Financial and Non-Financial Highlights

Revenue, Overseas Revenue Ratio

Profit Attributable to Owners of the Company, Return on Equity Attributable to Owners of the Company (ROE)

Total Assets, Ratio of Equity Attributable to Owners of the Company to Total Assets

Annual Dividend per Share, Dividend Payout Ratio

Business Profit, Business Profit Margin

Number of Employees

Number of Female Managers, Female Manager Ratio

R&D Expenses (in Pharmaceutical Business), R&D Ratio

Total CO2 Emissions

Water Usage, Water Use Efficiency

Total Waste Volume

Main Data

With effect from fiscal 2016 (ended December 31, 2016), Otsuka adopted International Financial Reporting Standards (IFRS). Information for fiscal 2015 (ended December 31, 2015) is also presented in line with IFRS.

1. Line items are based on IFRS.
2. J-GAAP expenses under J-GAAP are presented as total expenses less R&D expenses. The Company believes that this information is useful to investors in comparing the Company's financial results under J-GAAP with those under IFRS.
3. Excluding impairment losses.
4. Business profit = Revenue − Cost of sales − Selling, general and administrative expenses + Share of profit of associates − R&D expenses
5. Due to a change in the consolidated fiscal year, fiscal 2014 (ended December 31, 2014) was a transitional period covering the nine months from April 1 to December 31, 2014.
6. As of December 31, 2019, the Company finalized provisional accounting treatments for business combinations. This is reflected in the presentation of figures for the year ended December 31, 2018.
8. Number of employees at 167 companies including Otsuka Holdings Co., Ltd. and its subsidiaries (as of December 31, 2019).

<table>
<thead>
<tr>
<th></th>
<th>J-GAAP</th>
<th>IFRS</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Results of Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (£ billion)</td>
<td>¥1,154.6</td>
<td>¥1,218.1</td>
<td>¥1,452.8</td>
</tr>
<tr>
<td>Selling, general and administrative expenses (£ billion)</td>
<td>457.4</td>
<td>462.2</td>
<td>563.4</td>
</tr>
<tr>
<td>Business profit before R&amp;D expenses (£ billion)</td>
<td>159.2</td>
<td>192.4</td>
<td>249.0</td>
</tr>
<tr>
<td>Ratio of business profit before R&amp;D expenses to revenue (%)</td>
<td>13.8</td>
<td>15.8</td>
<td>17.1</td>
</tr>
<tr>
<td>R&amp;D expenses (£ billion)</td>
<td>12.9</td>
<td>13.9</td>
<td>13.7</td>
</tr>
<tr>
<td>R&amp;D ratio (%)</td>
<td>1.1</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Business profit (£ billion)</td>
<td>170.2</td>
<td>133.1</td>
<td>131.4</td>
</tr>
<tr>
<td>Business profit margin (%)</td>
<td>12.9</td>
<td>8.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Operating profit (£ billion)</td>
<td>148.7</td>
<td>169.7</td>
<td>198.7</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>9.2</td>
<td>12.2</td>
<td>15.0</td>
</tr>
<tr>
<td><strong>Financial Position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets (£ billion)</td>
<td>¥1,666.8</td>
<td>¥1,779.2</td>
<td>¥2,028.4</td>
</tr>
<tr>
<td>Total equity (£ billion)</td>
<td>1,222.8</td>
<td>1,325.1</td>
<td>1,510.8</td>
</tr>
<tr>
<td>Ratio of equity attributable to owners of the Company to total assets (%)</td>
<td>72.5</td>
<td>73.7</td>
<td>73.2</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>7.8</td>
<td>9.7</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Cash Flows</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flows from operating activities (£ billion)</td>
<td>¥147.6</td>
<td>¥119.3</td>
<td>¥226.5</td>
</tr>
<tr>
<td>Net cash flows from (used in) investing activities (£ billion)</td>
<td>(107.6)</td>
<td>(91.2)</td>
<td>(108.5)</td>
</tr>
<tr>
<td>Free cash flows (£ billion)</td>
<td>40.0</td>
<td>28.1</td>
<td>117.9</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual dividend per share (£)</td>
<td>¥45</td>
<td>¥58</td>
<td>¥65</td>
</tr>
<tr>
<td>Dividend payout ratio (%)</td>
<td>27.2</td>
<td>26.1</td>
<td>23.4</td>
</tr>
<tr>
<td><strong>Common Stock, Stock Price</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of shares outstanding at year-end (Thousand shares)</td>
<td>557,836</td>
<td>557,836</td>
<td>557,836</td>
</tr>
<tr>
<td>Stock price at year-end (£)</td>
<td>2,450</td>
<td>3,300</td>
<td>3,087</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (Persons)</td>
<td>24,595</td>
<td>25,330</td>
<td>28,288</td>
</tr>
<tr>
<td>Japan (Persons)</td>
<td>13,808</td>
<td>13,732</td>
<td>14,116</td>
</tr>
<tr>
<td>Outside Japan (Persons)</td>
<td>10,787</td>
<td>11,598</td>
<td>14,172</td>
</tr>
</tbody>
</table>

