Business Strategy Section

Positioning of the Third Medium-Term Management Plan
Advance in the Global Market as a Unique Total Healthcare Company—Five-Year Growth Phase (2019–2023)—

Existing Business Value Maximization and New Value Creation

Performance Target: Business Profit CAGR of 10% or More
- Organic growth of mainstay products and brands in Pharmaceutical and Nutraceutical Businesses
- Actively invest in R&D to continue creating new drugs that will drive revenue during and beyond the next medium-term management plan

Business Strategy: Existing Business Value Maximization and New Value Creation

Strategic initiatives for mainstay products and brands to accelerate growth
- Strengthen strategic initiatives for growth drivers—4 Global Products in the Pharmaceutical Business; 3 Major Brands and
- Strategic initiatives for mainstay products and brands to accelerate growth

Performance Target: Business Profit CAGR of 10% or More

— Five-Year Growth Phase (2019–2023)
— as a Unique Total Healthcare Company

Business Strategy Section

3 Nurture Brands in the Nutraceutical Business

- With a focus on generating innovation from creative and diverse research platforms, we plan to diversify drug discovery
- By building a global alliance with Lundbeck in the U.S. and Europe—A
- For R&D in the U.S.—A
- Taking on challenges in new areas
- Taking on challenges in new regions
- Taking on challenges in new areas
- Strengthening infrastructure for group collaborations in the oncology area

Aim to become a top-class player in the psychiatry and neurology area

Launched ABILITY MAINTENA and REFLUXA in the U.S. and Europe—A

Plan to launch a new treatment for agitation associated with dementia

Aims to become a top-class player in the psychiatry and neurology area

Launched POCARI SWEAT in the U.S. and Europe—A

Projects to be filed for regulatory approval

Revenue from New Products: Increase by ¥90 billion

- Ultrasound-based renal denervation system: Refractory
- TAS-120: Intrahepatic cholangiocarcinoma
- fremanezumab: Migraine
- centanafadine: ADHD
- REXULTI: PTSD
- REXULTI and AVP-786: Agitation associated with dementia

Address unmet needs in the psychiatry and neurology area

- Create first-in-class products in the oncology area
- Projects to be filed for regulatory approval
- Vaddalast: Renal anemia
- Ultrafiltration-based renal denervation system: Hypertension

Nutraceutical Business

- Continuous High Profit Structure
- Fiscal 2023 business profit margin of Nutraceutical Business: 14.4%

Social Issues Relating to Strategies, and KPIs

Social Issue Strategic Theme KPIs in the Third Medium-Term Management Plan

Pharmaceutical Business

Unmet medical and health needs

- Revenue from 3 Major Products: Increase by ¥490 billion

Generate Innovation From Creative and Diverse Research Platforms

- Create first-in-class products in the oncology area
- Projects to be filed for regulatory approval
- Vaddalast: Renal anemia
- Ultrafiltration-based renal denervation system: Hypertension

Challenge New Frontiers: Do what only Otsuka can do

- Address unmet needs in the psychiatry and neurology area
- Projects to be filed for regulatory approval
- Vaddalast: Renal anemia
- Ultrafiltration-based renal denervation system: Hypertension

Nutraceutical Business

- Revenue from 3 Nutraceutical Brands: Increase by ¥440 billion
- POCARI SWEAT overseas revenue CAGR: 9.4%
- Dry food revenue CAGR: 29%

Continuous High Profit Structure

Fiscal 2023 business profit margin of Nutraceutical Business: 14.4%

Linking Investments and Results

Across our entire value chain, we are investing in anticipation of changes and issues five to ten years in the future, and working to steadily generate results from those investments.

A. 4 Global Products driving the group’s growth

To maximize the value of our 4 Global Products—ABILITY MAINTENA, REFLUXA, Samycan/MARQYMAZUR, and Lonsurf—we continued to invest for growth, including signing a joint development and sales agreement with Lundbeck for ABILITY MAINTENA and REFLUXA, establishing an in-house development and sales system in the U.S. oncology business, and signing a European licensing contract with Server for Lonsurf. As a result, these products are now driving the group’s growth.

