Otsuka Pakistan Ltd.
(A Company of Otsuka Group Japan)

Quarterly Reports

for the period ended September 30, 2025

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS :	Mr. Mikio Bando (Chairman) (Alternate: Mr. Hideshi Tsunezawa) Mr. Moin ur Rehman (Director and Chief Executive Officer) Mr. Kimitaka Naito Mr. Tariq Mehtab Feroz Mr. Suhari Mukti (Alternate: Mr. Sajid Ali Khan) Mr. Abid Hussain (Independent Director) Mrs. Navin Salim Merchant (Independent Director)
CHIEF FINANCIAL OFFICER :	Mr. Tauseef Ahmed Shaikh
COMPANY SECRETARY :	Mr. Rao Sajid Ali Khan
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. Sajid Ali Khan (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., Bank Alfalah Islamic Habib Bank Limited, MCB Bank Limited, Habib Metropolitan Bank Limited Bank Al-Habib Limited Allied Bank Limited National Bank of Pakistan Bank Alfalah Limited Meezan Bank Limited
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 of Otsuka Pakistan Limited (the "Company") are pleased to present the financial statements for the first quarter ended September 30, 2025.

Board of Directors

The Board of Directors as required under section 159 of the Companies Act, 2017 had fixed the number of Directors have been elected at seven (7) including two (2) independent directors who will represent the minority shareholders of the Company in accordance with the provisions of the Listed Companies (Code of Corporate Governance) Regulations 2019, for a period of three years commenced from November 01, 2024.

The composition of Board of Directors ("the Board") is 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	
	Mrs. Navin Salim Merchant	Female

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

**Mr. Sajid Ali Khan 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 Mr. Sajid Ali Khan (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 2017.

Currently, the two independent directors and a non-working alternate director are getting fixed fees for attending the board meetings. The aggregate amount of remuneration paid to each director of the Company during the year is given below:

CATEGORY	NAMES	NATURE OF REMUNERATION	AMOUNT (Rs. In '000)
Executive Director	Mr. Moin ur Rehman (CEO)	Salaries and benefits	5,643
Non-Executive Directors	Mr. Mikio Bando (Chairman)	Not applicable	Nil
	Mr. Tariq Mehtab Feroz	Meeting Fees	75
	Mr. Kimitaka Naito	Not Applicable	Nil
	Mr. Suhari Mukti**	Not applicable	Nil
Independent Directors	Mr. Abid Hussain	Meeting Fees	75
	Mrs. Navin Salim Merchant	Meeting Fees	75

Business Review

During the first quarter of FY2025-26, Otsuka Pakistan Limited recorded net sales of Rs. 1,076 million, representing a robust growth of 33% compared to the corresponding period of the previous year. The growth was mainly driven by higher sales in the strategic Parenteral Nutrition (PN) category compared to the same period last year, due to change in the strategic direction of the company. The gross profit margin improved to 32% from 17% in the same period last year, mainly due to a favorable product mix and effective cost control measures.

Selling and distribution expenses increased by 55%, primarily due to higher advertising and promotional spending attributed to launch of two new EN products, namely, Neo-Mune and Once-Dialyze, the induction of a dedicated Enteral Nutrition (EN) sales team, and an increase in outward freight cost following the implementation of a door-to-door, distributor warehouse-based logistics model.

Other expenses declined compared to the same period last year, which had included a net exchange loss of Rs. 124 million. During the current quarter, the Company recorded a net exchange gain of Rs. 30 million on the revaluation of foreign currency loans obtained from Otsuka Pharmaceutical Factory, Inc. (Japan), resulting in higher other income.

Company's extraordinary performance resulted in earnings per share (EPS) of Rs. 9.92, compared to a loss per share of Rs. 9.89 in the corresponding period of the previous year. Despite the fact that Company continues to face several operational challenges, particularly ageing production machinery and cap mold-related issues, which have increased maintenance requirements and occasionally affected production efficiency. However, management is closely monitoring these factors and taking necessary measures to improve equipment reliability, quality of products, and maintain full compliance with evolving regulatory requirements.

