

Corporate Philosophy

Otsuka-people creating new products for better health worldwide

In keeping with this corporate philosophy and the Otsuka values of Ryukan-godo (by sweat we recognize the way), Jissho (actualization) and Sozosei (creativity), we strive to do what only Otsuka can do. The Otsuka group supports the lives of people worldwide through a wide range of innovative and creative products including pharmaceuticals, functional beverages, and functional foods. We are dedicated to cultivating a dynamic corporate culture and workplaces that reflect our vision as a healthcare company, to finding ways to live in harmony with local communities and the natural environment, and to contributing to richer and healthier lives.

Otsuka's Goal

To become an indispensable contributor to people's health worldwide

The Otsuka group aims to be an indispensable contributor to people's health worldwide, fulfilling its corporate philosophy in every aspect of its operations. This commitment to improving people's health worldwide is part of the unchanging value we will continue to provide society. Our operations encompass two core businesses: the Pharmaceutical Business, which provides comprehensive health support from diagnosis to treatment of diseases, and the Nutraceutical Business,* which helps people maintain and improve day-to-day health.

* Nutraceuticals = nutrition + pharmaceuticals

Essence of Management(Our Corporate Culture)



Otsuka's Vision as a Total Healthcare Company

As a total healthcare company, the Otsuka group will create innovative products and contribute to the health of people around the world by focusing on two core businesses: the Pharmaceutical Business, which addresses unmet medical needs, and the Nutraceutical Business, which satisfies yet to be imagined needs.



Providing value **Bringing health to people worldwide**

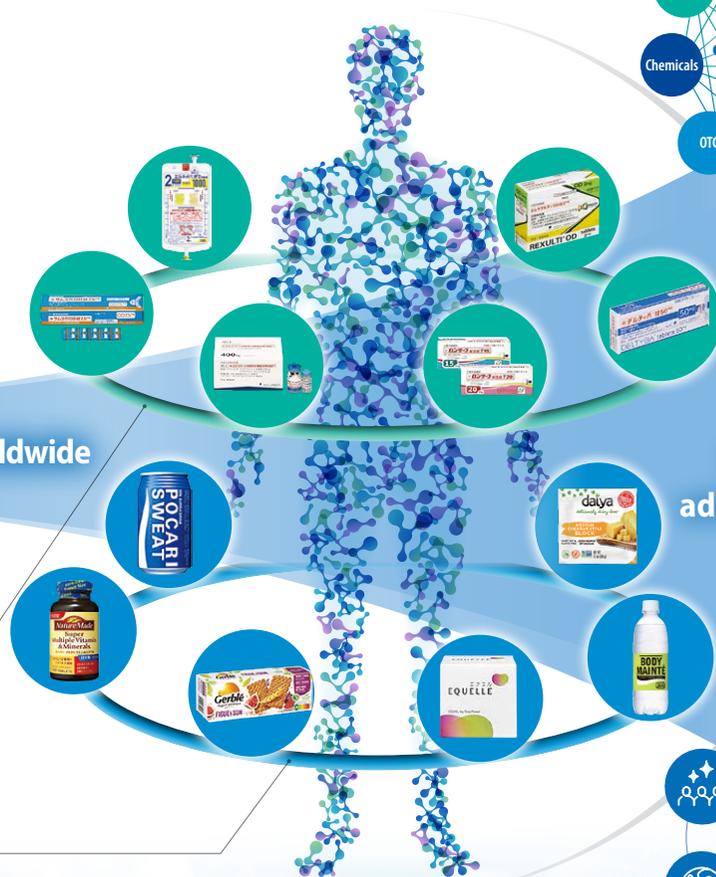
Total Healthcare

Pharmaceutical Business

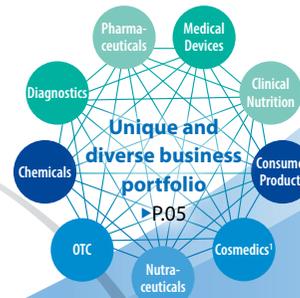
Unmet medical needs

Nutraceutical Business

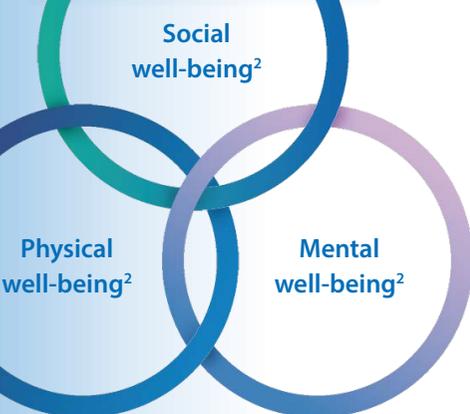
Yet to be imagined needs



What only Otsuka can do



Developing businesses to address social issues



A sustainable society



What we can achieve

1. Cosmetics = cosmetics + medicine
2. The state of health, as defined in the constitution of the World Health Organization (WHO)

