

Fiscal Year through March 2009 – Consolidated Results

I. Consolidated results for year ended March 2009 (April 1, 2008 to March 31, 2009)

1) Operating results (JPY million)

	2009	<i>Reference *</i>
Net sales	955,947	928,480
Operating income	91,520	118,254
Ordinary income	96,103	124,125
Net income	47,083	61,865

2) Financial position (JPY million)

	2009	<i>Reference *</i>
Total assets	1,298,789	1,033,976
Net assets	863,815	731,782
Equity ratio	62.3%	48.6%
Net assets per share	36,005. ²⁶	38,132. ³⁶

Net assets per share: JPY

3) Statement of cash flow (JPY million)

	2009	<i>Reference *</i>
Cash flow from operating activities	58,470	117,248
Cash flow from investing activities	(213,610)	(75,483)
Cash flow from financing activities	172,196	(16,209)
Cash and cash equivalents at end of year	230,104	222,647

4) Expenditures (JPY million)

	2009	<i>Reference *</i>
Research and development expenditure	135,900	101,804

*Reference**: Consolidated results of Otsuka Pharmaceutical Co., Ltd. for year ended March 2008

5) Scope of consolidation

Consolidated subsidiaries: 65

Companies accounted for under the equity method: 12

6) Changes in scope of consolidation

Newly consolidated subsidiaries, including:

- Otsuka Pharmaceutical Co., Ltd.
- Otsuka Chemical Holdings Co., Ltd.
- Otsuka Chemical Co., Ltd.
- Otsuka Foods Co., Ltd.
- Nutrition & Santé SAS
- and 16 other companies

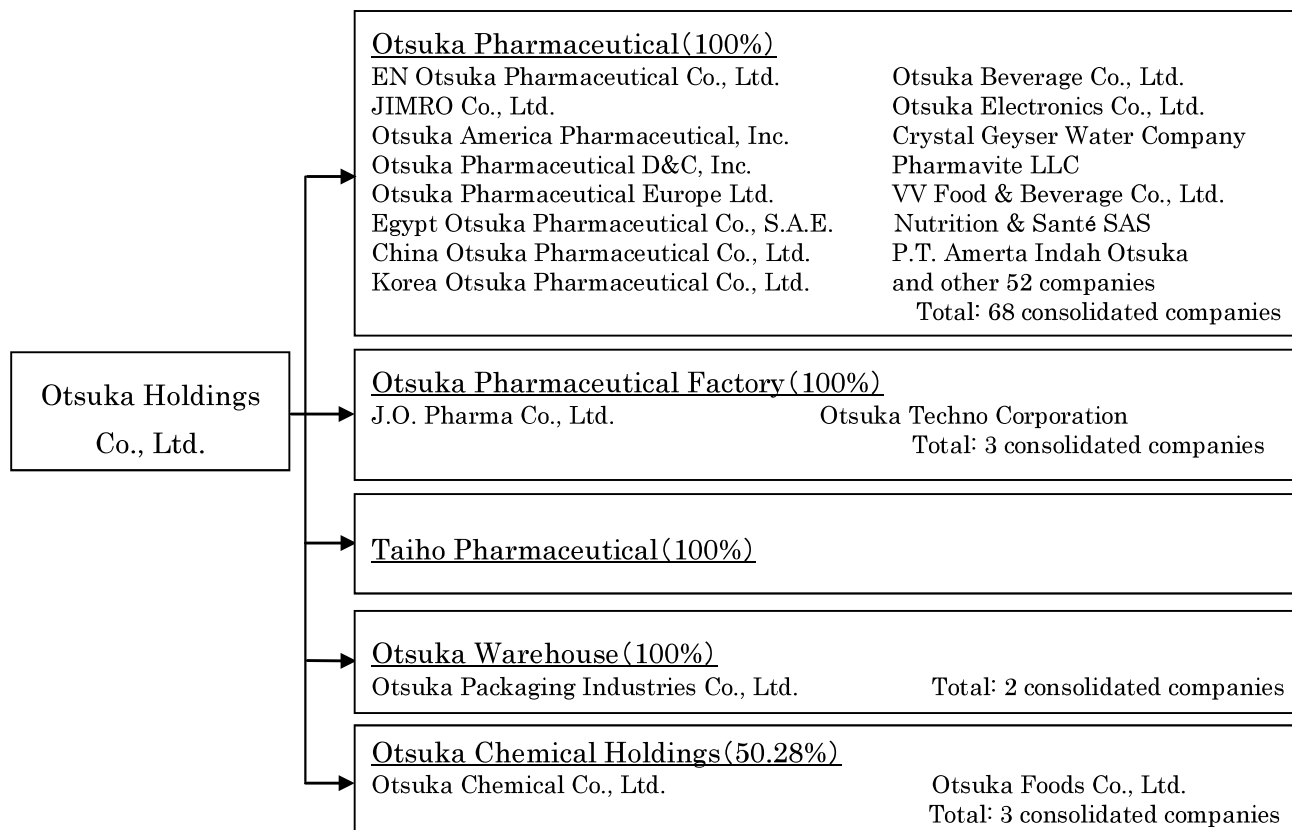
Newly consolidated affiliate accounted for under the equity method:

