The Otsuka Group’s Nutraceutical Business focuses on functional beverages and foods that help maintain and promote day-to-day wellbeing. In recent years the Group has been developing a soy-based business based on the concept of “Soylution” that the soybean is the solution to many of humanity’s problems, including health, food supply, and the environment.

**Otsuka Pharmaceutical**

Otsuka Pharmaceutical leverages the know-how it has cultivated in medical research to develop nutraceutical products to support and maintain health in people’s daily lives.

The company aims to contribute to the maintenance and improvement of health through the creation of new product categories by developing innovative products such as the electrolyte drink *Pocari Sweat*, based on the concept of “a sweat drink,” and the balanced nutritional food *Calorie Mate*, which makes it easy to access the five major nutrients.

In recent years, the company developed the fruit and soy bar *SOYJOY* and the carbonated soy beverage *SOYSH*, based on the belief that soybeans, which are an integral part of Japanese food culture, could provide a solution to global health, dietary, and environmental issues. Otsuka is giving the world new ways to enjoy soy, with all of its abundant nutrition.

**Otsuka Pharmaceutical Factory**

Otsuka Pharmaceutical Factory is engaged in research and development mainly of medical food, and foods for special dietary use, that can be used in medical facilities, nursing homes, or at home. OS-1, a food for special dietary use by the ill, is put to use in many situations as an oral rehydration supplement that effectively replenishes water and electrolytes in patients suffering from dehydration. *ENCELEAD*, a food for special dietary use by people who have difficulty chewing and swallowing, helps the nutritional management of these patients. The *HINE* series of high-density liquid diet products is useful in the nutritional management of people who cannot take meals.

**Taiho Pharmaceutical**

Taiho Pharmaceutical is actively engaged in developing OTC products that are used for a variety of health conditions and symptoms, with a unique lineup of products with proven effectiveness and special attributes. The vitamin health drink *Tiovita Drink*, the crude drug gastrointestinal remedy *Solmack*, and *Harcare*, a crude drug for mild incontinence and urinary frequency, are all well-known brands. *Henseki*, which is effective for adipositas, has potential for growth.
The electrolyte supplement drink *Pocari Sweat* has celebrated its 30th anniversary. The Otsuka Group now offers a 900ml sized bottle that is suitable for small families. Since 1991, the Group has promoted activities focusing on the core features of the product, such as education aimed at raising awareness of heat stroke, and the hot summer in Japan.

In Indonesia, sales of *Pocari Sweat* in local currency terms decreased slightly due to a temporary shortage in supply caused by the delay due to introduction new technology in the start-up of the new factory. Sales of *Oronamin C* remained steady as a result of strong promotional activities. Sales of *Calorie Mate* remained flat but it was recognized afresh as a food containing essential nutrients in the wake of the Great East Japan Earthquake.

The Otsuka Group is actively engaged in the soy business, and is working to introduce soy as a solution to our 21st century health, nutrition, and environment issues, under the concept of “Soylution.”

Although domestic sales of *SOYJOY*, the first soylution product, decreased, the *SOYJOY* business has expanded to 11 countries and regions, with launches in France, Belgium, Italy and Spain beginning in February 2011.

The second soylution product *SOYSH*, soy soda, which was developed based on the innovative concept of combining soy with a carbonated drink, was launched through the Otsuka on-line store in July 2010 and sales were expanded to retail stores across Japan in March 2011.

In the Cosmedics area, which is based on the concept of “healthy skin,” the *UL-OS* face and body skincare lineup was expanded with the release of *Medicated Skin Wash* in April 2010.

Sales of the *Tiovita* brand showed steady growth as a result of enhanced sales promotion and the launch of *Tiovita Drink Aivitas* in June 2010.
Nutraceutical Segment

**SOYSH & SOYJOY Fruity Tomato launched**

The soy carbonated drink SOYSH, the second wave in the Otsuka Group’s launch of “Soylution” products, was launched in July 2010 exclusively through Otsuka’s direct on-line sales service, but went on sale in stores across Japan in March 2011. Since February 2011, the fruit and soy bar SOYJOY is being sold in four European countries (France, Belgium, Italy, and Spain) through Nutrition & Santé SAS. In April, new flavor Fruity Tomato was launched in Japan.

**Oronamin C Drink reaches the 30 billion bottle milestone—A first in Japan for a small-volume bottled vitamin drink**

On May 18, 2011, Otsuka Pharmaceutical’s carbonated nutritional drink *Oronamin C Drink* reached the milestone of total sales of 30 billion bottles, a first in Japan for a small-volume bottled vitamin drink.*

After its launch in 1965, sales of *Oronamin C* expanded over the years under the slogan *Genki hatsuratsu* (full of energy), topping 10 billion bottles in 1985 and 20 billion bottles in 1995. From now on, the product sales will continue to grow, while giving many people of different generations an energy boost.

