

Financial Highlights

		FY2006	FY2007	FY2008	FY2009	FY2010 Forecasts	FY2009 1Q-3Q	FY2010 1Q-3Q
Net sales	(Billions of yen)	853.9	928.5	955.9	1,084.3	1,138.0	817.5	838.1
	YoY	13.4%	8.7%	3.0%	13.4%	5.0%	-	2.5%
Operating income	(Billions of yen)	91.5	118.3	91.5	98.5	120.0	90.9	97.1
	YoY	55.5%	29.3%	-22.6%	7.6%	21.9%	-	6.7%
Ordinary income	(Billions of yen)	114.0	124.1	96.1	109.1	129.0	99.1	103.1
	YoY	61.3%	8.9%	-22.6%	13.5%	18.3%	-	4.1%
Net income	(Billions of yen)	52.9	61.9	47.1	67.4	79.7	65.5	69.4
	YoY	98.8%	17.0%	-23.9%	43.2%	18.2%	-	6.0%
R&D expenses	(Billions of yen)	105.3	101.8	135.9	151.8	-	104.8	122.0
	YoY	1.5%	-3.3%	33.5%	11.7%	-	-	16.4%
Overseas net sales	(Billions of yen)	337.6	385.2	395.0	525.5	-	376.3	389.9
	% of net sales	39.5%	41.5%	41.3%	48.4%	-	46.0%	46.5%

Note: The above figures for fiscal years prior to FY2008 are the consolidated results of Otsuka Pharmaceutical Co., Ltd.

(Yen)

Exchange rate (Yen)	FY2006	FY2007	FY2008	FY2009	FY2010 2Q	FY2009 3Q	FY2010 3Q
US\$	119.11	114.15	91.03	92.10	88.48	90.21	83.82
Euro	156.50	166.66	127.96	132.00	107.81	131.72	114.24

* Exchange rates used to translate operating results of overseas subsidiaries are as of their book closing date (September for the 3Q results and December for fiscal year results).

(Billions of yen)

Selling, general and administrative expenses	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q
Selling, general and administrative expenses	450.6	478.9	541.8	629.2	311.6	458.9	459.1
(% of net sales)	52.8%	51.6%	56.7%	58.0%	54.3%	56.1%	54.8%
Promotion expenses	127.6	150.1	158.3	198.7	92.1	148.0	130.8
Personnel expenses	78.2	78.6	85.7	96.7	48.5	70.1	71.1
Advertising expenses	25.1	27.8	30.1	33.2	15.4	27.5	23.0
Research and development expenses	105.3	101.8	135.9	151.8	80.2	104.8	122.0
(% of net sales)	12.3%	11.0%	14.2%	14.0%	14.0%	12.8%	14.6%
R&D expenses of pharmaceuticals	101.5	96.5	131.9	141.6	74.4	97.5	113.5

(Billions of yen)

Capital expenditures	FY2006	FY2007	FY2008	FY2009
Capital expenditures	35.3	58.6	63.4	62.5
Pharmaceutical business	18.1	45.9	16.3	21.1
Nutraceutical business *	-	-	36.8	23.1
Consumer products business *	13.2	6.9	0.5	0.8
Other business	1.4	1.7	2.6	7.7
Corporate	2.5	4.0	7.3	9.7

* Effective April 1, 2009, the business segmentation was modified. The information for FY2008 has been reclassified according to the new

(Billions of yen)

Depreciation	FY2006	FY2007	FY2008	FY2009
Depreciation	26.7	32.3	40.3	46.6
Pharmaceutical business	17.5	21.2	22.3	20.4
Nutraceutical business *	-	-	10.5	15.1
Consumer products business *	5.1	7.0	0.7	1.1
Other business	1.3	1.5	2.5	5.3
Eliminations/corporate	2.7	2.6	4.3	4.7

* Effective April 1, 2009, the business segmentation was modified. The information for FY2008 has been reclassified according to the new

Sales to Customers by Market

(Billions of yen)