Continuing to be a part of life

Along with our desire to contribute to people's health worldwide, we are continuing to be there for people in every aspect of their lives by providing products and services that help solve social issues.



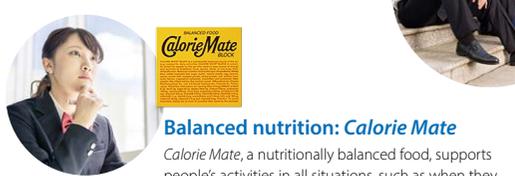

A friendly choice for your body, your mind, and the future of the planet: Zero Meat

Zero Meat is a processed soybean food that is also sustainable to come to terms with global environmental impact. Although it is very satisfying, it is made from vegetable ingredients and is very healthy. We developed this product so that people could enjoy soybean meat every day.



Always in the middle of the family: Bon Curry

Since its birth as the world's first commercially available retort curry, Bon Curry has continued to evolve, such as getting a microwavable box, and introducing Japan-grown vegetables as ingredients, it keeps pace with the times and family time.



Balanced nutrition: Calorie Mate

Calorie Mate, a nutritionally balanced food, supports people's activities in all situations, such as when they cannot eat breakfast, during sports, getting some nutrition while studying or working, and reserves for disasters.



More than 20 countries and regions worldwide: POCARI SWEAT

Situations in which the body loses water occur in a variety of settings, regardless of the era and national borders. We are working to raise awareness of the importance of hydration in more than 20 countries and regions around the world.



For the generation busy with work, housework, and childcare: Tiovita Drink

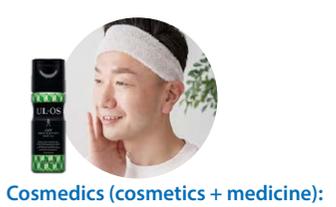
"Aijou-ippou." (A Bottle of Thoughtfulness) This is our slogan. We continue to be there for people's "today" when they need to take a breather, or when they want to express their gratitude or affection to their loved ones.



Physical Condition: BODYMAINTÉ

In BODYMAINTÉ products, lactic acid bacterium B240 is combined with other ingredients to support good physical condition who are engaged in strenuous daily activities such as exercise and work.

* Lactic acid bacteria isolated by Tokyo University of Agriculture and confirmed effective by Otsuka Pharmaceutical



Cosmetics (cosmetics + medicine): UL-OS

Cosmetics were born from the concept of healthy skin. We combined various research and development on leading men's skin to health from its foundations, and created UL-OS.



Women's health & beauty: EQUELLE

The period of physical and mental changes that occur with aging is called menopause. Equol, an ingredient derived from soybeans, contained in EQUELLE calms such changes unique to women.



More than 120 countries and regions worldwide: Pharmaceuticals & Medical Devices

We contribute to people around the world by creating new therapeutic value and developing and providing innovative new drugs and medical devices in areas where there is an apparent but unmet medical need.



For medical institutions: IV solution multi-chamber bag system

IV solutions are Otsuka's starting point. They are used in a variety of medical departments and are indispensable to medical practice. Otsuka contributes to medical care by creating innovative IV solution products and providing a stable supply.



For the elderly and those in need of nursing care: iEat

We want you to always enjoy your meals, with a smile on your face. Even if you have difficulty chewing, you still want to enjoy the look of your food, smell its aroma, and enjoy its taste. We provide iEat nursing care meals to fulfill such wishes.



When you're dehydrated: OS-1

It's important to deal with dehydration as early as possible, while it is still mild. OS-1 is sold as a food for the sick, not a drug, so that it can be taken immediately, anywhere.