*According to a survey on nutritional drinks conducted in 2011 by Total Planning Center OSAKA

**Two new series of once daily nutritional supplements launched under the Nature Made brand, the top brand in stores in the U.S. five years running*: Super Multiple Vitamin & Minerals and Super Fish Oil**

In June 2011, Otsuka Pharmaceutical created the new “Super” series of nutritional supplements under the *Nature Made* brand, offering an easy way to take nutritional supplementation with only one tablet per day (standard dose). *Super Multiple Vitamin & Minerals* and *Super Fish Oil* were launched as the first products in the Super series.

*2006-2010 Nielsen data: Share of sales in the distribution market in supermarkets, drug stores, mass retailers, and membership stores

**Simple skincare companion for active men UL-OS Refresh Sheet (medicated cosmetics)**

In April 2011 Otsuka Pharmaceutical released *UL-OS Refresh Sheet* (medicated cosmetics) in the UL-OS skincare brand for men. This product supports skincare for middle-aged men, making it possible to wipe away sweat and dirt, to fight odors, and to retain moisture, all at the same time with a single sheet.

**Anti-inflammatory and analgesic poultice Zahappu FelbinacS launched**

In May 2011, Taiho Pharmaceutical launched *Zahappu FelbinacS*, which is manufactured and sold by Okayama Taiho Pharmaceutical Co., Ltd. Adhering to the *Zahappu* brand concepts of a rapid sensation of cooling and quarter size (7 cm × 5 cm) for one-handed application, the anti-inflammatory and analgesic ingredient *Felbinac* was added to increase the analgesic effect. The product is made of non-woven fabric that fits gently and stays snugly on the skin.
Main Nutraceutical Products

Oronine H Ointment (1953)
Known for over half a century as an effective medication for treating various skin conditions, Oronine H Ointment was the first product to make the Otsuka name widely recognized.

Tiovita Drink (1964)
This vitamin health drink contains vitamins B1, B2, B6 and niacinamide in addition to inositol, taurine, the digestive aid carnitine chloride, and anhydrous caffeine as a pick-me-up. In addition to Tiovita Drink (designated a quasi-drug), the lineup also includes Tiovita Gold, a revitalizing OTC drug.

Oronamin C Drink (1965)
Carbonated nutritional drink containing Vitamin C and other vitamins. Only 120ml in size, Oronamin C provides a refreshing burst of energy.

Pocari Sweat (1980)
Health drink swiftly replenishing fluids and ions (electrolytes) lost through perspiration. An optimal ion balance aids quick absorption by the body, making Pocari Sweat the ideal rehydration drink for use during and after sports activities or after taking a hot bath.

Calorie Mate (1983)
Balanced nutritional bar containing all 5 major nutrients (vitamins, minerals, protein, fat, carbohydrates). Ideal as a nutritional supplement when under time pressure or when it is not possible to have a meal.

Nature Made (1993)
The number one brand in the U.S.* for vitamins, minerals, and supplements essential for maintaining health. Nature Made contains no artificial colors, flavors or preservatives.

*A 2006-2010 Nielsen data: Share of sales in the distribution market in supermarkets, drug stores, mass retailers, and membership stores.

Amino-Value (2003)
Highly concentrated drink supplying the branched-chain amino acids (valine, leucine, isoleucine) needed to support an active body. It supports your physical condition whether performing daily activities or working out.

OS-1 (2005)
An oral rehydration supplement formulated with an optimal balance of glucose and electrolytes. A medical food to supply and maintain water and electrolyte levels in patients suffering from mild to moderate dehydration. OS-1 is used to treat dehydration resulting from conditions including diarrhea, vomiting and fever caused by infectious enteritis or the common cold, insufficient oral intake of fluids among the elderly, or excessive perspiration.

SOYJOY (2006)
Novel nutrition bar made using only soybean dough (wheat-free) with a generous amount of dried fruit. Consumers can enjoy the nutritional elements of soybeans including soy protein and soy isoflavones in a smart and tasty way.

UL-OS (2008)
A face and body skin care brand targeting middle-aged men based on the cosmetics concept of healthy skin support. Formulated with moisturizing ingredient AMP*, application of UL-OS corrects imbalances between skin sebum and moisture and leads to healthy skin.