Net sales by business segment	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Consolidated sales	853.9	928.5	955.9	1,084.3	574.0	817.5	838.1	2.5%
Pharmaceutical business	576.1	640.3	651.7	715.9	365.1	534.1	545.3	2.1%
Japan	300.3	322.4	319.0	312.4	155.3	244.9	242.4	-1.0%
North America	223.0	258.3	282.9	334.7	171.9	239.9	245.4	2.3%
Others	52.9	59.6	49.9	68.8	37.8	49.4	57.5	16.5%
Nutraceutical business	-	-	217.9	247.0	144.3	190.7	200.3	5.0%
Japan	-	-	163.9	142.6	95.5	116.6	127.5	9.4%
North America	-	-	38.8	47.1	21.7	30.8	30.9	0.2%
Others	-	-	15.2	57.3	27.1	43.3	42.0	-3.2%
Consumer products business	249.2	258.6	51.9	50.1	26.3	41.5	37.3	-10.3%
Japan	189.6	193.0	45.7	44.1	23.1	37.0	32.7	-11.6%
North America	47.6	51.1	6.2	5.4	2.9	4.1	4.0	-0.7%
Others	12.1	14.6	0.0	0.6	0.3	0.5	0.6	11.5%
Other business	28.6	29.6	34.4	71.3	38.4	51.1	55.2	7.9%
Japan	26.5	27.9	32.4	59.7	31.8	42.8	45.6	6.7%
North America	0.0	0.2	0.4	1.3	0.8	1.0	1.2	18.0%
Others	2.1	1.5	1.6	10.4	5.8	7.4	8.4	13.9%
Japan -total	516.4	543.3	560.9	558.8	305.6	441.2	448.2	1.6%
North America - total	270.6	309.6	328.3	388.4	197.3	275.7	281.4	2.1%
Others - total	67.0	75.6	66.7	137.1	71.1	100.6	108.4	7.8%
Overseas net sales	337.6	385.2	395.0	525.5	268.4	376.3	389.9	3.6%
Overseas net sales ratio	39.5%	41.5%	41.3%	48.4%	46.8%	46.0%	46.5%	

Net Sales and Operating Income by Geographical and Business Segment

(1) Geographical segment

(Billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Net sales	853.9	928.5	955.9	1,084.3	574.0	817.5	838.1	2.5%
Japan*	604.8	643.1	689.0	709.4	392.8	549.4	567.4	3.3%
North America*	282.4	314.4	315.0	406.2	205.7	286.4	293.1	2.3%
Others*	55.8	66.4	55.6	121.6	63.8	90.1	97.5	8.2%
Eliminations/corporate	-89.0	-95.4	-103.6	-152.8	-88.3	-108.5	-119.9	-

*Intersegment sales are included.

(Billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Operating income	91.5	118.3	91.5	98.5	69.9	90.9	97.1	6.7%
Japan	79.3	101.2	73.8	86.5	65.6	82.3	81.1	-1.4%
North America	7.2	9.8	9.9	11.3	4.3	8.5	6.5	-23.5%
Others	6.4	8.0	5.2	8.4	4.3	6.6	6.5	-1.4%
Eliminations/corporate	-1.5	-0.8	2.6	-7.7	-4.4	-6.5	2.9	-

(2) Business segment

(Billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Net sales	853.9	928.5	955.9	1,084.3	574.0	817.5	838.1	2.5%
Pharmaceutical business*	576.3	640.9	652.2	715.9	365.1	534.1	545.3	2.1%
Nutraceutical business*	-	-	219.2	248.8	145.3	192.1	202.0	5.1%
Consumer products business*	249.4	258.8	52.1	51.1	26.7	42.1	37.8	-10.2%
Other business*	49.9	51.9	60.1	105.1	57.6	78.0	82.0	5.1%
Eliminations/corporate	-21.6	-23.2	-27.6	-36.6	-20.7	-28.9	-29.0	-

*Intersegment sales are included.

(Billions of yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Operating income	91.5	118.3	91.5	98.5	69.9	90.9	97.1	6.7%
Pharmaceutical business	99.6	127.6	133.6	132.9	68.3	114.1	104.2	-8.7%
Nutraceutical business	-	-	-5.2	2.3	17.1	5.3	16.8	217.6%
Consumer products business	2.0	2.4	-3.7	-8.4	-0.2	-7.0	-1.1	-
Other business	2.6	1.9	2.3	4.4	3.4	2.7	4.4	62.0%
Eliminations/corporate	-12.7	-13.6	-35.5	-32.7	-18.7	-24.1	-27.3	-

Pharmaceutical Business

(Billions of yen)

