



HUNDRED YEAR  
OTSUKA QUALITY

For Life. Realizing the hidden power within.

## Feature

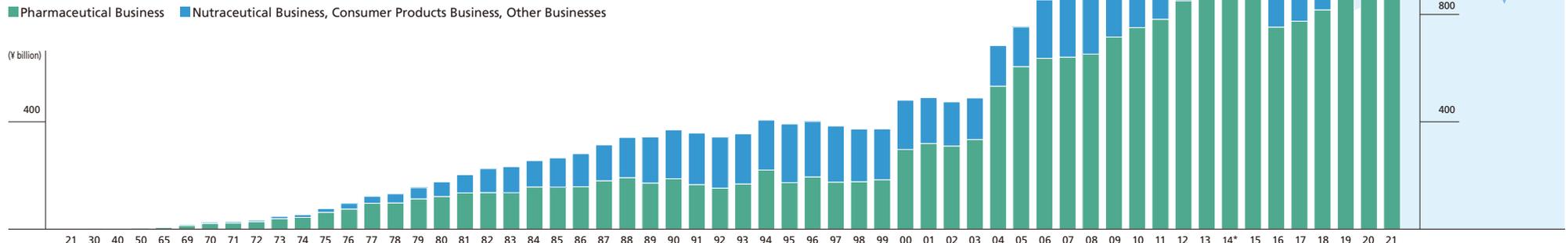
# A 100-Year History of the Otsuka Group Developing into a Total Healthcare Company

The Otsuka group celebrated its 100th anniversary in 2021. The values we have cultivated over our long history have enabled us to take on new endeavors in each of our businesses. Our employees around the world continue to create new value for people everywhere under our unwavering corporate philosophy: "Otsuka-people creating new products for better health worldwide."

# Otsuka's Story

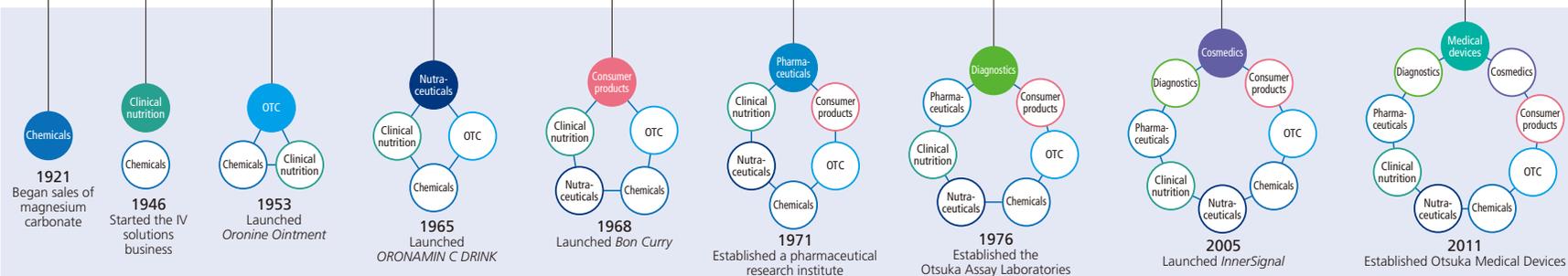
Since its founding as a chemical raw material manufacturer in 1921, the Otsuka group has not only demonstrated outstanding creativity, but has also honestly endeavored to take the path it believes to be correct, and to stay true to the values that have enabled it to pursue what only Otsuka can do. Based on these values—*Ryukan-godo* (by sweat we recognize the way), *Jissho* (actualization) and *Sozosei* (creativity)—group members have spurred each other on toward the goal of becoming a unique total healthcare company. In addition to responding to changing times and conditions, we will continue to contribute to people's health by anticipating future trends and developing businesses that leverage our uniqueness.

## Revenue



\* Due to a change in fiscal year, results for fiscal 2014 are for the 9-month period ended December 31, 2014.

### Business Diversification



The Otsuka group was founded in 1921 as a chemical raw material manufacturer in Naruto City, Tokushima Prefecture. It moved away from single-product manufacturing when it diversified into intravenous injection, drip and infusion solutions and other pharmaceutical products, which it sold nationwide. In addition to pharmaceuticals, the group moved into the food and housing domains. Thus, the foundations of today's Otsuka group were built.