B. Accelerating collaborations among Otsuka Pharmaceutical, Taiho Pharmaceutical and Astex Pharmaceuticals

We are sharing proprietary cutting-edge technologies cultivated by each operating company.

C. Diversification of drug discovery modalities

With a focus on generating innovation from creative and diverse research platforms, we plan to diversify drug discovery modalities and strengthen our in-house drug discovery platforms mainly by collaborating with and acquiring organizations with innovative and highly original drug discovery technologies.
Progress of the Third Medium-Term Management Plan

Overview of Fiscal 2019

In fiscal 2019, the first year of the Third Medium-Term Management Plan, we steadily executed priority measures aimed at maximizing existing business value. As a result, revenue was ¥1,396.2 billion yen, an increase of 8.1% from the previous year, indicating solid growth. Furthermore, business profit was ¥187.2 billion yen, a substantial increase of 54.8% from the previous year, outperforming the Third Medium-Term Management Plan forecast for the year.

### ROE

- **Revenue** in fiscal 2019 rose 34.9% from the previous year, outperforming plan targets and showing a steady increase in consolidated earnings.
- **Business profit before R&D expenses** continued to grow as they can address the issue of increasing awareness of this drug's efficacy claims and convenient administration.
- **R&D expenses** contribute to the global market for atypical antipsychotic long-acting injectables.

Revenue Plan for the 4 Global Products and New Products

**Revenue Plan for the 4 Global Products and New Products**

<table>
<thead>
<tr>
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### Pharmaceutical Business

The Third Medium-Term Management Plan calls on us to maximize existing business value and create new value, to challenge new frontiers by doing what only Otsuka can do, and to generate innovation from creative and diverse research platforms. We will take advantage of this strategic framework to position our 4 Global Products—ABILIFY MAINTENA, REXULTI, SAMSCA/JINARC/JYNARQUE and LONSURF—as growth drivers. We will further accelerate growth, targeting 200 billion yen in revenue, an increase of 90 billion yen, on the back of New Products scheduled to be launched during the current Medium-Term Management Plan.

Progress of 4 Global Products

The 4 Global Products made smooth progress overseas, expanding regions and adding indications. Revenue in fiscal 2019 rose 34.9% from the previous year, outperforming plan targets and making a considerable contribution to growth in consolidated performance.

### ABILIFY MAINTENA

**abiraterone | Antipsychotic long-acting injectable**

As a global treatment for schizophrenia, there is increased awareness of this drug’s efficacy claims and convenient dosage formulation. Following U.S. approval in 2017 for an additional indication for the treatment of bipolar I disorder, prescriptions are increasing. In September 2019, we also filed for an additional indication for bipolar disorder in Japan.

The global market for atypical antipsychotic long-acting injectables continues to grow as they can address the issue of medication adherence in schizophrenia and bipolar disorder. We will continue to contribute to patients around the world and aim to achieve a 30% global market share for ABILIFY MAINTENA.

### Samsca/Jinarc/Jynarque

**trifluridine/tipiracil | Anti-cancer agent**

Samsca is sold in approx. 20 countries and the number of patients receiving treatment through the drug is on the increase. In Europe, sales began from April 2019. Further clinical studies are under way with the aim of further contributing to treating unmet needs in the psychiatry and neurology area.

### Lonsurf

**trifluridine/tipiracil | Anti-cancer agent**

Lonsurf is growing as a treatment option for advanced colorectal cancer with the help of enhanced promotion activities. Lonsurf has also received marketing authorization for the additional indication of previously treated metastatic gastric cancer in the U.S. (February 2019), Japan (August 2019), and Europe (September 2019). Further clinical studies are currently ongoing or being planned with business partners and academia to maximize the value of Lonsurf.