Future Outlook

The pharmaceutical and healthcare industry in Pakistan is expected to show improvement, supported by stabilized macroeconomic conditions, moderate inflation and improved overall business environment. However, this outlook remains contingent upon the continuation of economic stability and consistent regulatory policies.

The Company expects a steady performance during FY2025-26, supported by the momentum generated in the first quarter. Company is moving in the right direction with a clear strategy of Strategizing the CN business and rationalizing the BIV business. The newly launched Clinical Nutrition products are expected to contribute to sales growth and help diversify revenue streams in the coming quarters and improved margins.

The management will continue to work towards Otsuka's strategic vision of becoming an indispensable company while pursuing operational improvements and efficiency gains to support long-term sustainability.

Acknowledgement
The Board sincerely appreciates the dedication and commitment of our employees and the continued trust of our shareholders, business partners, and customers. Their support motivates us to pursue excellence and maintain our commitment to growth and innovation.

On behalf of the Board

Moin ur Rehman
Chief Executive Officer

Abid Hussain
Director

Dated: October 28, 2025

ڈائریکٹرز رپورٹ

اوٹسوکا پاکستان لمیٹڈ (''کمپنی'') کے ڈائریکٹرز کو یہ **مالیاتی گوشوارے** پیش کرتے ہوئے خوشی محسوس ہو رہی ہے جو 30 ستمبر 2025 کو ختم ہونے والی پہلی سہ ماہی کے لیے تیار کیے گئے ہیں۔

بورڈ آف ڈائریکٹرز

کمپنیز ایکٹ 2017 کی دفعہ 159 کے تحت بورڈ آف ڈائریکٹرز کی تعداد سات (7) مقرر کی گئی ہے، جن میں دو (2) آزاد ڈائریکٹرز شامل ہیں۔ یہ آزاد ڈائریکٹرز اوٹسوکا پاکستان لمیٹڈ کے اقلیتی شیئر ہولڈرز کی نمائندگی کریں گے، جیسا کہ لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطے) 2019 کی دفعات میں بیان کیا گیا ہے۔
ان ڈائریکٹرز کی مدتِ کار تین سال کے لیے ہے جو یکم نومبر 2024 سے شروع ہوئی۔

بورڈ آف ڈائریکٹرز (''بورڈ'') کی تشکیل درج ذیل ہے:

درجہ بندی	نام	جنس
ایگزیکٹیو ڈائریکٹر	جناب معین الرحمٰن (سی ای او)	مرد
نان ایگزیکٹیو ڈائریکٹرز	جناب میکیو باڈو (چیئرمین) جناب طارق مہتاب فیروز جناب کیمیتا کاناسو جناب سوہاری مکتی	مرد
آزاد ڈائریکٹرز	جناب عابد حسین مسز نوین سلیم مرچنٹ	مرد خاتون

* جناب ہیدیشی سونے زاوا، جناب میکیو باندو کے متبادل ڈائریکٹر ہیں۔
** جناب ساجد علی خان، جناب سہاری مکتی کے متبادل ڈائریکٹر ہیں۔

بورڈ کی ذیلی کمیٹیاں	ممبر کا نام
آڈٹ کمیٹی	جناب عابد حسین (چیئرمین) جناب کیمیتا کاناسو جناب طارق مہتاب فیروز جناب جاوید نور (سیکرٹری)
ہیومن ریسورس و معاوضہ اور نامزدگی کمیٹی	مسز نوین سلیم مرچنٹ (چیئرپرسن) جناب معین الرحمٰن صاحب جناب کیمیتا کاناسو جناب طارق مہتاب فیروز مسز ذیوڈ سنیل (سیکرٹری)
رسک مینجمنٹ کمیٹی	جناب عابد حسین (چیئرمین) جناب معین الرحمٰن صاحب جناب کیمیتا کاناسو جناب ساجد علی خان

