

Message from the Director in Charge of Sustainability

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Contributing to a sustainable society that leads to a prosperous future.

Guided by its corporate philosophy of "Otsuka-people creating new products for better health worldwide," the Otsuka group strives to solve social issues through its businesses and contribute to a healthy and sustainable society, while achieving continuous growth. As a distinct total healthcare company that aids in maintaining and improving people's health through innovative and creative products, we aspire to foster a sustainable future continually passing to future generations a society where people and the earth live in harmony.

In our environmental initiatives, we have established our 2050 Environmental Vision, "Net Zero," with the aim of reducing the total environmental impact across all our business activities to zero. Our entire group advances our efforts for carbon neutrality, circular economy, water neutrality, and biodiversity as priority environmental issues.

In relation to carbon neutrality, we established the Otsuka Group Energy Management Building to build a system to further fortify the integrated energy management in our group companies in Japan. We strive to pursue the optimal energy mix within the group, including maximizing energy use efficiency and introducing renewable energy. We are also actively installing large-scale solar power generation facilities and introducing CO₂-free electricity at Otsuka group subsidiaries in India and Indonesia, which have the highest environmental impact overseas.

We view our activities in the circular economy and water neutrality as contributing to realizing a recycling-oriented society where finite resources are recycled and the environmental impact is minimized. In terms of the circular economy, in line with the Otsuka Group Plastic Policy, we aim to achieve 100% content of recycled and plant-based materials in our PET bottles globally by 2030. PET bottles made from recycled PET resin are already being used for our products, such as *POCARI SWEAT*. To advance horizontal recycling of used PET bottles, we are collaborating with governments, municipalities, and business partners to establish resource recycling.

Moreover, in water neutrality, we have formulated water management guidelines that define water management items and standards to perpetually preserve water resources from intake to discharge.

Biodiversity emerged as a new priority issue in 2024, as we acknowledge that the conservation of biodiversity and sustainable use of biological resources are crucial for the sustainable growth of the Otsuka group. Henceforth, we are assessing the impact and level of dependency of our business activities on nature to advocate coexistence with nature.

The Otsuka group will persist in collaborating among its group companies to promote initiatives unique to our group and work towards environmental management that will pass on to the next generations a society in which people and the earth can harmoniously coexist in the future.

Yoshiro Matsuo Executive Deputy President and Director Otsuka Holdings Co., Ltd.