ALMA S.A.

Change from equity method of consolidation to full consolidation:

Otsuka Chemical Holdings Co., Ltd.

II. Number of consolidated companies: 78 (including Otsuka Holdings Co., Ltd.)



III. Overview of year ended March 2009

	2009	(JPY billion) <i>Reference *</i>
Sales	955.9	928.4
Domestic*	613.6	570.8
International**	342.3	357.5
Ordinary income	96.1	124.1
Net income	47.0	61.8

* Sales by parent company and its subsidiaries in Japan

** Sales by overseas subsidiaries

*Reference**: Consolidated results of Otsuka Pharmaceutical Co., Ltd. for year ended March 2008

Otsuka Holdings Co., Ltd. was established on July 8, 2008 as a group holding company with the aim of enhancing the value of the Otsuka Group.

The current consolidated fiscal year has seen the spread of financial instability resulting from problems with the U.S. sub-prime mortgage market, leading to a dramatic slowdown in the global economy. In spite of monetary policy changes aimed at market stabilization enforced by governments around the world, the global economic downturn continues and the situation remains unpredictable. In Japan, in addition to a slowing economy brought about by the financial crisis, factors such as fluctuations in the value of the yen have had a negative impact on corporate earnings, and a sense of uncertainty about the future has weakened consumer spending.

In the pharmaceuticals industry, global strategies are driving the trend toward mergers, acquisitions, and alliances among major corporations, which is having a growing impact on corporate earnings. In Japan, reimbursement prices were cut by an industry average of 5.2% last fiscal year, and market competition remains fierce due to factors such as the promotion of generic drugs and increasing domestic competition from overseas pharmaceutical manufacturers.

The Otsuka group of companies continues to focus on pharmaceutical research and development to address unmet medical needs, endeavoring to build an organization which can provide high quality pharmaceutical products and related information to people around the world.

Meanwhile, due to the lackluster economy, spending on consumer products has declined significantly in the past few months, and leading Japanese companies are struggling to keep pace with the accelerating pace of globalization, which includes aggressive capital participation in overseas companies.

In this environment, the Otsuka group focuses on offering products that satisfy consumer needs, developing environmentally conscious products, building robust brands, and aggressively investing to increase the pace of global development.

These efforts resulted in consolidated Group sales for the fiscal year of ¥955,947million, ordinary income of ¥96,193 million, and net income of ¥47,083 million.

IV. Financial results by segment

Pharmaceuticals business

		(JPY billion)
	2009	<i>Reference</i> *
Sales	676.7	640.2

*Reference**: Consolidated results of Otsuka Pharmaceutical Co., Ltd. for year ended March 2008

In the area of pharmaceuticals, Otsuka Pharmaceutical achieved favorable results with core products anti-platelet agent *Pletal*, anti-gastritis and anti-gastric ulcer agent *Mucosta* and anti-psychotic agent *ABILIFY*. *Pletal* was launched in Sweden, France and Italy, and is expanding its market in Europe. *Mucosta* continues to perform well both in Japan and across Asia. *ABILIFY* has already been approved for sale in over 70 countries worldwide, and has been accepted as an atypical antipsychotic with a new mechanism of action. In the US and Europe, additional indications have led to stronger sales with global sales growing by around 8.5%. In Japan, sales have expanded along with the dissemination of information about the drug's proper use, and the new formulation *ABILIFY Oral Solution 0.1%* was approved in January 2009. In June 2008, UCB and Otsuka Pharmaceutical signed an agreement to co-develop and co-promote the anti-epileptic drug *Keppra*, and the anti-TNF alpha drug *Cimzia* in Japan.