ڈائریکٹرز کے معاوضے

بورڈ نے ڈائریکٹرز کی معاوضے سے متعلق ایک باقاعدہ پالیسی اور شفاف طریقہ کار مرتب کر رکھا ہے جو کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطے) 2017 کے مطابق ہے۔
فی الحال دو آزاد ڈائریکٹرز اور ایک غیر فعال متبادل ڈائریکٹر کو بورڈ کے اجلاسوں میں شرکت کے لیے مقررہ فیس ادا کی جاتی ہے۔
کمپنی کے ہر ڈائریکٹر کو سال کے دوران ادا کی جانے والی کل معاوضے کی تفصیل درج ذیل ہے:

عہدے	نام	معاوضے کی تفصیلات	پاکستانی روپے '000
ایگزیکٹو ڈائریکٹر	جناب معین الرحمٰن (سی ای او)	تنخواہیں اور مراعات	5,643
نان ایگزیکٹو ڈائریکٹر	سیکیو ماتڈو (چیئرمین)	قابلِ اطلاق نہیں	-
	طارق مہتاب فیروز	کنسلٹنسی فیس	75
	جناب کیمیتا کانا کو	قابلِ اطلاق نہیں	-
	سوہاری کگی	قابلِ اطلاق نہیں	-
آزاد ڈائریکٹر	جناب عابد حسین	میٹنگ فیس	75
	مسز نوین سلیم مرچنٹ	میٹنگ فیس	75

کاروباری جائزہ

مالی سال 2025-26 کی پہلی سہ ماہی کے دوران اوٹسوکا پاکستان لمیٹڈ نے 1,076 ملین روپے کی خالص فروخت ریکارڈ کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 33٪ اضافہ ظاہر کرتی ہے۔ یہ نمو بنیادی طور پر کمپنی کی نئی حکمتِ عملی کے تحت پیرینٹرل نیوٹریشن (PN) کیٹیگری میں زیادہ فروخت کے باعث ممکن ہوئی۔ مجموعی منافع کی شرح 17٪ سے بڑھ کر 32٪ ہو گئی، جو بہتر پروڈکٹ مکس اور مؤثر لاگت کنٹرول کا نتیجہ ہے۔

فروخت اور تقسیم کے اخراجات میں 55٪ اضافہ ہوا، جو نئی ای این (EN) مصنوعات نیو-میون (Neo-Mune) اور ونس-ڈائیلائز (Once-Dialyze) کے اجراء، نئی EN سیلز ٹیم کی شمولیت، اور "ڈور ٹو ڈور" لاجسٹکس ماڈل کے نفاذ کے باعث ہوا۔

موجودہ سہ ماہی میں کمپنی نے 30 ملین روپے کا خالص زرمبادلہ منافع ریکارڈ کیا، جبکہ گزشتہ سال اسی مدت میں 124 ملین روپے کا خسارہ ہوا تھا۔

کمپنی کی شاندار کارکردگی کے نتیجے میں فی حصص آمدنی (EPS) 9.92 روپے رہی، جو گزشتہ سال کے فی حصص نقصان 9.89 روپے کے مقابلے میں نمایاں بہتری ظاہر کرتی ہے۔
انتظامیہ پرانی مشینری اور گیپ مولڈ کے مسائل کے باوجود کارکردگی، معیار، اور ریگولیٹری تقاضوں کی تعمیل کو بہتر بنانے کے لیے مسلسل اقدامات کر رہی ہے۔

مستقبل کا جائزہ

پاکستان کی دواسازی اور صحت کی دیکھ بھال کی صنعت میں بہتری کی توقع ہے، جو مستحکم معاشی حالات، معتدل افراطِ زر، اور بہتر کاروباری ماحول سے تقویت پائے گی۔ تاہم، یہ مثبت منظرنامہ معاشی استحکام کے تسلسل اور مستقل ریگولیٹری پالیسیوں کے برقرار رہنے پر منحصر ہے۔