A factory during the founding era

### Founding Era (1921–1970s)

Aiming for further growth, in the 1970s the Otsuka group began proactively expanding its businesses overseas. To maintain and even improve quality, the group insisted on local manufacturing. In addition to providing products at appropriate prices, this approach created jobs and contributed to local communities. "Otsuka-people creating new products for better health worldwide" became the philosophy of the group's factories and research institutes. The Otsuka group created new markets through numerous unique products, and its businesses diversified.



Contract signing ceremony at China Otsuka Pharmaceutical

### International Expansion (1970s–2000s)

The Otsuka group has grown into a provider of a wide variety of science-backed products and services that meet the healthcare needs of the times and the countries and regions it serves. The group has launched the new medical devices business, and has been aiming for globalization while working to develop the ideal approach in this age of heightened concern for the environment. In doing so, the group has successfully configured its diverse businesses to generate value through synergy.



### Further Development (2000s Onward)

## Founding Era (1921–1970s)

### The Otsuka Group Begins as Otsuka Seiyaku Kogyobu

#### Founding

The Otsuka group began as Otsuka Seiyaku Kogyobu, which was founded on September 1, 1921 by Busaburo Otsuka in Naruto City, Tokushima Prefecture. Naruto City had many salt pans, hence it was here that the group began business as a chemical raw material manufacturer, producing magnesium carbonate (a rubber additive) from bittern, which was a by-product of salt production.

#### Entrance into the Pharmaceutical Business and Nationwide Expansion

To complement its steady growth as a chemical raw material manufacturer, in 1946 the Otsuka group entered the pharmaceutical business. The group successively launched new intravenous injection, drip and infusion solutions and expanded its business throughout Japan.

Furthermore, while diversifying its businesses using its technological expertise in intravenous injection, drip and infusion solutions and chemical products, in 1953 the group launched the sterilizer/disinfectant *Oronine Ointment* as its first over-the-counter (OTC) pharmaceutical.



Busaburo Otsuka



Intravenous injection and infusion solutions from the time the IV solutions business was launched



*Oronine Ointment*

- 1921 Established as Otsuka Seiyaku Kogyobu
- 1940 Renamed as Otsuka Pharmaceutical Factory
- 1946 Entered the intravenous injection, drip and infusion solutions business
- 1950 Established Otsuka Chemical and Medical Products (currently Otsuka Chemical)
- 1953 Launched *Oronine Ointment*
- 1961 Established Otsuka Warehouse

#### From Pharmaceuticals to Food and Housing

Otsuka Pharmaceutical, Taiho Pharmaceutical, Otsuka Foods Industry (currently Otsuka Foods), Otsuka Warehouse and other group companies were established in the 1960s and 1970s, Japan's period of rapid economic growth. With the addition of Earth Corporation, the group's operating infrastructure grew substantially.

In 1965, the group launched the carbonated energy drink *ORONAMIN C DRINK* with the catchphrase *Genki Haturatsu!* ("Full of Vitality"). Born from the revolutionary idea of creating the first-ever carbonated energy drink, it went on to become one of the group's most familiar long-selling products.

In 1968, the group launched the world's first retort pouch food product *Bon Curry*. Developed using expertise cultivated in the IV solutions business, *Bon Curry* quickly became widely popular among Japanese households, revolutionizing mealtimes.



*ORONAMIN C DRINK*



*Bon Curry*

- 1963 Established Taiho Pharmaceutical
- 1964 Established Otsuka Pharmaceutical  
Launched Otsuka Foods Industry (currently Otsuka Foods) through equity investment in CBC Foods Industry  
Launched *Tiovita Drink*
- 1965 Launched *ORONAMIN C DRINK*
- 1968 Launched *Bon Curry*
- 1970 Equity investment in Earth Corporation

## International Expansion (1970s–2000s)

### Progress of Internationalization and Total Healthcare

#### Internationalization

Leveraging the rise of the yen against the U.S. dollar in 1971, the Otsuka group began expanding overseas with its sights set on internationalization. Beginning with the establishment of Thai Otsuka Pharmaceutical and its first office in the U.S. in Palo Alto in 1973, the group expanded into Europe, Indonesia, Taiwan, Egypt and China. Today the Otsuka group has approximately 47,000 employees working at 200 companies in 33 countries and regions worldwide. (As of December 31, 2021)

#### In-house Drug Discovery

With a desire to create pharmaceuticals that would contribute to global healthcare, in 1971 the group established a research institute within Otsuka Pharmaceutical's Tokushima Factory, and began in-house drug discovery.