Taiho Pharmaceutical Co., Ltd. achieved steady sales of its anticancer agent *TS-1* through the active supply of information. The addition of a smaller tablet form to existing dosage forms of reduced folic acid formulation *UZEL* stimulated sales, while the unique action mechanism of the anticancer agent *PROTECADIN* supported the product's positive performance. The antibiotic injection *ZOCYN*, containing the antibiotic API *tazobactam* licensed to Wyeth Pharmaceuticals, is sold in 94 countries worldwide, and in October 2008, Taisho Toyama Pharmaceutical Co., Ltd. began marketing the product in Japan, contributing to increased sales.

In the field of clinical nutrition, the launch of large-size versions of Otsuka Pharmaceutical Factory's high-calorie infusions *Neoparen No. 1* and *Neoparen No. 2*, containing glucose, electrolytes, amino acids and vitamins, helped sustain healthy sales. *BFLUID*, an intravenous solution containing Vitamin B1, glucose and electrolytes, and the liquid enteral nutrition formula *Racol* continued to perform well. In May 2008, Otsuka Pharmaceutical Factory released *ARTCEREB Irrigation and Perfusion Solution for Cerebrospinal Surgery*, the first such product certified for its efficacy/effectiveness in Japan, which is being steadily prescribed by neurosurgeon-approved training facilities and other institutions.

Consumer products business

	2009	(JPY billion)
Sales	249.1	<i>Reference *</i>
		258.6

*Reference**: Consolidated results of Otsuka Pharmaceutical Co., Ltd. for year ended March 2008

Otsuka Pharmaceutical's nutritional *SOYJOY* fruit soy bar has been developed as a global product and is currently sold in seven countries and regions worldwide. In Japan, the addition of new varieties and aggressive marketing activities have fuelled sales growth. In April 2008, the construction of a second *SOYJOY* factory in Japan was completed at the Itano Factory. And at the same time *SOYJOY Strawberry* was released, followed in October by the launch of *SOYJOY Orange Folic Acid Plus*, further expanding the lineup.

Pocari Sweat has been lauded for its environmentally friendly 500ml PET "ecobottle" amid a generally heightened environmental consciousness, and the sponsorship of both the G8 Hokkaido Toyako Summit and the 4th Tokyo International Conference on African Development (TICAD IV) has aided in further strengthening the brand. *Pocari Sweat* continues to perform well overseas, selling 380 million bottles annually in Indonesia.

In the Cosmetics (Cosmetic + Medicine) business, based on the theme of "Healthy Skin", the Men's skin care brand *UL-OS* was launched in September of 2009 with the aim of creating a new market in the men's skin care segment. In addition, sales of the *InnerSignal* skin care brand have grown significantly with the introduction of new formulation and sales techniques that emphasize consultation.

For *Crystal Geyser*, imported and marketed by Otsuka Beverage Co., Ltd., the focus has been on strengthening the brand and marketing personal sized containers of the product, ensuring its position as Japan's second highest selling imported mineral water.

V. Research and development overview

Our global network is utilized for pharmaceutical development in our aim to satisfy unmet medical needs worldwide, conducting research and developing ethical drugs with a focus on the central nervous system, oncology and the cardiovascular system.

(Please see attached separate sheet for pipeline information)

In the area of consumer products, we continue to develop products under the concept of "Nutraceuticals" to support daily health based on scientifically proven concepts in the areas of sports, nutrition and health.