کمپنی کو توقع ہے کہ مالی سال 2025-26 کے دوران اس کی کارکردگی مستحکم رہے گی، جسے پہلی سہ ماہی میں پیدا ہونے والی مثبت رفتار سے تقویت حاصل ہے۔ کمپنی واضح حکمتِ عملی کے ساتھ درست سمت میں آگے بڑھ رہی ہے، جس کے تحت سی این (CN) کاروبار کو حکمتِ عملی کے تحت منظم کیا جا رہا ہے اور بی آئی وی (BIV) کاروبار کو بہتر بنایا جا رہا ہے۔
نئی متعارف کردہ کلینیکل نیوٹریشن مصنوعات سے توقع ہے کہ وہ فروخت میں اضافہ کریں گی، آمدنی کے ذرائع میں تنوع پیدا کریں گی، اور آنے والی سہ ماہیوں میں منافع کے مارجن میں بہتری لائیں گی۔

انتظامیہ اوٹسوکا پاکستان لمیٹڈ کے اس تزویراتی وژن پر عمل پیرا رہنے کے لیے پر عزم ہے جس کا مقصد ایک ناگزیر اور قابلِ اعتماد کمپنی بننا ہے۔ اس کے ساتھ ساتھ، طویل مدتی پائیداری کے حصول کے لیے عملی بہتری اور کارکردگی میں اضافے پر توجہ جاری رکھی جائے گی۔

اظہار تشکر

بورڈ ہمارے تمام ملازمین کی محنت اور لگن، اور شیئر ہولڈرز، کاروباری شراکت داروں اور صارفین کے مستقل اعتماد کو دلی طور پر سراہتا ہے۔ انہی کے تعاون سے ہمیں اعلیٰ معیار، مسلسل ترقی، اور جدت کے فروغ کے عزم کو برقرار رکھنے کی تحریک ملتی ہے۔

مورخہ ۲۸ اکتوبر ۲۰۲۵

بورڈ کی جانب سے

عابد حسین	**معین الرحمان**
ڈائریکٹر	چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

	Note	(Unaudited) September 30, 2025	(Audited) June 30, 2025
		-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**630,588**	614,178
Intangible assets		**367**	446
Long-term loans		**6,704**	6,860
Long-term deposits		**1,463**	1,463
Deferred tax asset - net		**87,751**	87,113
		726,873	710,060
Current assets			
Stores and spares		**69,977**	63,555
Stock-in-trade		**1,055,527**	1,039,093
Trade debts		**92,167**	89,744
Loans and advances		**75,888**	86,853
Trade deposits, short-term prepayments and other receivables		**36,391**	31,931
Sales tax refundable		**47,172**	47,172
Prepaid Levies		**49,463**	49,463
Advance tax - net		**29,436**	51,797
Short-term investment		**214,610**	264,610
Bank balances		**242,751**	114,207
		1,913,382	1,838,425
Total assets		**2,640,255**	2,548,485
EQUITY AND LIABILITIES			
Equity			
Share capital	5	**121,000**	121,000
Revenue reserves		**694,857**	574,779
Total equity		**815,857**	695,779
Liabilities			
Non-current liabilities		-	-
Current liabilities			
Short-term loan from a related party	6	**1,045,000**	1,083,500
Trade and other payables		**775,061**	764,912
Unclaimed dividend		**1,955**	1,955
Mark-up accrued		**2,382**	2,339
		1,824,398	**1,852,706**
Total equity and liabilities		**2,640,255**	2,548,485
Contingencies and Commitments	7		

