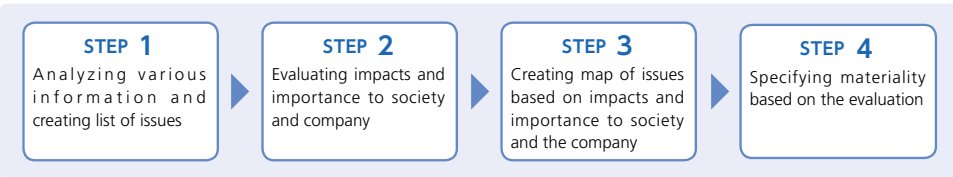
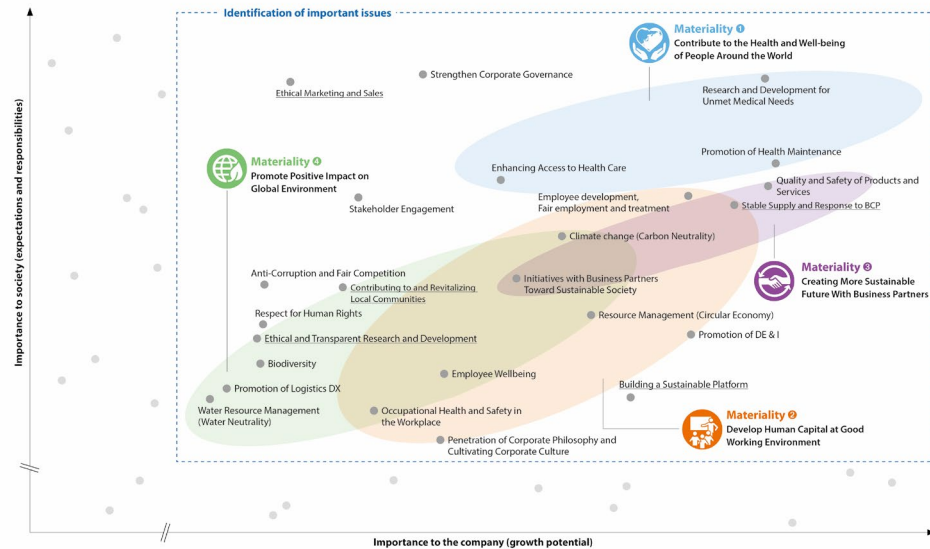


# Re-assessed of Materiality

## Map of Materiality

Materiality means the key area that the Otsuka group should prioritize. In our group, we specified it based on two axes: "importance to society" and "importance to the company." The former refers to external trends in the industry and requirements or expectations of ESG rating agencies and stakeholders including NGOs and investors. The latter refers to internal opinions from major operating companies, questionnaires and interviews of employees.



## Materiality: Promote Positive Impact on Global Environment

The Otsuka Group re-assessed its materiality in line with the Fourth Medium-Term Management Plan, which began in 2024, and identified "promote positive impact on global environment" as one of the four materialities. As part of efforts to promote positive impact on global environment in light of our business characteristics, we have newly added "biodiversity" and re-assessed our targets for environmental issues to be addressed. We have also added new targets such as "Introduction of 20% self-generated renewable energy by 2028."

### Environmental Targets for 2024 – 2028

**Biodiversity:**  
Sustainable and stable procurement of natural resources  
[2028 targets]  
● Uses 100% of RSPO certified palm oil  
● 100% use of sustainable paper

**Carbon Neutrality:**  
Reducing climate change due to global warming  
[2028 targets]  
● Reduction of CO<sub>2</sub> emissions  
Scopes 1, 2: 50% reduction (compared to 2017)  
Scope 3: Initiatives to achieve carbon neutrality by 2050  
● 20% self-generated renewable energy

**Water Neutrality:**  
Maintenance and conservation of water resources  
[2028 targets]  
● Planning water use strategies at business sites in water-stressed areas  
● Develop a water use strategy for business locations in water-stressed areas  
● 10% reduction in water consumption compared to 2023

**Circular Economy:**  
Curbing resource use and recycling  
[2028 targets]  
● 50% reduction in simple incineration and landfill disposal compared to 2019  
● Formulation and implementation of food loss reduction plans  
[2030 targets]  
● 100% of recycled materials in our PET bottles and use of plant-based materials