### ABILIFY MAINTENA

**brexpiprazole | Atypical antipsychotic**

Marketed as an adjuvant treatment for major depressive disorder and as a treatment for schizophrenia in the U.S., this drug is highly evaluated for its efficacy and safety as a new treatment option for both diseases. In Japan, where the drug is marketed as a treatment for schizophrenia, prescriptions have grown significantly following the lifting of restrictions on maximum prescription period in May 2019. In Europe, sales began from April 2019.

At present, several clinical trials are under way with the aim of further contributing to treating unmet needs in the psychiatry and neurology area.

### Initiatives to Maximize the Value of Global Products

In 2019, our North American prescription Pharmaceutical Business contributed to an impressive start of the Third Medium-Term Management Plan.

We continued to see strong revenue growth across our CNS and nephrology franchises. Established products like REXULTI, ABILIFY MAINTENA, and our newest, JYNARQUE, continued to perform well and exceeded sales forecasts. This not only speaks to the efficacy and clinical value that these products are bringing to patients and healthcare professionals, but it is also a direct result of the hard work and dedication of Otsuka people across the organization.

The whole leadership team of the North American Pharmaceutical Business is committed to maximizing the value of our entire portfolio of global products. Concurrently, we seek out new business opportunities to drive future growth and ensure that we continue to operate from a position of strength and innovation.

**Kabir Nath**

President and CEO, Otsuka North America Pharmaceutical Business

**Otsuka Holdings Co., Ltd. INTEGRATED REPORT 2019**
**Nutraceutical Business**

The Third Medium-Term Management Plan calls for revenue growth of 40 billion yen in the 3 Major Brands—POCARI SWEAT, Nature Made, and N&S—and 40 billion yen in the 3 Nurture Brands—BODYMAINTÉ, EQUILÈ, and Daiya. Furthermore, we are working to maintain a high-profit structure capable of a sustained business profit margin of 10% or higher by creating new product concepts in anticipation of changes in business and other landscapes and by expanding into new categories and new regions.

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**Progress of 3 Major Brands**

**POCARI SWEAT**

Overseas, mainly in Asia, sales volume for POCARI SWEAT, a beverage for replenishing fluids and electrolytes, is increasing due to awareness activities tailored to the characteristics and needs of each region. The CAGR of the Asia-Pacific sports beverage market was 4.9% for the period 2015 to 2019. We intend to outpace recent market growth, forecasting a CAGR of 9.4% in overseas revenue for POCARI SWEAT during the period of the Third Medium-Term Management Plan.

**Sports Beverage Market (Asia-Pacific*)**

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<th>Year</th>
<th>China</th>
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<tr>
<td>2020</td>
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<td>0.350</td>
<td>0.450</td>
<td>0.300</td>
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![POCARI SWEAT overseas revenue plan](image)

**CAGR (2018–2023)**

9.4%

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**Nature Made**

Pharmavite is a leading company in the U.S. supplement industry. Under the Nature Made supplement brand, Pharmavite develops and markets products free from flavorings, colorings and preservatives. With a lineup of high-quality supplements, key items of which have been verified as meeting the strict quality criteria set by the United States Pharmacopoeia (USP), Nature Made is the leading choice of U.S. pharmacists in nine product categories.

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**Nutrition & Santé (N&S)**

The organic food market in Europe has grown in recent years as more health-conscious consumers demand safer and more trustworthy foods. Trends such as “free-from” foods and alternative products are attracting the attention of the millennial generation. In fiscal 2019, the European meat-free food market was worth approximately 1.8 billion U.S. dollars, having grown rapidly over the past five years at a CAGR of 11.9%, while the gluten-free food market was worth around 2.5 billion U.S. dollars after expanding at a CAGR of 11.9%.

