

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.

Item ¹	(Unit)	J-GAAP			IFRS		
		2013.3	2014.3	2014.12 ⁷	2015.12	2016.12	2017.12
Results of Operations							
Revenue	(¥ billion)	¥1,218.1	¥1,452.8	¥1,224.3	¥1,427.4	¥1,195.5	¥1,240.0
Selling, general and administrative expenses ^{2,3}	(¥ billion)	462.2	563.4	508.6	617.5	519.5	531.4
Business profit before R&D expenses	(¥ billion)				369.8	285.7	305.4
Ratio of business profit before R&D expenses to revenue	(%)				25.9	23.9	24.6
R&D expenses ³	(¥ billion)	192.4	249.0	172.9	199.6	152.6	174.0
R&D ratio	(%)	15.8	17.1	14.1	14.0	12.8	14.0
Business profit ⁴	(¥ billion)				170.2	133.1	131.4
Business profit margin	(%)				11.9	11.1	10.6
Operating profit	(¥ billion)	169.7	198.7	196.5	148.9	101.1	104.2
Operating profit margin	(%)	13.9	13.7	16.1	10.4	8.5	8.4
Profit attributable to owners of the Company	(¥ billion)	122.4	151.0	143.1	102.0	92.6	112.5
EPS	(Yen)	221.9	278.1	264.2	188.2	170.8	207.6
Percentage of revenue from overseas	(%)	51.1	56.8	61.8	56.4	47.8	48.5
Financial Position							
Total assets	(¥ billion)	¥1,779.2	¥2,028.4	¥2,178.2	¥2,575.3	¥2,478.3	¥2,480.3
Total equity	(¥ billion)	1,325.1	1,510.8	1,658.6	1,727.4	1,738.4	1,822.0
Ratio of equity attributable to owners of the Company to total assets	(%)	73.7	73.2	74.7	66.0	69.0	72.3
ROE	(%)	9.7	10.8	9.2	6.1	5.4	6.4
ROA ⁵	(%)	10.3	11.0	10.0	6.2	4.6	4.2
ROIC ⁶	(%)	9.1	10.1	8.6	5.2	4.0	5.6
Cash Flows							
Operating cash flow before R&D investments	(¥ billion)	¥ 304.5	¥ 468.9	¥ 257.8	¥ 455.1	¥ 304.6	¥ 270.7
Net cash flows from operating activities	(¥ billion)	119.3	226.5	88.5	257.9	142.0	102.8
Net cash flows from (used in) investing activities	(¥ billion)	-91.2	-108.5	-28.7	-422.6	-135.1	-40.1
Free cash flows	(¥ billion)	28.1	117.9	59.9	-164.7	6.9	62.8
Dividends							
Annual dividend per share	(Yen)	¥ 58	¥ 65	¥ 75	¥ 100	¥ 100	¥ 100
Dividend payout ratio	(%)	26.1	23.4	28.4	53.1	58.5	48.2
Common Stock, Stock Price							
Number of shares outstanding at year-end	(Thousand shares)	557,836	557,836	557,836	557,836	557,836	557,836
Stock price at year-end	(Yen)	¥ 3,300	¥ 3,087	¥ 3,617	¥ 4,317	¥ 5,093	¥ 4,948
Number of Employees¹¹							
Total	(Persons)	25,330	28,288	29,482	31,940	31,787	32,817
Japan	(Persons)	13,732	14,116	14,285	14,082	13,909	13,880
Outside Japan	(Persons)	11,598	14,172	15,197	17,858	17,878	18,937

1. Line items are based on IFRS.

2. SG&A 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 - SG&A expenses + Share of profit of associates - R&D expenses

5. ROA = Pretax profit of the fiscal year / Total assets (Average of the beginning and end of the fiscal year)

6. Until the fiscal year ended March 31, 2014, the calculation of profit was realized by using profit attributable to owners of the Company, in line with Japanese standards. Starting from the fiscal year ended December 31, 2014, profit is calculated using net operating profit after tax (NOPAT).

7. 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.

8. 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.

9. Due to the application of IAS 12 "Income Taxes" (amended in May 2021), results for the fiscal year ended December 31, 2022, have been retrospectively restated.