Products	Company	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Antipsychotic agent <i>ABILIFY</i>	Otsuka Pharmaceutical	220.8	273.8	297.1	374.5	190.2	268.1	275.8	2.9%
North America		193.3	231.1	237.2	305.6	152.4	218.0	214.0	-1.8%
<US\$ million>		<1,623>	<2,025>	<2,606>	<3,303>	<1,723>	<2,405>	<2,553>	6.1%
Japan		3.7	8.6	13.2	18.7	11.0	14.2	17.3	22.5%
Others		23.8	34.1	46.7	50.2	26.7	35.9	44.4	23.8%
Anti-platelet agent <i>Pletaal/Pletal</i>	Otsuka Pharmaceutical	48.0	47.1	46.6	51.5	27.0	40.3	41.2	2.3%
Japan		35.9	41.7	42.3	45.9	23.9	36.0	36.6	1.7%
Others		12.1	5.4	4.2	5.6	3.1	4.2	4.6	8.0%
Anti-gastritis and anti- gastric ulcer agent <i>Mucosta</i>	Otsuka Pharmaceutical	39.5	38.8	39.6	37.1	15.4	29.5	23.6	-19.9%
Japan		33.9	35.3	36.5	34.9	14.1	27.7	21.5	-22.1%
Others		5.6	3.5	3.1	2.3	1.3	1.8	2.1	14.4%
Anti-metabolite <i>TS-1</i>	Taiho Pharmaceutical	33.7	37.2	46.0	37.3	18.9	28.9	28.7	-0.5%
Anti-metabolite <i>UFT</i>	Taiho Pharmaceutical	26.4	25.0	25.6	18.3	8.2	14.6	12.3	-15.3%
Reduced folic acid formulation <i>Uzel</i>	Taiho Pharmaceutical	14.4	15.7	17.7	15.2	7.3	11.9	11.0	-8.2%
Antibiotic <i>Zosyn/Tazocin</i>	Taiho Pharmaceutical	12.5	13.0	12.2	11.2	5.6	8.5	8.6	1.7%
Urinary incontinence / frequency treatment <i>P4 (BUP-4)</i>	Taiho Pharmaceutical	12.7	10.7	10.0	7.6	3.5	6.0	5.4	-9.5%
Oral nutrient for liver failure <i>Aminoleban EN</i>	Otsuka Pharmaceutical	6.2	6.4	6.2	6.4	3.3	5.1	5.0	-2.0%
Bronchodilator <i>Meptin</i>	Otsuka Pharmaceutical	6.8	6.6	6.1	5.9	2.7	4.9	4.7	-4.1%
H2-receptor antagonist <i>Protecadin</i>	Taiho Pharmaceutical	4.9	4.3	6.0	5.1	2.8	4.1	4.4	7.8%
Antiallergenic agent <i>IPD</i>	Taiho Pharmaceutical	3.5	3.5	4.3	2.9	1.3	2.1	2.1	-1.4%
Ophthalmic solution for glaucoma and ocular hypertension <i>Mikelan ophthalmic solution</i>	Otsuka Pharmaceutical	2.6	3.1	3.5	3.8	2.0	3.1	3.0	-3.2%
Diagnostics -total	Otsuka Pharmaceutical	4.3	3.9	5.3	8.2	2.1	6.8	3.4	-50.0%
Parenteral nutrition (clinical nutrition) -total	Otsuka Pharmaceutical Factory	86.4	90.6	89.8	92.9	46.5	72.1	73.1	1.3%
Japan		77.1	80.5	82.4	83.0	42.0	65.3	66.5	2.0%
Others		9.4	10.1	7.4	9.9	4.5	6.9	6.6	-4.7%
Pharmaceutical business -total (excluding exports)	Japan	300.3	322.4	319.0	312.4	155.3	244.9	242.4	-1.0%
Pharmaceutical business -total	Total	576.1	640.3	651.7	715.9	365.1	534.1	545.3	2.1%

* The segment classification of quasi-drugs and nutritional products was changed from the pharmaceutical business to the nutraceutical business in 2008.

* FY2008 results for Taiho Pharmaceutical are for the 15-month period from January 2008 through March 2009 because of the change in fiscal year end .

Nutraceutical business

(10 thousand cases)

Products	Company	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
<i>Pocari Sweat</i> 1 case: 24 bottles, and other (10 thousand cases)	Otsuka Pharmaceutical								
Japan		3,485	3,342	2,987	2,624	2,252	2,209	2,737	23.9%
Overseas		977	1,224	1,650	1,884	748	1,412	1,217	-13.8%
<i>SOYJOY</i> 1 case: 48 bars (10 thousand cases)	Otsuka Pharmaceutical								
Japan		86	262	303	187	62	161	91	-43.5%
Overseas		-	17	40	46	16	33	24	-28.1%
<i>Oronamin C</i> 1 case: 50 bottles (10 thousand cases)	Otsuka Pharmaceutical, Otsuka Chemical	1,057	1,102	1,114	1,042	637	854	873	2.2%
<i>Calorie Mate</i> 1 case: 4 bars×30, and other (10 thousand cases)	Otsuka Pharmaceutical	381	417	387	396	202	315	300	-4.8%
<i>Tiovita Drink</i> 1 case: 50 bottles (10 thousand cases)	Taiho Pharmaceutical	365	423	495	428	278	359	405	12.8%
<i>Solmack</i> (10 thousand bottles)	Taiho Pharmaceutical	1,679	1,722	1,928	1,591	741	1,325	1,304	-1.6%

* FY2008 results for Taiho Pharmaceutical are for the 15-month period from January 2008 through March 2009 because of a change in the fiscal year end.