N&S, a health and nutritional food company, provides health foods and other products in more than 40 countries around the world, centered on Europe. At each of its factories, N&S has obtained ISO 14000 and ISO 12000, as well as IFS Food Standard certification, the international standard for auditing food manufactures, and conducts production with concern for the environment and a high level of quality management. In 2017, N&S built a new factory for gluten-free products in France and strengthened the development of free-from products to meet evolving consumer needs.
Progress of 3 Nurture Brands

**BODYMAÎNTÉ**

Bodymaînté was commercialized based on research conducted by Otsuka Pharmaceutical on the themes of “intestines and nutrition” and “exercise and nutrition.” Focusing on health management for athletes exposed to risks related to intense training, we developed BODYMAÎNTÉ Jelly, a conditioning beverage containing lactic acid bacteria B240, to help replenish fluids and electrolytes that support proper hydration. BODYMAÎNTÉ Jelly expands the value of this product line by supporting the health management of more consumers.

**EQUELLE**

EQUELLE originated from research conducted at Otsuka Pharmaceutical’s Saga Nutraceuticals Research Institute, where women’s health is a research theme. EQUELLE, which contains equol, is sold in Japan and the U.S. as a food product that supports women’s health and beauty at a time when aging brings physical and mental changes. In Japan, we have deployed dedicated staff with expert knowledge of women’s health nationwide. With the cooperation of physicians, pharmacists and other healthcare professionals, we convey the importance of personal care to women who are experiencing physical and mental changes, among other activities aimed at maintaining and improving the health of women and enhancing quality of life.

**Daiya**

Daiya Foods develops, manufactures, and sells high-quality, creative plant-based food products such as cheese alternatives, yogurt alternatives, dressings, and desserts. Its brand, Daiya, is enjoyed not only by vegetarians and people with food allergies, but also by the health-conscious millennial generation.

The U.S. plant-based alternatives market continues to grow. Daiya Foods is expanding its sales channels and product lineup, mainly in the area of cheese alternatives, which are a core product. Under the Third Medium-Term Management Plan, we plan to achieve a revenue CAGR of 25%.

Social Issues Targeted by the Nutraceutical Business

**Social Issues Targeted by Otsuka**

**1. Irregular and Unbalanced Diets**

While there is seemingly an abundance of food in the developed world, diversification in daily routines and an increase in single-person households contribute to eating alone, skipped meals, and unbalanced diets. This can lead to poor physical and mental well-being. The Otsuka group is tackling various social issues related to nutrition by developing nutritional products and implementing dietary education activities.

Leveraging expertise in concentrated liquid diets from our clinical nutrition business, we created Calorie Mate, which provides nutrition for general consumers. It supports healthy dietary life in busy modern lifestyles, and is a pioneer in nutritionally balanced foods in Japan. As the top-selling brand, it continues to lead the field. Compact and with a long shelf life, Calorie Mate is convenient as a nutritional food for use during sports, when there is no time for breakfast or other meals, and during work or study, and can also be kept as a disaster provision.

**2. Women’s Health**

Women experience mental and physical changes throughout their lives. The effects of rapid hormonal changes are felt by women in their 40s and 50s in particular, which can impact their social life.

The Otsuka group has identified women’s health as one of its priority areas of its Nutraceutical Business. We are disseminating information to promote better understanding of physical changes in women and developing related products.

Otsuka Pharmaceutical’s Saga Nutraceuticals Research Institute conducts research on total health maintenance for women in their 40s and older, including research into symptoms of menopause, bone and skin issues, and blood vessel health, and continues to generate evidence on active ingredients. In addition, our experts in women’s health carry out activities across Japan to spread accurate understanding of the mental and physical changes experienced by women and related health issues, as well as solutions to those issues.

**3. Environmental Issues**

Given that global warming is a major social issue, public attention is focused on CO2 emissions from food production as part of realizing a carbon-free society. The plant-based foods that Daiya Foods develops, manufactures and sells have a low carbon footprint, reduce environmental load, and are more sustainable. Daiya Foods was founded on the belief that plant-based living is better for people’s health and better for the planet. Its range of plant-based foods resonates with many people and as a category leader it is evolving into a high-growth company.