What only Otsuka can do: Otsuka's Strengths

For more information on Otsuka's strengths, click here.
<https://www.otsuka.com/en/rd/strength/>



Since Otsuka establishment in 1921, its employees everywhere have pursued business guided by our enduring corporate philosophy in order to bring health to people worldwide. Through their determination, we have developed many strengths. The six strengths described below are representative samples. Otsuka group employees utilize these and other strengths in working to maximize effects and contribute to the health of people around the world.

An enduring corporate philosophy and essence of management, passed down and practiced throughout the group



32 countries/regions

Our corporate philosophy is displayed prominently in offices in every country and region where we do business

Through communication of our corporate philosophy and essence of management, Otsuka employees around the world work to do what only Otsuka can do to contribute to the health of people worldwide.

An unwavering quest for originality



79%¹

In-house drug discovery ratio

36 projects²

Development projects for unmet needs

We continue to take on the challenge of revolutionary products and services by striving for creativity in all value chains and always looking for opportunities to make unique Otsuka innovations.

1. In-house drug discovery ratio among late-phase development projects (Phase 3 onward)
 2. As of December 2022; unmet needs areas defined by Otsuka based on *PatientsMap2022:JP* and *PatientsMap2022:US, M3 & SSRI*

An ability to nurture enduring brands



9 Japan

3 Outside Japan

85.5%⁵

Top-share products by pharmaceutical category⁴

Share of consumers with the experience of using **POCARI SWEAT**

We are developing each product's brand by tenaciously communicating the value of our revolutionary products, and in doing so aim for sustainable growth and further enhancement of our corporate value.

4. Copyright © 2023 IQVIA. Created based on annual category totals for the past 10 years, including IQVIA MIDAS 2012 to 2022 and Otsuka research. Categories defined by Otsuka. Reprinted with permission.
 5. November 2022 survey in Japan conducted by Otsuka

A business model centered on total healthcare



We provide a variety of science-based products and services that meet the specific healthcare needs of the times in each community.

A global reach incorporating solutions to social issues through our core business processes



16³

IV solutions business overseas companies

More than **20**

Countries/Regions where **POCARI SWEAT** is available:

More than **120**

Countries/Regions where the anti-tuberculosis drug **delamanid** is available

We are extending our global reach by addressing social issues that differ in each country/region depending on culture, customs, and the times.

3. Number of companies engaged in the IV solutions business. Many of these companies also export products to neighboring countries, thereby making a meaningful contribution to medical care in those countries.

A solid financial foundation and strong earnings power that drive sustainable growth



AA-

Rating by Rating and Investment Information, Inc.

12.4%⁶

Business profit margin of Nutraceutical Business

116.7%

TSR⁷ Ten Year annualized, cumulative

We are cultivating a solid financial foundation and strong earnings power whereby nutraceuticals and IV solutions generate stable earnings and act as a base, while therapeutic agents, which are a driver of growth, fund ongoing investment in creative new areas befitting Otsuka.

6. Average for the previous three years (For reference: average operating profit margin of S&P Food & Beverage Select Industry Index constituents for the previous three years: 7.9%)
 7. TSR: Total shareholder return

Businesses that are Unique and Diverse

The Otsuka group has been in business for over 100 years. We have been pursuing what only Otsuka can do and group members have spurred each other on toward the goal of becoming a unique total healthcare company.

We will continue to contribute to the health of people around the world by responding to changes in the social environment and developing businesses that leverage our uniqueness hereafter while always looking ahead.

The Otsuka Approach to addressing social issues

Social issues	Issues in clinical nutrition and public health		Unbalanced diet and higher incidence of heat disorder			Shift toward nuclear families and diversified lifestyles	Unmet medical needs			Skin health	Medical needs that are not satisfied by pharmaceuticals only		
What we can achieve	Stable supply of high-quality IV solutions	Development of sterilizers and disinfectants	Development of functional beverages and food products			Development of retort pouch food products	Providing total healthcare solutions, from diagnosis to treatment			Evidence-based development of skincare products	Development of minimally invasive medical devices specialized for treatment		
Representative products	IV solutions	Oronine H Ointment	ORONAMIN C	POCARI SWEAT	Calorie Mate	Bon Curry	REXULTI	LONSURF	JINARC/ JYNARQUE	Quick Navi	InnerSignal	UL-OS	BioMimics 3D
													

Diversification of business aimed at the resolution of social issues