*Adenosine monophosphate

Gerblé (2010)
A French health and nutrition food with a commitment to nutrition and fine ingredients, including wheat germ and fruits. Created in 1928, Gerblé has continued to be loved by the French, who are particular about flavor and ingredients, and enjoy well balanced meals. It is the top-selling brand in the French nutrition and health food market.*

*S 2006-2010 Nielsen data MAT dec 2009

SOYSH (2010)
A beverage that creates a new category combining soy and carbon. Each 100 ml bottle contains the equivalent of about 21 large soybeans (grown in Japan), providing the full nutrition of soy contained in soy solids. SOYSH can be enjoyed without the distinctive aftertaste of soy thanks to the refreshing quality provided by carbonation.
Soylution

The Otsuka Group is developing business on the concept of “Soylution,” based on the belief that soybeans, which are an integral part of Japanese food culture, could provide a solution to global health, dietary, and environmental issues.

One of the three issues that soy can resolve is the ability to guard against lifestyle-related diseases and make a positive contribution to health problems that come from unbalanced nutrition. Soy has been in the spotlight since 1999 when the U.S. Food and Drug Administration (FDA) approved the health claim that “25 g of soy protein a day (6.25 g per serving) may reduce the risk of heart disease.”

The second issue is the food problem. No more than 6%* of soybeans grown are eaten directly by people. The United States is the world’s largest producer of soybeans, but the annual U.S. consumption of soy products is about 40 grams** per person. This is less than the amount eaten by the average Japanese in a single day.

The fact is that most soybeans are used as feed for livestock. It is said to take 10 kg of grain to produce 1 kg of beef. As the habit of eating meat increases globally, it is thought that the food problem will become extremely serious. If, on the other hand, the people of countries that are not accustomed to eating soy start to do so, that should be a major step forward toward resolving this issue.

The third issue is environmental problems. It is said that the CO₂ emitted in the production of soybeans is only 1/12 that emitted in the production of beef.*** Moreover, data shows that soy production takes only 1/20th of the water and 1/50th of the energy used in producing beef.****

Soylution is a carbonated soy beverage based on the new concept of combining soy and carbon. In addition to overcoming the fact that soy milk coagulates when carbon is added, SOYSH was developed as a drink that can be enjoyed without a noticeable soy aftertaste. As a successor to SOYJOY, SOYSH is the result of our efforts that aim to develop new ways to ingest soy. SOYSH now helps to promote soy globally as part of the “Soylution” concept.

The Saga Nutraceuticals Research Institute discovered that the Lactococcus 20-92 strain of lactic acid bacteria produces equol, which improves symptoms associated with menopause, from daidzein, one of the isoflavones in soybeans. Given this discovery, food products that contain equol can be expected to positively affect the health of people whose intestines lack the bacterium that produces equol*.

* It is said that about 50% of Japanese people, and about 30% of Europeans and Americans, are able to internally produce equol.

The Biwako Research Institute has developed the whole soybean beverage SUGOIDAIZU, using technology to bring out the natural flavor of soy in a smooth, easy-to-drink beverage. This technology for fresh soybean powderization formed the basis for the development of the SOYJOY fruit soy bar.

The Otsuka Group’s research, development and technological capabilities underpin the soy business

** United States Department of Agriculture statistics  
*** Food and Agriculture Organization of the United Nations statistics  
**** Calculated using the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables published by the Center for Global Environmental Research, National Institute for Environmental Studies  
***** Data from Professor David Pimentel of Cornell University in the U.S.

Soy—an integral part of Japanese food culture.
The Otsuka Group will use its original ideas and technology to propose to the world new ways to enjoy soy, with all of its abundant nutrition.
Global Expansion of Pocari Sweat and SOYJOY

**Pocari Sweat**

Pocari Sweat was launched in Japan in 1980 as a health drink that swiftly replenishes fluids and electrolytes lost through perspiration. It is currently sold in 16 countries and regions around the world.

**SOYJOY**

Otsuka Pharmaceutical launched the SOYJOY fruit soy bar, developed based on soy flour, in 2006 as a product to spread the possibilities and value of soy globally. In addition to the seven countries and regions where the product was already sold—Japan, China, the U.S., Taiwan, South Korea, Indonesia, and Singapore—four European countries were added in February 2011, making 11 countries and regions where SOYJOY is sold at present. Seven flavors are sold in Europe, including strawberry and blueberry, which are popular in Japan, where the lineup features 12 flavors, including the new Fruity Tomato SOYJOY.
### Marketing Areas and Launch Year

**16 countries and regions (as of May 2011)**

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**11 countries and regions (as of May 2011)**

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Note: Map includes operations carried out by non-consolidated subsidiaries, affiliates accounted for under the equity methods and agents.