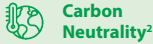







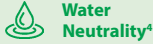


10. Calculated at ¥141.82 = US\$1 (closing rate at the end of the period).

11. Number of employees including Otsuka Holdings Co., Ltd. and its subsidiaries (As of December 31, 2023)

Main Data

Item ¹	(Unit)	IFRS						(Unit)	2023.12 ¹⁰
		2018.12 ⁸	2019.12	2020.12	2021.12	2022.12 ⁹	2023.12		
Results of Operations									
Revenue	(¥ billion)	¥1,292.0	¥1,396.2	¥1,422.8	¥1,498.3	¥1,738.0	¥2,018.6	(US\$ million)	\$14,234
Selling, general and administrative expenses ³	(¥ billion)	552.8	557.6	562.4	622.3	724.1	807.4	(US\$ million)	5,693
Business profit before R&D expenses	(¥ billion)	313.8	403.0	433.7	389.4	450.1	620.4	(US\$ million)	4,375
Ratio of business profit before R&D expenses to revenue	(%)	24.3	28.9	30.5	26.0	25.9	30.7	(%)	30.7
R&D expenses ³	(¥ billion)	192.9	215.8	216.8	232.3	275.2	307.8	(US\$ million)	2,170
R&D ratio	(%)	14.9	15.5	15.2	15.5	15.8	15.2	(%)	15.2
Business profit ⁴	(¥ billion)	120.9	187.2	216.9	157.1	174.9	312.6	(US\$ million)	2,204
Business profit margin	(%)	9.4	13.4	15.2	10.5	10.1	15.5	(%)	15.5
Operating profit	(¥ billion)	108.3	176.6	198.6	154.5	150.3	139.6	(US\$ million)	984
Operating profit margin	(%)	8.4	12.6	14.0	10.3	8.6	6.9	(%)	6.9
Profit attributable to owners of the Company	(¥ billion)	82.5	127.2	148.1	125.5	133.9	121.6	(US\$ million)	857
EPS	(Yen)	152.2	234.6	273.2	231.3	246.8	224.1	(US\$)	158
Percentage of revenue from overseas	(%)	50.0	50.6	53.6	56.8	62.3	66.8		
Financial Position									
Total assets	(¥ billion)	¥2,477.4	¥2,581.3	¥2,627.8	¥2,820.9	¥3,102.6	¥3,361.2	(US\$ million)	\$23,700
Total equity	(¥ billion)	1,732.3	1,795.4	1,883.4	2,045.2	2,262.4	2,436.3	(US\$ million)	17,719
Ratio of equity attributable to owners of the Company to total assets	(%)	68.8	68.4	70.5	71.3	71.7	71.2	(%)	71.2
ROE	(%)	4.7	7.3	8.2	6.5	6.3	5.3	(%)	5.3
ROA ⁵	(%)	4.4	6.9	7.3	6.0	5.8	4.4	(%)	4.4
ROIC ⁶	(%)	4.3	6.6	7.6	5.6	5.1	4.8	(%)	4.8
Cash Flows									
Operating cash flow before R&D investments	(¥ billion)	¥ 344.9	¥ 398.3	¥ 438.4	¥ 448.7	¥ 473.7	¥ 576.2	(US\$ million)	\$ 4,063
Net cash flows from operating activities	(¥ billion)	135.8	192.6	232.8	228.9	211.8	283.2	(US\$ million)	1,997
Net cash flows from (used in) investing activities	(¥ billion)	-93.3	-52.3	-99.9	-95.3	-81.6	-190.5	(US\$ million)	-1,343
Free cash flows	(¥ billion)	42.5	140.4	133.0	133.6	130.3	92.7	(US\$ million)	654
Dividends									
Annual dividend per share	(Yen)	¥ 100	¥ 100	¥ 100	¥ 100	¥ 100	¥ 110	(US\$)	\$ 0.78
Dividend payout ratio	(%)	65.7	42.6	36.6	43.2	40.5	49.1	(%)	49.1
Common Stock, Stock Price									
Number of shares outstanding at year-end	(Thousand shares)	557,836	557,836	557,836	557,836	557,836	557,836	(Thousand shares)	557,836
Stock price at year-end	(Yen)	¥ 4,493	¥ 4,883	¥ 4,418	¥ 4,169	¥ 4,305	¥ 5,289	(US\$)	\$ 37.29
Number of Employees¹¹									
Total	(Persons)	32,935	32,992	33,151	33,226	33,482	34,388	(Persons)	34,388
Japan	(Persons)	13,757	13,356	13,319	13,196	13,167	13,362	(Persons)	13,362
Outside Japan	(Persons)	19,178	19,636	19,832	20,030	20,315	21,026	(Persons)	21,026