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Moin ur Rehman	**Abid Hussain**	**Tauseef Ahmed Shaikh**
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024
		----- Rupees in '000 -----	
Revenue from contract with customers	8	**1,076,104**	810,914
Cost of sales		**(736,731)**	(671,762)
Gross profit		**339,373**	139,152
Selling and distribution expenses		**(158,141)**	(101,855)
Administrative and general expenses		**(45,743)**	(41,550)
		135,489	(4,253)
Other income		**64,034**	27,881
		199,523	23,628
Other expenses		**(19,658)**	(127,319)
Operating profit / (loss)		**179,864**	(103,691)
Finance cost		**(2,533)**	(1,497)
Profit / (loss) before final tax, revenue tax and income tax		**177,331**	(105,188)
Final tax		**(119)**	-
Profit / (loss) before revenue tax and income tax		**177,212**	(105,188)
Revenue tax		-	(10,457)
Profit / (loss) before income tax		**177,212**	(115,645)
Income tax - net		**(57,134)**	(4,040)
Profit / (loss) for the period after taxation		**120,078**	(119,685)
		------------ Rupees ---------------	
Earning / (loss) per share - basic and diluted		**9.92**	(9.89)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Moin ur Rehman
Chief Executive Officer

Abid Hussain
Director

Tauseef Ahmed Shaikh
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter ended September 30,	
	2025	2024
	----- Rupees in '000 -----	
Profit / (loss) for the period after taxation	**120,078**	(119,685)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	**120,078**	(119,685)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Moin ur Rehman
Chief Executive Officer

Abid Hussain
Director

Tauseef Ahmed Shaikh
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before final tax, revenue tax and income tax		**177,331**	(105,188)
Adjustment for non-cash charges and other items:			
Depreciation & amortisation		**30,283**	19,057
Unrealized exchange (gain) / loss - net		**(38,500)**	121,055
Mark-up on finance		**2,533**	1,497
Operating Surplus before working capital changes		**171,647**	36,421
(Increase) / decrease in current assets			
Stores and spares		**(6,422)**	(8,755)
Stock-in-trade		**(16,434)**	(77,930)
Trade debts - unsecured		**(2,423)**	(29,889)
Loans and advances		**10,965**	(59,186)
Trade deposits, short-term prepayments and other receivables		**(4,460)**	10,171
		(18,774)	(165,589)
Increase / (decrease) in current liabilities			
Trade and other payables		**10,149**	32,089
Cash generated from / (used in) operations		**163,022**	(97,079)
Interest paid		**(2,490)**	(16,083)
Taxes paid		**(35,531)**	(31,157)
Increase in long-term loans		**156**	(90)
Net cash generated from / (used in) operations		**125,157**	**(144,409)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(46,613)**	(9,699)
Proceeds from disposal of property, plant and equipment		-	-
Net cash used in investing activities		**(46,613)**	**(9,699)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		-	(18,471)
Net cash used in financing activities		-	**(18,471)**
Net increase / (decrease) in cash and cash equivalents		**78,544**	**(172,579)**
Cash and cash equivalents at the beginning of the period		**378,817**	311,646
Cash and cash equivalents at the end of the period	10	**457,361**	**139,067**

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Moin ur Rehman
Chief Executive Officer

Abid Hussain
Director

Tauseef Ahmed Shaikh
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Accumulated losses / (profits)	Sub-total	
	Rupees in '000				
Balance as at June 30, 2024 (audited)	121,000	491,980	62,715	554,695	675,695
Total comprehensive loss for the period ended Sep 30, 2024	-	-	(119,685)	(119,685)	(119,685)
	-	-			
Balance as at Sep 30, 2024	121,000	491,980	(56,970)	435,010	556,010
Balance as at June 30, 2025 (audited)	**121,000**	**491,980**	**82,799**	**574,779**	**695,779**
Total comprehensive income for the period ended Sep 30, 2025	-	-	**120,078**	**120,078**	**120,078**
Balance as at Sep 30, 2025	**121,000**	**491,980**	**202,877**	**694,857**	**815,857**

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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 QUARTER ENDED SEPTEMBER 30, 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) 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.

The geographical location and address of the Company's business units, including mill / plants, is as under:

Registered Office in Karachi	Purpose	Hub	Purpose
30-B, S.M.C.H. Society, Karachi	Head office	F/4-9, H.I.T.E., Hub, Balochistan, Hub Industrial And Trading Estates, Hub, Las Bela, 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 Companies Act, 2017 differ from the requirements of IAS-34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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.