Having discovered the potential of the carbostyryl structure, in 1980 the group launched its first in-house drug, the beta-blocker *Mikelan*. It went on to release the bronchodilator *Meptin*, and *Mucosta* for gastritis and gastric ulcers, evolving its in-house R&D and production structure in the process.

- 1973 Established Thai Otsuka Pharmaceutical, the group's first overseas operating company  
Opened first office in the U.S.
- 1974 Launched *Futraful*  
Opened first offices in Europe  
Established P.T. Otsuka Indonesia  
Established Taiwan Otsuka Pharmaceutical
- 1977 Established Arab Otsuka Pharmaceutical (currently Egypt Otsuka Pharmaceutical)
- 1980 Launched *POCARI SWEAT*  
Launched *Mikelan* and *Meptin*
- 1981 Established China Otsuka Pharmaceutical
- 1982 Established Korea Otsuka Pharmaceutical



Inauguration ceremony at Thai Otsuka Pharmaceutical



*Mikelan* and *Meptin*



*Mucosta*



Anticancer drug *Futraful*

#### The Birth of *POCARI SWEAT*—A Replenishing Drink

Developed to replenish the water and electrolytes lost through perspiration, ion supply drink *POCARI SWEAT*, which is now one of the Otsuka group's leading products, went on sale in 1980.

The group decided to go with blue packaging for the product, despite the color being considered a taboo color for soft drinks in Japan at the time, and it initially did not receive a positive response. However, as a result of continuous visits to sports venues, supermarkets, public baths, saunas, and similar places to communicate the importance of replenishing water and electrolytes lost through perspiration and to promote the value of the product in addressing this issue, *POCARI SWEAT* is now enjoyed in more than 20 countries worldwide, predominantly Japan and other countries in Asia.



*POCARI SWEAT*

#### The World's First Art Museum Housing Ceramic Reproductions of Major Works of Art

In March 1998, the Otsuka group marked its 75th anniversary with the opening of the Otsuka Museum of Art.

Built for both educational and tourism purposes, the Otsuka Museum of Art is the only art museum in the world to house over 1,000 full-size ceramic reproductions of major works of art from around the world.

Reproduction of the Sistine Chapel ceiling at the Otsuka Museum of Art



- 1983 Launched *Calorie Mate*
- 1988 Established Otsuka Pakistan
- 1989 Established Otsuka America  
Established Otsuka America Pharmaceutical  
Pharmavite joined the Otsuka group
- 1990 Launched *Mucosta*
- 1998 Established the Otsuka Museum of Art  
Launched *MATCH* throughout Japan  
Established Otsuka Pharmaceutical Europe



Nutritionally balanced food *Calorie Mate*

## Further Development (2000s Onward) Becoming a True Total Healthcare Company

The Otsuka group will continue to provide value that meets the needs of the times and the countries and regions it serves, with the aim of helping resolve social issues.

### Contributions Unique to Otsuka

Since launching *ABILIFY*—the world's first dopamine D<sub>2</sub> partial agonist for psychiatric treatment—in the U.S. in 2002, Otsuka Pharmaceutical has gone on to develop and sell a diverse range of unique products and services in more than 60 countries and regions worldwide. These include *Samsca/JINARC/JYNARQUE*, an original drug for a disease for which there was no known treatment, and that met the need for a diuretic that promotes the excretion of only water, without electrolyte loss. Moreover, in the oncology area—a central pillar of the group's Pharmaceutical Business—Otsuka Pharmaceutical, Taiho Pharmaceutical, and Astex Pharmaceuticals are strategically sharing the unique, advanced technologies they have independently cultivated. Linking these technologies with its many years of expertise and experience, the Otsuka group aims to further drive sales of its four Global Products for future growth. Aiming to address unmet needs that cannot be fulfilled by pharmaceuticals alone, the group is also developing unique medical devices by combining its strengths in pharmaceuticals and clinical development with revolutionary technologies. In doing so, the Otsuka group is striving for further growth as an unrivaled total healthcare company.