Soys are a part of Japan’s traditional food culture and contain quality dietary proteins, and have been referred to as “the meat of the fields.” Focusing on the high nutritional value and potential of soys, Otsuka Pharmaceutical has developed and commercialized soy-derived nutritional foods under three brands at its in-house research center—SOYISOY, SDYISH and SoyCeat. Soybeans directly consumed by people around the world account for a mere 6% of total soybean production. Beef is one source of protein, but to produce 1 kilogram of beef, it is said to take 10 kilograms of grain, such as soybeans. There is data suggesting that the production of soybeans requires one-fifteenth of the water and one-twentieth the amount of energy needed to produce the same volume of beef. Based on the concept of “Soylution” (soy + solution), Otsuka Pharmaceutical provides solutions for both human health and environmental issues through a range of soy products.
Looking ahead to the Fourth Medium-Term Management Plan

Opportunities and Risks

As a total healthcare company, the Otsuka group conducts activities not only related to diagnosis and medication, but also to contributing to maintaining and improving the health of healthy people. Medical cost inflation due to aging populations and the increasing sophistication of medical treatment are a serious issue for Japan and the rest of the world, and in particular pose a risk to the Pharmaceutical Business. However, from the perspective of the Nutraceutical Business, we regard increased awareness of self-medication, prevention and daily health as an opportunity.

### Pharmaceutical Business

- **Strengths**
  - Providing total healthcare solutions, from diagnosis to treatment.
  - Global R&D and marketing assets in the psychiatry and neurology area, and the cardiovascular and renal area.
  - Presence in the oncology area in Japan.
  - Stable profit in the intravenous solutions business.

- **Weaknesses**
  - Global operations in the oncology business
  - Management personnel for diversifying businesses
  - Patient expiration of mature products
  - Advances in science and technology, progress of basic research related to diseases
  - Promotion of personalized medicine

- **Opportunities**
  - Rising consumer awareness of self-medication, prevention and daily health in tandem with medical cost inflation
  - Diversification of diet
  - Advances in science and technology, progress of basic research related to diseases
  - Promotion of personalized medicine

- **Threats**
  - Global drug price control policies and promotion of generic drug use due to medical cost inflation
  - Intensifying competition in core areas
  - Restrictions on sales promotion activities due to stricter regulations

### Nutraceutical Business

- **Strengths**
  - Creative products and marketing backed by scientific evidence
  - Ability to nurture brands
  - Overseas businesses that incorporate solutions to social issues with their core business processes
  - Steady earnings power

- **Weaknesses**
  - Management personnel for diversifying businesses
  - Cultural differences regarding raw materials and taste preferences

- **Opportunities**
  - Rising consumer awareness of self-medication, prevention and daily health
  - Diversification of diet
  - Sluggish overall beverage market due to unusual weather
  - Intensification of competition in core areas due to entry of new competitors

- **Threats**
  - Steady earnings power
  - Sluggish overall beverage market due to unusual weather
  - Intensification of competition in core areas due to entry of new competitors

Our Approach to Issues

In recent years, Taiho Pharmaceutical, a pioneer in oral oncology products in Japan, has been actively promoting further globalization, mainly by expanding its sales networks in other regions. In addition, group companies, including Otsuka Pharmaceutical, Astex Pharmaceuticals and Taiho Pharmaceutical, are combining their assets to strengthen group-wide global operations, as well as promoting strategic alliances with external partners.