The comparatives in the condensed interim statement of financial position as at September 30, 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 quarter year ended September 30, 2025.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except that obligations in respect of certain staff retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

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

3. **MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS**

3.1 **Material accounting policy information**

3.1.1 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.

3.1.2 **Adoption of certain standards, interpretations and amendments**

There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards which have been published and are mandatory for the accounting period beginning on or after July 01, 2025. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant impact on the accounting policies of the Company and therefore not disclosed in these condensed interim financial statements.

3.2 **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.

3.3 **Fair value of financial asset and liabilities**

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

3.4 **Estimates and Judgements**

Estimates and judgments 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.

	Note	**(Un-audited) Sep 30, 2025**	(Audited) June 30, 2025
4 PROPERTY, PLANT AND EQUIPMENT		**------Rupees in '000------**	
Operating fixed assets		**586,031**	572,907
Capital work-in-progress	4.2	**44,557**	41,271
		630,588	614,178

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

	(Un-audited) Quarter ended Sep. 30, 2025		(Un-audited) Quarter ended Sep.30, 2024	
	Addition / transfer - at cost	**Disposal - at net book value**	Addition / transfer - at cost	Disposal - at net book value
	(Rupees '000)		(Rupees '000)	
Operating fixed assets				
Building on leasehold land	**489**	-	326	-
Plant and machinery	**11,343**	-	2,955	-
Furniture, fixtures and equipment	**5,799**	-	1,246	-
Vehicles	**25,697**	-	2,707	-
Total	**43,328**	-	7,234	-

		(Un-audited) Sep 30, 2025	(Audited) June 30, 2025
4.2	**Capital work-in-progress**	------Rupees in '000------	
	Stores and spares held for capital expenditure	37,341	37,251
	Operating fixed assets	7,216	4,020
		44,557	41,271

5 SHARE CAPITAL

Sep 30, 2025	June 30, 2025		Sep 30, 2025	June 30, 2025
(Number of shares in '000')		**Authorised capital:**	---------- (Rupees in '000) ----------	
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000	200,000

Sep 30, 2025	June 30, 2025		Sep 30, 2025	June 30, 2025
(Number of shares)		**Issued, subscribed and paid-up capital**	---------- (Rupees in '000) ----------	
12,100,000	12,100,000	Ordinary shares of Rs. 10 each	121,000	121,000

		Note	(Un-audited) Sep 30, 2025	(Audited) June 30, 2025
6	**SHORT-TERM LOAN FROM A RELATED PARTY - UNSECURED**		------Rupees in '000------	
	In foreign currency			
	Loan from Otsuka Pharmaceutical Factory, Inc.	6.1	1,045,000	1,083,500

6.1 This represents foreign currency denominated loan. The loan was obtained in three tranches (two tranches JPY 125 million each and one tranche of JPY 300 million) drawn down on February 26, 2015, April 27, 2015 and May 17, 2024 respectively, repayable on or before February 25, 2016, April 26, 2016 and April 10, 2025 respectively. Out of these two tranches of JPY 125 million each were rolled forward annually multiple times however JPY 300 million was rolled forward annually once. During the financial year ended June 30, 2025 all the tranches have been rolled forward and are now repayable on or before February 25, 2026, April 26, 2026 and April 10, 2026 respectively.

Mark-up is charged at TIBOR (fixed at the time of receipt of loan) + 0.1% (June 30, 2025: TIBOR + 0.1%) per annum and is payable semi-annually in arrears.

		(Un-audited) Sep 30, 2025	(Audited) June 30, 2025
		------Rupees in '000------	
7	**CONTINGENCIES AND COMMITMENTS**		
7.1	Commitments in respect of:		
	Letters of credit	125,067	63,775
	Letters of guarantee	35,001	47,173

7.2 There has been no significant change in contingencies disclosed in note 23.1 to the annual audited financial statements of the Company for the year ended June 30, 2025.