- 2001 Launched *OS-1*
- 2002 Launched *ABILIFY* in the U.S.
- 2003 Launched *Amino-Value*
- 2006 Launched *SOYJOY*
- 2008 Established Otsuka Holdings
- 2009 Launched *Samsca/JINARC/JYNARQUE* in the U.S. and Europe
- 2010 Otsuka Holdings listed on the First Section of the Tokyo Stock Exchange
- 2011 Established Otsuka Medical Devices
- 2013 Launched *ABILIFY MAINTENA* in the U.S.
- 2014 Launched *LONSURF*



### Providing Value to Meet New Needs

In recent years, in addition to heightened awareness of the importance of health, increasing attention is being paid to environmentally friendly food products. The Otsuka group has been moving to address needs for such products from a very early stage under the theme of social contribution. In the U.S., Daiya Foods, which develops, manufactures, and sells plant-based food products, is growing as a result of firm support from individuals with strong health awareness and new health-related values, as well as from those with food allergies. In addition, Nutrition & Santé offers a range of healthy foods including "free-from" \* food products and alternative food products in more than 40 countries worldwide, mainly in Europe. In Japan, the group also sells a variety of healthy, environmentally friendly products. These include the *Bon Curry Veggie* series of products, which contain no animal-derived ingredients; two *Zero Meat* hamburger products, which were the first in Japan to acquire JAS certification as soy meat foods; and the *SOYJOY Plant-Based* series, which acquired vegan certification for their use of only plant-based ingredients.

\* Food products that do not contain (are free from) specific ingredients. For example, foods that do not contain gluten are gluten-free.

- 2014 Launched *EQUELLE*
- 2015 Launched *REXULTI* in the U.S.
- 2017 Launched *BODYMAINTÉ*
- 2018 Launched *Zero Meat*
- 2021 Launched *BioMimics 3D* in Japan
- 2022 Launched the *SOYJOY Plant-Based* series



Gerblé from  
Nutrition & Santé



Products from Daiya Foods



SOYJOY Plant-Based series



Zero Meat



Bon Curry Veggie

Founding Era (1921–1970s)

International Expansion (1970s–2000s)

Further Development (2000s Onward)

# Challenge New Frontiers; Do what only Otsuka can do

## Addressing Unmet Needs

Aiming to generate innovation from creative, diverse research platforms in addition to its existing strengths, Otsuka Pharmaceutical is using cell and gene therapies, regenerative medicine, biologics, immune system research, and advanced digital technologies for highly innovative drug discovery in fields such as immunology, oncology, and neurodegenerative therapy. To further these efforts, and to promote close collaboration and information exchange with companies inside and outside the group, in 2022 Otsuka Pharmaceutical will open the Osaka Pharmaceutical Research Institute as a research hub to create value from a global perspective.



Image of the Osaka Pharmaceutical Research Institute

Visterra joined the Otsuka group in 2018. The company's proprietary *Hierotope*® platform technologies for antibody development use an entirely different approach to conventional methods. Using this approach, the Otsuka group aims to design and develop therapeutic antibodies for drug discovery targets and diseases that until now have been considered untreatable. In doing so, the group intends to provide pharmaceuticals to address unmet medical needs.



## Initiatives in the Women's Health Market

As women's empowerment in society progresses, the Otsuka group seeks to create a world in which every individual can play an active role. To that end, the group is focusing on initiatives to tackle women's health issues throughout life.

The group provides science-backed products such as *EQUELLE*, a dietary supplement containing equol that supports women's health and beauty at a time when aging brings physical and mental changes; *tocoelle*, a complex supplement to address the psychological and physical premenstrual symptoms that are experienced by around 80% of women; and *BUP-4 LADY*, the first OTC pharmaceutical in Japan accredited for being effective against urinary urgency in women. The group also publishes women's health and health management information. Meanwhile, U.S.-based Uqora, a specialist provider of products for urinary health—a particular concern for many women—has joined the Otsuka group, which will enable the group to support women in an even wider range of fields. The group will stay closely attuned to individual needs and work to provide solutions to women's unique health issues.



BUP-4 LADY

Founding Era (1921–1970s)

International Expansion (1970s–2000s)

Further Development (2000s Onward)