Initiatives in the Pharmaceutical Business

**Psychiatry and Neurology**

Aiming to become a top-class global player in the psychiatry and neurology area, with a high-potential pipeline and product portfolio

Psychiatric diseases such as schizophrenia, bipolar disorder, and major depressive disorder can develop at any age and affect a person’s social life, career, and studies. Moreover, concerns are growing about the increasing frequency of Alzheimer’s-related dementia as populations worldwide continue to age. These diseases affect not just the patient’s quality of life; they also place a strain on family members and caregivers, as well as on the healthcare economy. There are still many psychiatric and neurological diseases for which satisfactory treatments have yet to be established. This is because their causes and mechanisms are not fully understood, which makes the discovery of new drugs extremely difficult.

The Otsuka group entered the psychiatry and neurology area in the 1970s and has continued to take on the challenge of new drug discovery with the goal of contributing to medical needs.

Agitation Associated with Dementia of the Alzheimer’s Type

It is estimated that approximately 3.4 million people* in the U.S. have Alzheimer’s disease, and it is thought that a large number of these patients exhibit some form of behavioral disorder (agitation), such as excessive motor activity, and verbal or physical aggression. This kind of disorder places a burden on patients and caregivers, impacting quality of life. The Otsuka group aims to market the world’s first treatment for agitation associated with dementia of the Alzheimer’s type. Clinical trials are under way on two new drugs with different mechanisms of action, brexpiprazole (REXULTI) and AVP-786.

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* Development project in an unmet needs area (defined by Otsuka based on data from PatientsMap).  ● Project that has advanced in or after fiscal 2018
Oncology
Maximizing business value by combining group strengths

Taiho Pharmaceutical engages in drug discovery, leveraging its long-standing proprietary platform focused on biochemical modulation, as well as drug discovery based on its research platform, such as the newly established Cysteinomix and kinase target drug discovery. Furthermore, through its collaboration with Astex Pharmaceuticals’ fragment-based drug discovery technology, Taiho Pharmaceutical continues to discover new molecular targeting drugs. Meanwhile, centering on external collaborations, Otsuka Pharmaceutical is taking on the challenge of establishing therapies with a focus on the future. This includes creating synergies with new modalities, in areas such as gene-modified T cell therapies and oncolytic virus therapies. Individual group companies are combining their drug discovery technologies and assets to bolster global operations and enhance business value.

Strengths in Drug Discovery at Taiho Pharmaceutical
As a specialty pharmaceutical company in the oncology area, Taiho Pharmaceutical is utilizing its proprietary drug discovery platforms and developing highly-effective, novel anti-cancer agents that contribute to the diversification of cancer treatment. In addition to further developing and enhancing our platform technologies for drug discovery, we are accelerating our R&D by complementing our proprietary technologies through collaborations with research organizations both in and outside Japan. Furthermore, through our corporate venture capital, we have built a proprietary network that gives us access to creative and innovative technologies and drug discovery seeds outside the company. Through research and development of promising new drugs, Taiho Pharmaceutical will contribute to a society enriched by smiles, and pursue the realization of a sustainable society.

Strengths in Drug Discovery at Astex Pharmaceuticals
As an established world leader in fragment-based drug discovery, Astex celebrated its 20th anniversary in 2019. In that time we have created a broad portfolio of programs in oncology and CNS and a successful track record of strategic alliances with pharmaceutical collaborators resulting in two approved anti-cancer agents within the last three years. Our innovative culture and collaborative spirit have continued to flourish as part of the Otsuka group as we have established new collaborations and further developed our technology that we hope will result in many new product approvals in the future.

Cardiovascular and Renal System
Creating first-in-class products through new drug discovery technologies, and medical devices

In the cardiovascular and renal area, in addition to strengthening our proprietary drug discovery platforms, we also plan to actively make growth investments, examples of which have included our business alliance with Akebia Therapeutics for vadadustat, and the acquisition of Visterna, a company with a renal disease-related pipeline. We also strive to find solutions to unmet needs in non-pharmaceutical areas too. We are advancing development of unique medical devices, drawing on our innovative technology and our strengths in drugs and clinical research. Examples include a device for ultrasound renal denervation treatment and a peripheral artery stent system. We aim to create first-in-class products leveraging these new drug discovery technologies and medical devices.