		Note	(Un-audited) Sep 30, 2025	(Un-audited) Sep 30, 2024
			------Rupees in '000------	
8	**REVENUE FROM CONTRACT WITH CUSTOMERS**			
	Sales (net of returns of Rs.7.48 million; Sep 30, 2024: Rs. 0.79 million)	11.2	1,143,869	892,564
	Less: sales tax		(24,923)	(20,747)
			1,118,946	871,817
	Less: discounts		(42,842)	(60,903)
			1,076,104	810,914

8.1 The sales is segregated on the basis of product type and geographical location as disclosed in note 11.

9. TRANSACTIONS 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:

Name of related party	Relationship with the Company	Nature of transaction	(Un-audited) Sep 30, 2025	(Un-audited) Sep 30, 2024
			----Rupees in '000----	
Otsuka Pharmaceutical Factory Inc.	Holding Company	Mark up on loan	**2,366**	1,061
Otsuka Pharmaceutical Co, Ltd.	Parent Company	Purchases	**20,371**	44,261
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Purchases	**96,566**	52,391
PT. Otsuka Indonesia	Associated Undertaking	Purchases	-	14,227
Qubitech	Others	Purchases	-	1,831
Director	Independent Director and Non Executive Director	Meeting fees	**225**	-
Otsuka staff provident fund	Provident fund	Contribution during the year to	**4,926**	3,869
Otsuka staff gratuity fund	Gratuity fund	Contribution during the year to	-	1,898
Key Management Personnel	Key Management Personnel	Remuneration paid	**17,244**	14,663

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. In addition, the Company has also entered into financing arrangement with the group company. Sales to related parties represent sales made to Hospital Supply Corporation which is the sole distributor of the Company's products in the southern region. The Company allows discount to the distributor on trade price based on the agreed terms. 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.

Name of related party	Relationship with the Company	Nature of transaction	(Un-audited) Sep 30, 2025	(Un-audited) Sep 30, 2024
			----Rupees in '000----	
Otsuka Pharmaceutical Factory Inc.	Holding Company	Short term loan payable	**1,045,000**	1,083,500
		Markup payable	**2,382**	2,339
Otsuka Pharmaceutical Co, Ltd.	Parent company	Payable against purchases	**20,542**	59,060
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Payable against purchases	**48,270**	40,793
Shareholders	Shareholders	Payable to shareholders	**363**	363
Otsuka staff provident fund	Provident fund	Payable to Employees Provident Fund	**4,778**	4,777
Otsuka staff gratuity fund	Gratuity fund	Payable to / (Receivable from) Staff Retirement Benefit Fund	**16,604**	13,029
Key Management Personnel	Key Management Personnel	Advance from key management personnel	**330**	330

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim cash flow statement comprise the following items included in the condensed interim balance sheet:

	(Un-audited) Sep 30, 2025	(Un-audited) Sep 30, 2024
	----Rupees in '000----	
- Bank balances	**242,751**	124,457
- Short term investments	**214,610**	14,610
	457,361	139,067

11 SEGMENT INFORMATION

11.1 This condensed interim financial information has been prepared on the basis of a single reportable segment.

11.2 Sales from Intravenous Solutions represent 89.81 percent while sales from others represent 10.19 percent (Sep.30, 2024: 85.03 percent and 14.97 percent) respectively of the total sales of the Company.

11.3 The geographic segmentation of sales is as follows:

	(Un-audited) Sep 30, 2025	(Un-audited) Sep 30, 2024
	------- In percent -------	
Pakistan	**93.26**	100.00
Outside Pakistan (Exports)	**6.74**	0.00

11.4 All non-current assets of the Company as at September 30, 2025 are located in Pakistan.

12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 28, 2025 by the Board of Directors of the Company.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

Moin ur Rehman	**Abid Hussain**	**Tauseef Ahmed Shaikh**
Chief Executive Officer	Director	Chief Financial Officer

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