1. J-GAAP expenses under J-GAAP are presented as total expenses less R&D expenses. The Company believes that this information is useful to investors in comparing the Company's financial results under J-GAAP with those under IFRS.
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Corporate Information, Global Network

Corporate Profile
(As of December 31, 2019)

<table>
<thead>
<tr>
<th>Name</th>
<th>Otsuka Holdings Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established</td>
<td>July 8, 2008</td>
</tr>
<tr>
<td>Capital</td>
<td>¥81.69 billion</td>
</tr>
<tr>
<td>Head Office</td>
<td>2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0045, Japan</td>
</tr>
<tr>
<td>Tokyo Headquarters</td>
<td>Shinagawa Grand Central Tower, 2-16-4 Konan, Minato-ku, Tokyo 108-8241, Japan</td>
</tr>
<tr>
<td>Telephone</td>
<td>+81-3-6717-1410</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>104 (Consolidated: 32,992)</td>
</tr>
<tr>
<td>Business Description</td>
<td>Control, management and related activities with respect to the Company's subsidiaries and affiliates operating in pharmaceutical, nutraceutical, consumer product, and other businesses.</td>
</tr>
</tbody>
</table>

Global Network
(As of December 31, 2019)

Otsuka operates in 31 countries/regions

- Europe: 39 companies
- North America: 50 companies
- South and Central America: 33 companies
- Asia: 68 companies
- Middle East: 6 companies
- Africa: 3 companies

Company Organization
(As of April 1, 2020)

- Global Headquarters: 2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0045, Japan
- Branch Offices:
  - Osaka, Japan
  - New York, USA
  - London, UK
  - Tokyo, Japan
  - Shanghai, China

Otsuka Pharmaceutical Co., Ltd.
- A total healthcare company supporting well-being for the whole body, from the treatment of diseases to the promotion of everyday health
- Under the corporate philosophy “Otsuka-people creating new products for better health worldwide,” Otsuka Pharmaceutical operates in two core businesses: the Pharmaceutical Business, which provides breakthrough treatments for patients around the world, and the Nutraceutical Business, which supports the maintenance and promotion of everyday health.

Otsuka Pharmaceutical Factory, Inc.
- Original company of the Otsuka group, and a leader in UV solutions in Japan with more than 70 years of experience in the field
- Based on its management vision of being “The Best Partner in Clinical Nutrition,” Otsuka Pharmaceutical Factory creates innovative products that meet a variety of needs, including pharmaceuticals, medical devices, oral rehydration solutions and other medical foods, and OTC pharmaceuticals.

Taiho Pharmaceutical Co., Ltd.
- A pioneer of oral anticancer agents in Japan for half a century
- “We strive to improve human health and contribute to a society worthy of smiles.” —This is the corporate philosophy of Taiho Pharmaceutical, an R&D-driven specialty pharmaceutical company focusing on the fields of oncology, allergy and immunology, and urology. In the oncology field in particular, Taiho Pharmaceutical is recognized as one of Japan’s leading companies and is actively expanding its global presence. In the consumer healthcare business, it seeks insights into people, and focuses on creating new products better attuned to their lifestyles.

Otsuka Warehouse Co., Ltd.
- Contributing to people's health worldwide in the field of logistics
- Since its founding, Otsuka Warehouse has operated businesses with an emphasis on pharmaceutical and food product logistics. This includes building a common distribution platform for the Otsuka group’s three core categories: pharmaceuticals, foods and beverages, and daily wares. In recent years, Otsuka Warehouse has been working to extend its logistics solutions to outside the group.

