The Otsuka Group’s CSR (Corporate Social Responsibility) —Toward Realizing a Sustainable Society—

The Otsuka group recognizes CSR is integrated into our businesses and proactively promotes CSR based on its corporate philosophy.

Corporate Philosophy

Otsuka—people creating new products for better health worldwide

Otsuka’s Goal

To become an indispensable contributor to people’s health worldwide

Otsuka’s CSR Mission

CSR is integrated into our businesses across the Otsuka group of companies, which aims to grow while contributing to the creation of a healthy and sustainable society. We pursue these objectives supported by a comprehensive governance system.

Contribution to a Sustainable Society

Otsuka’s business activities = Solving social issues = CSR

Otsuka—people creating new products for better health worldwide

- Healthier Society (Society) Health, People, Quality in All We Do
- Healthier Planet (Environment) Climate Change, Resource Recycling and Conservation, Water Conservation
- Governance Corporate Governance, Compliance, Risk Management
The Otsuka Group’s Approach to CSR

**Toward Realizing a Sustainable Society**

### Examples of Our Activities

- **Basic CSR**
  - Human resource development
  - Diversity promotion
  - Health management
- **Proactive CSR**
  - Strengthening corporate governance
  - Through compliance
  - Risk identification, evaluation and management
- **Defining CSR**
  - Activities to explain the importance of hydration
  - Otsuka Health Comic Library
- **CSR through Social Contribution**
  - Otsuka’s “One Heart” programs

#### Notes

- To give back to the local community in Indonesia, POCARI SWEAT manufactured bottles with a pattern of three core pillars: SATU HATI Pedal Lingerie (“One Heart for Environment”), SATU HATI Pedal Lingerie (“One Heart for Education”), and SATU HATI Pedal Lingerie (“One Heart for Health”).

**Process for Determining Material Issues**

In 2019, the Otsuka group determined material issues based on their importance to society and to the group’s businesses. These material issues were determined to be: Society (Health, People, Quality in All We Do), Environment (Climate Change, Resource Recycling and Conservation, Water Conservation), and Governance.

<table>
<thead>
<tr>
<th>Materiality</th>
<th>Social Issues</th>
<th>Our Goals</th>
<th>Our Activities</th>
<th>Related SDGs</th>
</tr>
</thead>
</table>
| **Health**  | - Uremic medical and health needs
- Spread of infectious diseases
- Nutritional needs
- Increasing aging issues
| - Contribute to uremic medical and health needs solutions
- Eradication of tuberculosis
- Creation of a system for the realization of a healthy life
- Healthy life extension
| Promotion of R&D for uremic medical and health needs
- R&D of anti-tuberculosis drugs and improvement of drug access
- Support and awareness activities for people’s health maintenance/improvement mainly on exercise and nutrition etc.
| Governance |
| **Environment** | - Global warming
- Environmental load increase
| - FY 2030 Goal: 50% reduction in CO₂ emissions compared to FY 2017
- FY 2030 Goal: 50% or higher content of recycled and plant-based materials in our PET bottles
| - Reduce environmental impact by improving resource efficiency
- Promotion of business activities aimed at a sustainable state in both society and the earth
| **Quality in All We Do** |
| **People** | - Preservation
- Unprepared for diversification
| - Gaining stakeholder trust
- Enhance employee engagement
| Human resource development
- Diversity promotion
| **Resource Recycling and Conservation** |
| - Reducing freshwater availability
| - FY 2030 Goal: Improvement of water use efficiency by 15% compared to FY 2017
| - Understanding water resources risk
- Management and effective use of water resources
| **Society (Healthier Society)** |
| **Process for Determining Material Issues**

Support for the United Nations Global Compact

Otsuka Holdings Co., Ltd. became a signatory to the United Nations Global Compact (UNGC) in 2016. While supporting the UNGC’s 10 principles, we also consider the UN’s Sustainable Development Goals (SDGs) in contributing to the realization of a sustainable society through our business activities.

Based on our belief that CSR is integrated into our businesses across the Otsuka group, we aim to contribute to the realization of a sustainable society by solving social issues through our businesses. Therefore, we are focusing on “CSR connected with business activities” in pursuing sustainable growth and the realization of a healthy and sustainable society, or in other words, the creation of social value, including financial value and ESG aspects.

Also, we recognize that “CSR through social contribution” (which includes donation activities) and “basic CSR” (which includes governance and risk management as the foundation of our business) are indispensable parts of corporate social responsibility. We define CSR broadly as responsible efforts that companies should make to coexist with society and the environment. We are actively advancing those CSR initiatives.

**Materiality**

**Process for Determining Material Issues**

**Quality in All We Do**

**People**

**Society (Healthier Society)**

**Resource Recycling and Conservation**

**Environment (Healthier Planet)**

**Governance**

**Process for Determining Material Issues**