Initiatives in the Nutraceutical Business
Our two research institutes of the Nutraceutical Business investigate themes such as nutrition and exercise from original viewpoints that utilize expertise honed in our Pharmaceutical Business. Their goal is to develop and provide the world with creative products that maintain and improve people’s health and are backed by scientific evidence.

Saga Nutraceuticals Research Institute
Since its establishment in 1984 as Japan’s first private research institute for clinical exercise and nutrition, the Saga Nutraceuticals Research Institute has conducted R&D in various fields related to exercise and nutrition, women’s health, and other health issues. In 2014, one of the largest controlled-environment rooms in Japan was completed at the institute, enabling the recreation of hypoxic environments equivalent to those found at an altitude of 5,000 meters, which were previously difficult to recreate, as well as high-temperature/high-humidity and low-temperature/lowlhumidity conditions. This facility helps advance research into sports nutrition, such as by verifying the effects of fluid and nutritional intake in such environments.

Otsu Nutraceuticals Research Institute
The Otsu Nutraceuticals Research Institute was established in 2000 to advance research on intestinal immunity, with a particular focus on the intestines, which play a key role in overall health. One example of the institute’s research is related to enhancing the body’s biological barrier by increasing the secretion of immunoglobulin A (IgA), an antibody that plays a crucial role in mucosal immunity. Exploratory R&D demonstrated that lactic acid bacteria B240 heightens the function of mucosal immunity and lowers the probability of catching the common cold.

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<th>Indication</th>
<th>Country/Region</th>
<th>Development Status</th>
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<td>guadecitabine</td>
<td>DNA methyltransferase inhibitor</td>
<td>Acute myeloid leukemia</td>
<td>U.S./Europe</td>
<td>Phase I</td>
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<td>Japan</td>
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<td>Japan</td>
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</table>

(As of March 31, 2019)
Beyond 2030

Envisaging a variety of changes, including an increase in aging populations, rapid climate change, and advances in precision medicine* associated with the spread of preventive medicine and genetic testing, the Otsuka group aims to be an indispensable provider of products and services that meet the healthcare needs of the times.

* Therapeutic approaches that achieve greater precision by applying detailed genetic and other information about each patient

Pharmaceutical Business

Driven by the corporate philosophy “Otsuka-people creating new products for better health worldwide,” the Otsuka group aims to achieve highly innovative drug discovery to find solutions for unmet medical needs. With this goal in mind, we engage in drug discovery research through multiple approaches. We will strengthen our proprietary drug discovery platform to be capable of generating new strengths and innovation. This will include utilizing the fragment-based drug discovery technology of Astex Pharmaceuticals, the unique antibody manufacturing platform technology from Visterra, and the cysteinomix drug discovery platform of Taiho Pharmaceutical, as well as building a network with and providing research support to academia and bio-ventures that possess advanced research technologies and drug discovery seeds.

Initiatives for Innovation in Research and Development Areas

- Generate innovation through collaboration and integration of proprietary R&D platforms and technologies in core areas
- Generate results from innovation seeds through various collaborations

Nutraceutical Business

Awareness of health issues is rising, including issues related to aging populations, medical costs, and the spread of infectious diseases. Our goal in the Nutraceutical Business is to support the maintenance and improvement of people’s health worldwide, and thereby contribute to longer healthy life expectancy. To this end, we will utilize the expertise we have cultivated in the Pharmaceutical Business while proposing solutions based on new concepts that address yet-to-emerge needs and social issues. With an eye on changes in the global landscape, we will take on the challenge of creating new value and expanding into new categories and regions by combining cutting-edge scientific and technological developments with our unique business model. Going forward, we will respond to various health-related social issues by continuing to implement health awareness activities that bring those issues to the forefront and offering solutions from each brand. Furthermore, we will promote these activities by strengthening collaborations with external institutions.