* Overseas sales include sales of consolidated subsidiaries only.

Consumer products business

(10 thousand cases)

Products	Company	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
<i>Bottled Water</i> 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	1,178	1,300	1,102	840	429	708	547	-22.7%
<i>NESCAFE</i> 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	1,187	1,053	818	676	351	546	540	-1.1%
<i>Match</i> 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	288	334	321	332	251	279	317	13.6%
Other (tea drinks and other) 1 case: 24 bottles (10 thousand cases)	Otsuka Foods	359	402	361	390	140	324	214	-34.0%

Other business

(Billions of yen)

Products	Company	FY2006	FY2007	FY2008	FY2009	FY2010 1Q-2Q	FY2009 1Q-3Q	FY2010 1Q-3Q	Change
Functional chemicals	Otsuka Chemical	28.0	28.8	27.0	23.2	13.2	16.7	19.9	19.1%
Fine chemicals	Otsuka Chemical	13.2	13.3	14.6	13.7	7.2	10.6	10.1	-4.8%

Otsuka Group - Pipeline Information

(as of Dec 31, 2010)

Code/ Brand name	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Development status
Central nervous system						
OPC-14597 (ABILIFY*)	aripiprazole	Otsuka Pharmaceutical	Dopamine partial agonist	Schizophrenia/Depot injection	US, EU, JP	Phase III
				Manic episode associated with bipolar I disorder/Oral	JP	Phase III
				Adjunctive therapy for major depressive disorder/Oral	JP	Phase III
				Tic disorder/Oral	Korea	Phase III
				Major depressive disorder/Combination of aripiprazole and antidepressants	US	Phase III
				Tourette syndrome/Once-weekly tablet	US	Phase I
L059 (KEPPRA*)	levetiracetam	UCB	Anti-epileptic drug	Epilepsy (partial onset seizures for pediatric patients)/Oral	JP	Phase III
				Epilepsy (generalized onset seizures)/Oral	JP	Phase III
SPM-962 (NEUPRO*)	rotigotine	UCB	Dopamine agonist	Parkinson's disease/Patch	JP	Phase III
				Restless legs syndrome/Patch	JP	Phase III
OPC-34712		Otsuka Pharmaceutical	Dopamine partial agonist	Adjunctive therapy for major depressive disorder/Oral	US	Phase II
				Schizophrenia/Oral	US, EU	Phase II
				ADHD(Adults) /Oral	US	Phase II

Otsuka Group - Pipeline Information

(as of Dec 31, 2010)

Code/ Brand name	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Development status
Anti-cancer and cancer-supportive care						
S-1 TS-1(Japan, Korea) TS-ONE(Singapore) 愛斯万(China) 愛斯萬(Taiwan)	tegafur, gimeracil, oteracil potassium	Taiho Pharmaceutical	Anti-cancer (Anti-metabolite)	Gastric cancer/Oral	US	Phase III
				Gastric cancer/Oral	EU	Filed
				Uterocervical cancer/Oral	JP, Asia	Phase III
				Hepatocellular carcinoma/Oral	JP	Phase III
				Prostate cancer/Oral	JP	Phase II
				Renal cell carcinoma/Oral	JP	Phase II
ABI-007 (Abraxane)	paclitaxel protein-bound particle for injectable suspension	Abraxis Bioscience	Anti-cancer (nanoparticle)	NSCLC/Injection	JP	Phase III
				Gastric cancer/Injection	JP	Phase II
OVF	fentanyl	Cephalon	Narcotic analgesic	Cancer pain/Oral	JP	Phase III
TSU-68		SUGEN	Anti-cancer (Molecular targeted drug)	Hepatocellular carcinoma/Oral	JP, Asia	Phase III
				Breast cancer/Oral	JP, Korea	Phase II
				Gastric cancer/Oral	JP	Phase II
				Colorectal cancer/Oral	Korea	Phase II
				NSCLC/Oral	JP	Phase I
TAS-102		Taiho Pharmaceutical	Anti-cancer (Anti-metabolite)	Colorectal cancer/Oral	JP	Phase II
TAS-106		Taiho Pharmaceutical	Anti-cancer (Anti-metabolite)	Solid cancer/Injection	US	Phase I /II
ET-743	trabectedin	PharmaMar	Anti-cancer	Malignant soft tissue tumors/Injection	JP	Phase I /II
OTS102		OncoTherapy Science	Therapeutic cancer vaccine	Pancreatic cancer/Injection	JP	Phase II/III
				Biliary tract cancer/Injection	JP	Phase II
SATIVEX*	nabiximols	GW Pharmaceuticals	Cannabinoid (THC, CBD)	Cancer pain/Oral spray	US	Phase III in Preparation
OPB-31121		Otsuka Pharmaceutical	Anti-cancer	Anti-cancer/Oral	US, JP, Asia	Phase I
OPB-51602		Otsuka Pharmaceutical	Anti-cancer	Anti-cancer/Oral	US, JP, Asia	Phase I
OCV-101***		OncoTherapy Science	Therapeutic cancer vaccine	Pancreatic cancer/Injection	JP	Phase I

