as follows:

| | | | (Un-audited) Half year ended | |
|--|-------------------------------|-----------------------|---------------------------------|----------------------|
| | | | December 31, 2025 | December 31, 2024 |
| | | | ----- (Rupees in '000) ----- | |
| Name of related party | Relationship with the Company | Nature of transaction | | |
| Otsuka Pharmaceutical Factory Inc. | Associated undertaking | Mark up on loan | 4,490 | 2,062 |
| Otsuka Pharmaceutical Co. Limited | Parent Company | Purchases | 60,017 | 53,862 |
| Guangdong Otsuka Pharmaceutical Co., Limited | Associated undertaking | Purchases | 2,584 | - |
| Thai Otsuka Pharmaceutical Co. Limited | Associated undertaking | Purchases | 94,543 | 69,828 |

| Name of related party | Relationship with the Company | Nature of transaction | (Un-audited) Half year ended | |
|-----------------------------|-------------------------------|--|---------------------------------|-------------------|
| | | | December 31, 2025 | December 31, 2024 |
| | | | ----- (Rupees in '000) ----- | |
| PT. Otsuka Indonesia | Associated Undertaking | Purchases | - | 14,631 |
| Qubitech | Others | Purchases | - | 2,828 |
| Otsuka staff provident fund | Employees Provident fund | Contribution during the period to the fund | 9,822 | 7,677 |
| Otsuka staff gratuity fund | Staff Retirement Benefit fund | Contribution during the period to the fund | 13,029 | 1,974 |
| Key Management Personnel | Key Management Personnel | Remuneration paid | 34,311 | 31,673 |
| Director | Director | Meeting fees | 600 | 250 |

| Name of related party | Relationship with the Company | Nature of balance | (Un-audited) | (Audited) |
|--|-------------------------------|---|------------------------------|--------------------|
| | | | December 31, 2025 | June 30, 2025 |
| | | | ----- (Rupees in '000) ----- | |
| Otsuka Pharmaceutical Factory Inc. | Associated undertaking | Short term loan payable Markup payable | 984,060 2,382 | 1,083,500 2,339 |
| Otsuka Pharmaceutical Company Limited | Parent Company | Payable against purchases | 33,863 | 59,060 |
| Thai Otsuka Pharmaceutical Co. Limited | Associated undertaking | Payable against purchases | 46,104 | 40,793 |
| Shareholders | Shareholders | Payable to shareholders | 363 | 363 |
| Otsuka staff gratuity fund | Staff Retirement Benefit fund | Payable to staff retirement benefit fund | 7,070 | 13,029 |
| Otsuka staff provident fund | Employees Provident fund | Payable to employees provident fund | 4,534 | 4,777 |
| Key Management Personnel | Key Management Personnel | Advance from key management personnel | 330 | 330 |

The Company enters into transactions with related parties for the sale of its products, purchase of raw materials, finished goods and spare parts for rendering of certain services. Purchases from related parties primarily represent purchase of raw materials and finished goods from Otsuka group companies.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including the Chief Executive Officer and working directors to be its key management personnel.

25. SEGMENT INFORMATION

- 25.1** These condensed interim financial statements have been prepared on the basis of a single reportable segment.
- 25.2** Sales from Intravenous Solutions (I.V Solutions) represent 89.79% while sales from others represent 10.21% (December 31, 2024: 85.95% and 14.05%) respectively of the total sales of the Company.

| | (Un-audited) Half year ended December 31, 2025 | (Un-audited) Half year ended December 31, 2024 |
|---|---|---|
| | ----- (In percent) ----- | |
| 25.3 The geographic segmentation of sales is as follows: | | |
| Pakistan | 94.75 | 95.26 |
| Afghanistan | 5.25 | 4.74 |
| | <u>100.00</u> | <u>100.00</u> |

25.4 All non-current assets of the Company as at December 31, 2025 are located in Pakistan.

26. PLANT CAPACITY AND PRODUCTION

| | (Un-audited) Half year ended December 31, 2025 | | (Un-audited) Half year ended December 31, 2024 | |
|------------------|--|----------------------|--|----------------------|
| | Capacity | Actual production | Capacity | Actual production |
| Note | ----- (million bottles) ----- | | | |
| I.V. solutions | 16.0 | 11.0 | 16.0 | 9.3 |
| Plastic ampoules | 7.3 | 6.3 | 7.3 | 6.0 |
| Sachets | 3.0 | 0.6 | 3.0 | 1.5 |
| 26.1 | <u>26.3</u> | <u>17.9</u> | <u>26.3</u> | <u>16.8</u> |

26.1 The Company's under-utilised capacity was due to lower than planned production on account of oversupply situation in the market.

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following items included in the condensed interim statement of financial position:

| | (Un-audited) Half year ended December 31, 2025 | (Un-audited) Half year ended December 31, 2024 |
|--|---|---|
| Note | ----- (Rupees in '000) ----- | |
| Bank balances | 13 | 104,492 |
| Short-term investments | 27.1 | 185,640 |
| | | <u>364,610</u> |
| Cash and cash equivalent as per cash flow | | <u>469,102</u> |
| | | <u>350,250</u> |

27.1 Short term investment include Term deposit receipt held with alfalah islamic bank amounting Rs: 250 million, meezan bank amounting Rs: 100 million, alfalah conventional bank amounting 14.61 million

28. DISCLOSURE FOR SHARIAH COMPLIANT COMPANIES LISTED IN ISLAMIC INDEX / COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS

| | December 31, 2025 | December 31, 2024 |
|--|------------------------------|----------------------|
| | ----- (Rupees in '000) ----- | |
| Loans / advances obtained as per Islamic mode: | | |
| Shariah complaint bank deposits / bank balances | 427,171 | 326,406 |
| Profit earned from shariah complaint bank deposits / b | 12,667 | 11,399 |
| Revenue earned from a shariah complaint business | - | - |
| Gain / (loss) / dividend earned from shariah compliant investments | - | - |
| Dividend income | - | - |
| Gain on sale of investments | - | - |
| (Loss) / gain on remeasurement of investments at fair value through profit or loss | - | - |
| Exchange (loss) / gain earned from actual currency | - | - |
| Shariah complaint gain on disposal of assets | - | - |
| Profit paid on Islamic mode of financing | - | - |
| Profits earned or profit paid on any conventional loan or advance | - | - |
| Profit paid on loans | - | - |

29. FAIR VALUE MEASUREMENTS

IFRS 13 “Fair Value Measurement” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It requires categorization of fair value measurements into different levels of fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

As at December 31, 2025, the Company does not have any financial instruments carried at fair values which are measured using method falling under above categories, and carrying value of financial assets and liabilities approximate their fair value at the reporting date.

30. GENERAL

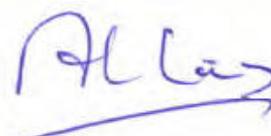
30.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees unless otherwise stated.

31. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 25, 2026 by the Board of Directors of the Company.



Moin ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer



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