Consolidated Balance Sheet
(Year ended March 31, 2009)

Millions of yen

Assets		Liabilities	
Item	amount	Item	amount
Total current assets	622,287	Total current liabilities	233,287
Cash and cash equivalents	235,839	Trade notes and trade accounts payable	84,210
Trade notes and trade accounts receivable	225,766	Short-term borrowings	37,422
Marketable securities	12,240	Lease debt	3,585
Merchandised and finished goods	55,284	Accrued liability	37,989
Working process	19,472	Accrued amount payable	33,074
Raw materials and supplies	29,250	Income tax payable	9,271
Short-term loan	432	Bonus payment reserve	15,983
Deferred tax assets	19,865	Reserve for bonuses for directors and corporate auditors	302
Other	24,625	Other	11,446
Loan-loss reserve	△490	Total fixed liabilities	201,686
Total fixed assets	676,474	Long-term debt	92,848
Property, plant and equipment	244,326	Lease debt	5,590
Buildings and structures	86,623	Deferred tax liabilities	15,564
Machinery and equipment, motor vehicles	49,295	Allowance for retirement benefits	40,614
Tools, furniture and fixtures	10,864	Allowance for retirement benefits for directors and corporate auditors	3,212
Land	69,980	Negative goodwill	33,861
Lease asset	9,129	Other	9,995
Construction in progress	5,340	Total liabilities	434,973
Other	13,092		
Intangible fixed assets	86,449		
Goodwill	41,648		
Patent property	8,453		
Software	10,529		
Other	25,817		
Investments and other assets	345,698		
Investment securities	273,074		
Investment	23,616		
Long-term loans	4,075		
Deferred tax assets	27,981		
Other	19,659		
Investment loss reserve	△1,336		
Allowance for doubtful receivables	△1,371		
Deferred assets	27		
Total assets	1,298,789		
		Net Assets	
		Shareholders' funds	844,753
		Shareholders' equity	42,946
		Capital surplus	355,816
		Retained earnings	468,065
		Treasury stock	△22,073
		Valuation and translation adjustments etc	△35,324
		Unrealized gains or losses on other securities	△715
		Foreign currency translation adjustment	△34,608
		Minority interests	54,385
		Total net assets	863,815
		Total liabilities and net assets	1,298,789

Consolidated statement of income
(Year ended March 31, 2009)

Millions of yen

Sales		955,947
Cost of sales		322,596
Gross profit		633,351
Selling, general and administrative expenses		541,830
Operating income		91,520
Other income		11,045
Interest income and dividend income	4,060	
Amortization of negative goodwill	2,464	
Equity method investment gain	1,782	
Other	2,738	
Other expenses		6,462
Interest expenses	1,560	
Foreign exchange loss	2,951	
Other	1,950	
Ordinary income		96,103
Extraordinary profits		2,133
Interest of ended retirement benefit scheme	1,097	
Interest of sold out recalled goods	428	
Other	608	
Extraordinary profits		8,118
Loss on retirement of fixed assets	951	
Valuation loss on investment securities	3,902	
Loss on impairment of property and equipment	1,565	
Loss on voluntary recall	1,006	
Other	692	
Net income before taxes and other adjustments		90,117
Corporate tax, residents' tax and enterprise tax	35,601	
Deferred income taxes	548	36,149
Minority interests		6,884
Net income		47,083

Otsuka Group - Pipeline Information

Development Code	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Status
Central nervous system						
OPC-14597	Aripiprazole	Otsuka	Dopamin partial agonist	Schizophrenia in adolescents/ Tablet	EU	Filed
				Autism/Tablet	US	Filed
				Schizophrenia/Depot injection	US, EU	Phase III
				Bipolar disorder/Tablet	JP	Phase III
				Major depressive disorder/Tablet	JP	Phase III
				Tourette syndrome/Tablet	Korea	Phase III
L059	Levetiracetam	UCB	Anti epileptic drug	Epilepsy (partial onset seizures)/Tablet	JP	Filed
SPM-962	Rotigotine	UCB	Dopamin agonist	Parkinson's disease/Patch	JP	Phase II
				Restless legs syndrome/Patch	JP	Phase II
Cardiovascular						
OPC-41061	Tolvaptan	Otsuka	V2-vasopressin receptor antagonist	Hyponatremia/Tablet	US, EU	Filed
				Worsening heart failure/ Tablet	US, EU	Filed
				Cardiac edema/Tablet	JP	Filing in process
				Autosomal dominate polycystic kidney disease/Tablet	Global	Phase III
				Hepatic edema/Tablet	JP	Phase II
				Hyponatremia/Tablet	China	Phase II
Gastrointestinal / Metabolic						
CDP870	Certolizumab pegol	UCB	PEGylated anti-TNF α drug	Crohn's disease/Injection	JP	Filing in process
				Chronic rheumatoid arthritis/Injection	JP	Phase III
OPC-6535	Tetomilast	Otsuka	Anti-inflammatory	Crohn's disease/Tablet	JP	Phase II
OPC-12759	Rebamipide	Otsuka	Intestinal therapeutic drug	Ulcerative colitis/ Colonic enema	JP	Phase II