Otsuka Group - Pipeline Information

(as of Dec 31, 2010)

Code/ Brand name	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Development status
Cardiovascular						
OPC-41061 (SAMSCA*)	tolvaptan	Otsuka Pharmaceutical	Vasopressin V ₂ -receptor antagonist	Cardiac edema/Oral	JP	Approved (October, 2010)
				Hyponatremia/Oral	China	Filed
				Autosomal dominant polycystic kidney disease/Oral	US, EU, JP	Phase II -III**
				Hepatic edema/Oral	JP, China	Phase III
Other areas						
CDP870 (CIMZIA*)	certolizumab pegol	UCB	PEGylated anti-TNF α drug	Rheumatoid arthritis/Injection	JP	Phase II/III
OPC-12759E (Mucosta Ophthalmic Suspension)	rebamipide	Otsuka Pharmaceutical	Mucin-production enhancing agent	Dry eyes/Eye drops	JP	Filed
					US	Phase II
L-Cartin	levocarnitine chloride	Otsuka Pharmaceutical		Carnitine deficiency	JP	Filed
ONGLYZA*	saxagliptin	Bristol-Myers Squibb	DPP-IV inhibitor	Type2 diabetes mellitus/Oral	JP	Phase II/III
OPC-67683	delamanid	Otsuka Pharmaceutical	Anti-tuberculosis agent	Multidrug-resistant tuberculosis/Oral	EU, JP, US	Phase II
OPC-6535	tetomilast	Otsuka Pharmaceutical	Anti-inflammatory agent	Crohn's disease/Oral	JP, Korea	Phase II/III
				COPD/Oral	JP, US, Asia	Phase II
ACU-4429		Acucela	Visual cycle modulator	Dry AMD/Oral	US	Phase II
YP-18	piperacillin, tazobactam	Taiho Pharmaceutical	β -lactamase inhibitor-antibiotic agent	Peritonitis, intra-abdominal abscess, liver abscess, cholecystitis, cholangitis/	JP	Phase III
TAC-201		Meiji Dairies Corporation	Recombinant peptide for immunotherapy of Japanese cedar pollinosis	Cedar pollen allergy/Injection	JP	Phase II
NST-141		Nippon Shinyaku	Anti-pruritus agent	Pruritus in atopic dermatitis/external	JP	Phase I/II
Diagnostics						
ODK-0801 (WT1 mRNA assay kit)	Wilms tumor gene-1 (WT1) mRNA assay kit	Otsuka Pharmaceutical	Diagnostic and prognostic agent of MDS (myelodysplastic syndrome)	In-vitro diagnostic agent	JP	Filed
ODK-0901 (RAPIRUN S. pneumoniae HS (otitis media, rhinosinusitis))	S. pneumoniae kit	Otsuka Pharmaceutical	Diagnostic aid for S. pneumoniae infection	In-vitro diagnostic agent	JP	Filed
ODK-0902 (H. influenzae ELISA kit 「Otsuka」)	H. influenzae ELISA kit	Otsuka Pharmaceutical	Diagnostic aid for H. influenzae infection	In-vitro diagnostic agent	JP	Filed

Note 1: In general, we disclose compounds that are in Phase II or later stage of development, although some compounds in Phase I are disclosed in the above table.

Note 2: Product names with asterisk "*" are the names used outside Japan.

Note 3: ** Preparation for additional study.

Note 4: *** Development Code was changed from OTS11101.

<Subsequent Events>

- Otsuka Pharmaceutical announced January 24 that it has filed for regulatory approval in Japan an additional indication for ABILIFY® (OPC-14597), a treatment for the manic symptoms associated with bipolar disorder.
- Otsuka Pharmaceutical announced February 1 the launch of a phase II clinical trial of OCV-101 for pancreatic cancer in Japan.