

## Message from the Director in Charge of Sustainability

# 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.

Climate change due to global warming is regarded as one of the highest priorities of the international community. Companies are expected to address environmental issues to achieve a sustainable future, particularly through proactive measures such as promoting decarbonization, resource recycling, conserving water resources, and maintaining biodiversity. This is why we established our 2050 Environmental Vision, “Net Zero,” which aims to reduce the overall environmental impact across all our business activities to zero. The group has identified four priority environmental issues: Carbon Neutrality, Circular Economy, Water Neutrality, and Biodiversity. In June 2024, we revised our five-year targets under the 4th Medium-Term Management Plan. Based on these new targets, we will formulate a roadmap for achieving the targets and promote measures for our entire group to evolve sustainably.

Regarding Carbon Neutrality, we installed our second mega solar power system in Japan at Naka Town, Tokushima, where the Tokushima Wajiki Factory of the Otsuka Pharmaceutical Co., Ltd. is located, following the Kushiro Factory of Otsuka Pharmaceutical Factory Co., Ltd. Besides promoting the further creation of renewable energy as a result of this, we have started the operation of a cogeneration system to maximize energy use efficiency, which supplies energy to the factories of our group. We are actively installing solar power generation facilities and introducing CO<sub>2</sub>-free electricity in Asia, which has a high environmental impact overseas.

We also regard our activities in the Circular Economy and Water Neutrality as essential for recycling limited resources, minimizing environmental impact, and realizing a recycling-oriented society. In particular, for addressing plastic issues that have drawn attention in recent years, in accordance with the Otsuka Group Plastic Policy, we aim to achieve 100 percent content of recycled and plant-derived materials in our PET bottles by 2030. To date, we have adopted PET bottles made from recycled PET resin for our products such as *POCARI SWEAT*, and introduced 100% recycled PET bottles for *OS-1* and *JAVATEA*. As a sustainable approach to water resources, we have formulated water resources management guidelines that define water management standards to perpetually preserve water resources, from intake to discharge.

Furthermore, we now regard Biodiversity as a priority issue, as it forms a critical foundation for the sustainable development of both the natural environment and human society. To begin with, we will actively adopt certification systems that consider the sustainability of raw materials such as palm oil and paper and promote initiatives to reduce our dependence on and impact on nature in our business activities.

Environmental issues surrounding us are interconnected, requiring comprehensive solutions. The Otsuka group will continue to work together among its group companies to promote initiatives unique to the group and aim to realize a society in which people and the earth can sustainably coexist in prosperity.

## Yoshiro Matsuo

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