Otsuka Chemical Co., Ltd.
- Creatively giving shape to the power of materials for the future, together with customers
- With materials at the core of its operations, Otsuka Chemical aims for continuous technological innovation that leads to the creation of products that enable higher standards of living. Otsuka Chemical provides products to global markets in automotive, electrical and electronic equipment, housing, building and construction sectors, health care, information technology businesses, the energy and composite material business, and the pharmaceutical intermediates and active pharmaceutical ingredients (API) business.

Otsuka Foods Co., Ltd.
- Creating high-value-added products that offer new dietary lifestyles since 1955
- Otsuka Foods operates under the motto “The company begins with people and food begins with spirit,” with “deliciousness, safety, peace of mind, and better health” at the heart of the “spirit of food” shared by all employees.

Otsuka Medical Devices Co., Ltd.
- Introducing new technologies that make Otsuka’s medical devices business unique
- Otsuka Medical Devices seeks to grow the medical devices business, which operates mainly in Japan, China, and other Asian countries, into a core business for the Otsuka group. Otsuka Medical Devices is achieving further growth by bringing together the group’s experience and knowhow in medical devices in order to integrate the latest technology into new devices that meet emerging healthcare needs.

Otsuka Group Corporate Philosophy
Otsuka-people creating new products for better health worldwide

Overview
The Otsuka group of companies, whose origins date back to 1921, aims to contribute to the health of people around the world. It aims to do so through two main pillars: the pharmaceutical business for the diagnosis and treatment of diseases and the nutraceutical business to support the maintenance and promotion of everyday health.

The company’s culture, summarized in a few words as “Ryokan-edo” (by sweat we recognise the way), “Jinba” (acclimation) and “Soushu” (straightening), have been fostered by successive Otsuka leaders. These are amplified by our 47,000 employees across 195 group companies in 31 countries and regions who strive to create and market unique products and services.

Organizational Structure

Otsuka Holdings
Otsuka Pharmaceutical
Otsuka Pharmaceutical Factory
Taiho Pharmaceutical
Otsuka Warehouse
Otsuka Chemical
Otsuka Foods
Otsuka Medical Devices

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Otsuka Holdings Co., Ltd. INTEGRATED REPORT 2019

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Otsuka Holdings Co., Ltd. INTEGRATED REPORT 2019
Disclosure by the Otsuka Group

The Otsuka group provides an overview of financial and non-financial information through this integrated report. Visit the Otsuka Holdings website for additional information, including consolidated financial statements, financial results presentations and supplementary documents, and information about research and development.

Website
https://www.otsuka.com/en/

Investor Relations

The Otsuka's CSR

About the Integrated Report
Beginning with the fiscal 2017 edition, Otsuka Holdings has combined its Annual Report and CSR Report into a single integrated report that brings together financial information and non-financial information. We hope it deepens stakeholders' understanding of the group in its aim to become an indispensable contributor to people's health worldwide.

Reporting Period
Fiscal 2019 (January 1, 2019 to December 31, 2019):
Note that certain information from January 2020 onward is also included.

Scope of Reporting
In principle, this report covers Otsuka Holdings Co., Ltd. and its subsidiaries ("the Otsuka group"). Where the scope of activities or data is narrower, details are noted.

Guidelines Referenced
• International Integrated Reporting Framework, International Integrated Reporting Council (IRC)
• GRI/Sustainability Reporting Standards, Global Reporting Initiative (GRI)
• ISO 26000
• Environmental Reporting Guidelines 2018, Ministry of the Environment
• Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
• Other guidelines

Cautions Regarding Forward-Looking Statements
This integrated report summarizes the operating and financial results of Otsuka Holdings Co., Ltd. and its subsidiaries for fiscal 2019 (January 1, 2019 to December 31, 2019). It also includes information regarding select material events that occurred between January 1, 2020 and the date of publication. The report contains forward-looking statements pertaining to plans, projections, strategies, and prospects for the Otsuka group of companies. These statements are based upon current analysis and beliefs in light of the information available on the issuing date of the report. Actual results may therefore differ due to the risks and uncertainties that may affect Otsuka group operations.

Medical Information
In this integrated report, for the sake of readability a unified brand name is used when a product has different brand names in different countries or regions. Therefore, these products may not be available in all countries, or may be available under different brand names, for different indications, or regions. Therefore, these products may not be available in all countries, or may be available under different brand names, for different indications, in different dosages and strengths.

Please note that the information regarding pharmaceutical products (including products under development) is not intended for advertising or promotional purposes, or as medical advice.