

NEWS RELEASE

 Otsuka Foods Co., Ltd.
 Otsuka Beverage Co., Ltd.

Otsuka Foods and Otsuka Beverage to merge

Tokyo, Japan – Otsuka Foods Co., Ltd. (Head Office: Chuo-ku, Osaka, Japan; President: Yoshihito Nakai, “Otsuka Foods”) and Otsuka Beverage Co., Ltd. (Head Office: Chiyoda-ku, Tokyo, Japan; President: Taro Otsuka, “Otsuka Beverage”) announced today that Otsuka Foods and Otsuka Beverage have signed a merger agreement by which Otsuka Beverage will be merged into Otsuka Foods effective as of January 1, 2010.

1. Objective of the Merger

Otsuka Foods engages in manufacturing and marketing food products and beverages and Otsuka Beverage engages in importing and distributing beverages. The companies will merge with the aim of strengthening the presence and positioning as the leading food and beverage ‘manufacturer’ with the full functions from R&D through production and distribution. With this merger, the companies expect to create and disseminate new values to consumers in achieving continued growth.

2. Summary of the Merger

- 1) Effective date of the merger
January 1, 2010 (planned)

- 2) Method of Merger
Otsuka Beverage as disappearing corporation will be dissolved and Otsuka Foods as surviving corporation will become successor in interest of all properties of Otsuka Beverage and will assume all obligations and liabilities of Otsuka Beverage.

3. Profile of the Merger parties (as of March 31, 2009)

Name of Company	Otsuka Foods Co., Ltd.(surviving corporation)
Business Description	Manufacture and distribution of food products and beverages
Establishment	May 19, 1955
Head Office	2-27, Otedori 3-chome, Chuo-ku, Osaka-shi, Osaka 540-0027, Japan
Legal Representative	Yoshihito Nakai, Representative Director and President
Paid-in Capital	JPY 1,000 million
Number of Shares Issued	100 shares
Net Assets	JPY 9,052 million(non-consolidated)
Total Assets	JPY 19,742 million(non-consolidated)
Fiscal Year End	March 31
Shareholders and shareholding ratios*	Otsuka Chemical Co., Ltd(100%)

Name of Company	Otsuka Beverage Co., Ltd.(disappearing corporation)
Business Description	Manufacture, distribution, export and import of beverages
Establishment	March 1, 1989
Head Office	2-9, Kanda Tsukasa-machi Chiyoda-ku, Tokyo 101-0048, Japan
Legal Representative	Taro Otsuka, Representative Director and President
Paid-in Capital	JPY 1,640 million
Number of Shares Issued	16,800 shares
Net Assets	JPY 4,113 million (non-consolidated)
Total Assets	JPY 14,666 million (non-consolidated)
Fiscal Year End	March 31
Shareholders and shareholding ratios*	Otsuka Pharmaceutical, Co., Ltd. (50%) Otsuka Foods Co., Ltd (26.7%) Otsuka Holdings Co., Ltd (23.3%)

*as of September 30, 2009

4. Corporate information post Merger

Name of Company: Otsuka Foods Co., Ltd.

Head Office: 2-27, Otedori 3-chome, Chuo-ku, Osaka-shi, Osaka 540-0027, Japan

Representative Director and President: Yoshihito Nakai