Development Code	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Status
Anti-cancer and cancer-supportive care						
ABI-007	Albumin-bound nanoparticle paclitaxel	Abraxis Bioscience	Anti-cancer (nanoparticle)	Breast cancer/Injection	JP	Filing in process
PALO	Palonosetron	Helsinn Healthcare	5-HT3 receptor antagonist	Antiemetic (nausea and vomiting)/Injection	JP	Filing in process
OVF	Fentanyl	Cephalon	Narcotic analgesic	Cancer pain/Oral	JP	Phase III
S-1		Taiho	Anti-cancer (Anti-metabolite)	Gastric cancer/Oral	US, EU	Phase III
			Anti-cancer (Anti-metabolite)	uterocervical cancer/Oral	JP, Asia	Phase III
			Anti-cancer (Anti-metabolite)	Pancreatic cancer, NSCLC/Oral	US	Phase II
			Anti-cancer (Anti-metabolite)	Prostatic, renal cell, hepatocellular cancer/Oral	JP	Phase II
TSU-68		Taiho	Anti-cancer (Molecularly-targeted drug)	Hepatocellular carcinoma/Oral	JP	Phase II
			Anti-cancer (Molecularly-targeted drug)	Breast cancer/Oral	JP, Asia	Phase II
TAC-101		Taiho	Anti-cancer (Molecularly-targeted drug)	Hepatocellular carcinoma/Oral	JP, US	Phase II
TAS-102		Taiho	Anti-cancer (Anti-metabolite)	Colorectal cancer/Oral	JP	Phase I
			Anti-cancer (Anti-metabolite)	Colorectal cancer/Oral	US	Phase II
TAS-106		Taiho	Anti-cancer (Anti-metabolite)	Carcinoma of head and neck/Injection	US, Asia	Phase II
TAS-108		Taiho	Hormone agent	Breast cancer/Oral	JP, US	Phase II
TAS-109		Taiho	Anti-cancer (Anti-metabolite)	Colorectal cancer/Injection	US	Phase II
OPC-18	Interferon α	Hayashibara Biochemical Labs	Natural interferon α	Late-stage hepatic cancer (combination with 5-FU)/Injection	JP	Phase II
OPC-33300	Sativex	GW Pharmaceuticals	Cannabinoid (THC, CBD)	Cancer pain/Oral spray	US	Phase II
OPB-31121		Otsuka	Anti-cancer	Anti Cancer/Tablet	US, Asia	Phase I

Development Code	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Status
Other areas						
ODK-0501		Otsuka	Diagnostic agent of pneumococcus infection	Extracorporeal / diagnostic agent	JP	Filing in process
FRG-8813	Lafutidine	UCB	H2-receptor antagonist	Reflux esophagitis/Tablet	JP	Phase III
P4	Propiverine Hydrochloride	Taiho	Therapeutic drug for urinary incontinence and frequency	Overactive bladder/Tablet	JP	Phase III
OPC-12759	Rebamipide	Otsuka	Mucin-production enhancing agent	Dry eyes/Eye drops	US	Phase III
				Dry eyes/Eye drops	JP	Phase II
OPC-262	Saxagliptin	BMS	DPP-4 inhibitor	Diabetes/Tablet	JP	Phase II
OPC-6535	Tetomilast	Otsuka	Novel anti-inflammatory agent	COPD/Tablet	JP, US, China, Korea	Phase II
OPC-67683		Otsuka	Anti-tuberculosis agent	Tuberculosis/Tablet	Global	Phase II
TAC-201		Meiji Dairies Corporation	Recombinant peptide for immunotherapy of Japanese cedar pollinosis	Cedar pollen allergy/Injection	JP	Phase I