

For Immediate Release

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Otsuka Holdings Formulates First Medium-Term Management Plan

Tokyo, Japan, May 16, 2011 — Otsuka Holdings Co., Ltd. (Head office: Chiyoda-ku, Tokyo, Japan; President and Representative Director, CEO: Tatsuo Higuchi) today announced that it had drawn up its first medium-term management plan, a three-year roadmap that commences in fiscal 2011, the fiscal year ending March 31, 2012. The underlying strategies of the plan are outlined briefly as follows.

Following its establishment as a holding company in July 2008, Otsuka Holdings took steps to put in place a new corporate governance system by reorganizing the Otsuka Group. Guided by the overarching corporate philosophy of “Otsuka-people creating new products for better health worldwide,” Otsuka Holdings is dedicated to further bolstering the Group’s collective strengths while establishing a more robust business platform and corporate structure under its first medium-term management plan.

Positioning of the First Medium-Term Management Plan

Otsuka Holdings has positioned this first medium-term management plan as a roadmap to help guide the Group over the next three years as it strives to lay the foundation for becoming a world-class global healthcare company which has two mainstay businesses of pharmaceuticals and nutraceuticals*. The company has identified three principal measures, presented briefly as follows.

*nutraceuticals = nutrition + pharmaceuticals

- Develop innovative proprietary pharmaceuticals
- Profit structure reform aimed at securing profit growth in the nutraceutical business
- Next-generation business incubation through strategic alliances and related measures

Fiscal 2013 Performance Targets

(Unit: ¥ billion)

	FY2010 actual	FY2013 plan
Net sales	1,090.2	1,330.0
<i>Ratio of overseas sales to net sales</i>	<i>47%</i>	<i>50%</i>
R&D expenses	164.5	200.0
Operating income	117.5	200.0
<i>vs. net sales</i>	<i>10.8%</i>	<i>15.0%</i>
EPS	162 yen	230 yen
ROE	7.8%	10% or more

Outline

Outline of the first medium-term management plan are presented as follows.

- (1) Provide added-value in the pharmaceutical business and maximize profits
 - Secure sustainable growth by maximizing pharmaceutical value
 - Create unique and innovative new products
- (2) Expand the nutraceutical business and increase profit
 - Growth through the introduction of new products and regional focus
 - Improve profitability
- (3) Lay the groundwork for the next medium-term management plan
 - Foster new businesses
 - Establish a framework for facilitating reform
- (4) Engage in activities to maximize corporate value, and secure shareholders' return
 - Implement investment for growth, alliance strategies, financial strategy and shareholders' return initiatives
- (5) Long-term business strategy

The company has positioned pharmaceuticals (ethical drugs and I.V. solutions) and nutraceuticals as medium-to long-term growth business fields, and medical devices business and soy business as fields of strategic importance.

Shareholders' Return Policy

By steadily accomplishing its performance targets, Otsuka Holdings is better positioned to sustain ongoing improvement in its corporate value and shareholders' return.

Looking ahead, the Otsuka Group will continue to pursue sustainable growth and contribute to the health of people worldwide by introducing a steady stream of unique and valuable products as a “company of true craftsmanship”. In embarking on a new phase of its ongoing evolution, the Otsuka Group asks for the continued understanding and support of all stakeholders.

Disclaimer:

- This press release contains forward-looking statements regarding the financial conditions, results of operations and business activities of Otsuka and its subsidiaries (collectively the “Otsuka Group”). All forward-looking statements, due to their inherent nature, will be influenced by future events and developments for which the occurrence is uncertain, and therefore involve risks and uncertainties. Otsuka cautions you in advance that actual financial conditions, results of operations and business activities could differ materially from those discussed in the forward-looking statements.
- Otsuka disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, further events, or otherwise.