Materiality (Material Issues through FY2023)

Materiality	Social Issues	Our Goals	Our Activities	Related SDGs	
 <p>Society (Healthier Society)</p>	 <p>Health</p>	<ul style="list-style-type: none"> ① Unmet medical and health needs ② Spread of infectious diseases ③ Nutritional needs ④ Increase in issues caused by population aging 	<ul style="list-style-type: none"> • Contribution to the resolution of unmet needs • Eradication of tuberculosis • Creation of a system for the realization of healthy lifestyles • Healthy life extension 	<ul style="list-style-type: none"> • Promotion of R&D to address unmet needs • R&D of anti-tuberculosis drugs and improvement of drug access • Support and awareness activities for people's health maintenance and improvement, focusing mainly on exercise and nutrition. • Promotion of problem solving by strengthening partnerships 	   
	 <p>People</p>	<ul style="list-style-type: none"> ⑤ Presenteeism¹ ⑥ Lack of response to diversification 	<ul style="list-style-type: none"> • Creation of a corporate culture that stimulates creativity • Enhance employee engagement 	<ul style="list-style-type: none"> • Human resource development • Diversity promotion • Health and productivity management 	   
	 <p>Quality in All We Do</p>	<ul style="list-style-type: none"> ⑦ Consumption and production that impairs sustainability 	<ul style="list-style-type: none"> • Gaining stakeholder trust • Pursuing sustainability at all levels of the value chain • Establishing a quality assurance system for safety and security 	<ul style="list-style-type: none"> • Sustainable procurement and product design • Thorough quality control and stable supply • Responsible promotional activities and information provision • Deepening communication with stakeholders • Promotion of "Consumer-oriented management" 	
 <p>Environment (Healthier Planet)</p>	 <p>Carbon Neutrality²</p>	<ul style="list-style-type: none"> ⑧ Global warming 	<ul style="list-style-type: none"> • 2028 target: Reduce 50% in CO₂ emissions compared to 2017 	<ul style="list-style-type: none"> • Reduce 50% in CO₂ emissions throughout the value chain 	     
	 <p>Circular Economy³</p>	<ul style="list-style-type: none"> ⑨ Environmental load increase 	<ul style="list-style-type: none"> • 2028 target: Reduce 50% in simple incineration and landfill disposal compared to 2019 • 2030 target: 100% content of recycled and plant-based materials in our PET bottles 	<ul style="list-style-type: none"> • Reduce environmental impact by improving resource efficiency • Promotion of business activities aimed at sustainability for both society and the earth 	
	 <p>Water Neutrality⁴</p>	<ul style="list-style-type: none"> ⑩ Reduced freshwater availability due to water resource risks 	<ul style="list-style-type: none"> • 2028 target: Expand the plant water management program to all locations globally • 2028 target: Develop a water use strategy for business locations in water-stressed areas 	<ul style="list-style-type: none"> • Risk analysis and understanding of sustainable water use • Management and effective use of water resources 	
 <p>Governance</p>	<ul style="list-style-type: none"> ⑪ Fragile governance system ⑫ Social change risk 	<ul style="list-style-type: none"> • Long-term improvement of corporate value 	<ul style="list-style-type: none"> • Strengthening corporate governance • Thorough compliance • Risk identification, evaluation and management 		

1. A situation in which, despite coming in to work, productivity does not increase due to the employee's poor mental and physical condition

2. To reduce CO₂ emissions from business activities to substantially zero (calculated by subtracting uptake from emissions)

3. To establish an economic system that recycles resources by reusing waste discharged from business activities as new raw materials

4. To reduce the impact of water intake and discharge from business activities on water resources to zero

Social Issues	FY2023 Goals	FY2023 Results
1	<ul style="list-style-type: none"> Promotion of R&D for unmet needs <ul style="list-style-type: none"> Address unmet needs in the psychiatry and neurology areas Create first-in-class products in the oncology area Create first-in-class products in the cardiovascular and renal area In areas with unmet needs <ul style="list-style-type: none"> New development projects: 10 or more Late-phase development projects advancing to the next phase: 30 or more 	<ul style="list-style-type: none"> In areas with unmet needs <ul style="list-style-type: none"> New development projects: 30 projects¹ Late-phase development projects advancing to the next phase: 40 projects
2	<ul style="list-style-type: none"> Provide delamanid for more than 60,000 cases Supply delamanid for pediatric patients Launch a clinical trial for new treatment regimen Increase access to delamanid by collaborating with partners 	<ul style="list-style-type: none"> Provided delamanid for 100,000 cases ahead of schedule, in more than 120 countries/regions Obtained promising interim analysis results for 3-drug regimen that includes the new anti-tuberculosis drug quabodepistat and delamanid with the support of the Bill & Melinda Gates Foundation Launched phase 2b/c trials of 4-drug regimen that includes the new anti-tuberculosis drug quabodepistat and delamanid (Pan-TB collaboration)
3	<ul style="list-style-type: none"> Challenge new categories and new areas Create new systems and reinforce existing systems for the realization of healthy lifestyles Create new concepts and products keeping an eye on changes in environments 	<ul style="list-style-type: none"> Have conducted test sales of <i>POCARI SWEAT</i> in one area of Nigeria since 2022. Expanded into the U.S. in 2023. Raised awareness of proper hydration and electrolyte replenishment Continued to hold Women's Health Seminars More than 30 years of publishing the Otsuka Health Comic Library
6	<ul style="list-style-type: none"> Further instill the corporate culture and philosophy Build systems for ongoing human resource development aligned with changes in society and the times Further promote and instill diversity as a source of innovation Build new systems to maintain more comfortable working environments 	<ul style="list-style-type: none"> Continued executive human resource development program Launched Digital Reskilling Program Continued to hold AI / Machine Learning Forum and Digitalization Promotion Case Sharing webinar
7	<ul style="list-style-type: none"> Suppliers implementing self-assessment questionnaire (SAQ): 196 Pursuing sustainability at all levels of the value chain Sustainable procurement Conduct supplier briefings: For 160 suppliers Original goal: Over 30 times/companies by fiscal 2023 	<ul style="list-style-type: none"> Number of companies implementing (SAQ): 597 (577 in Japan, 20 overseas)² Number of companies participating in on-demand information sessions for suppliers: 583² Had outside instructors conduct employee training Held a group-wide Global Quality, Production, Supply Chain, and Environment Meeting
8	<ul style="list-style-type: none"> Reduce CO₂ emissions by introducing renewable energy and maximizing energy efficiency Reduce CO₂ emissions throughout the value chain 	<ul style="list-style-type: none"> Established an integrated energy service system to centralize energy management in Japan
9	<ul style="list-style-type: none"> Reduce environmental impact through enhanced resource efficiency Promote business activities that aim for social and environmental sustainability 	<ul style="list-style-type: none"> Expanded sales of PET bottles using recycled PET resin Promoted horizontal recycling of PET bottles
10	<ul style="list-style-type: none"> Analyze and ascertain risks regarding sustainable water usage Ensure effective use and management of water resources 	<ul style="list-style-type: none"> Implemented water source management programs at three sites
12	<ul style="list-style-type: none"> Strengthen corporate governance to further raise effectiveness Build a governance system capable of global business development and response to various changes Build a system to strengthen compliance within the group 	<ul style="list-style-type: none"> Carried out activities for directors to raise effectiveness Board of Directors meeting attendance rate: 100% Formulated Otsuka Group Business Partner Code of Ethics (2024) Conducted training to develop cybersecurity personnel

1. Cumulative total since 2019
2. Achieved in 2023

Investor FAQ

For details of the 4th Medium-Term Management Plan, please visit our website.

<https://www.otsuka.com/en/ir/management/plan.html>



Here, we answer questions commonly received from individual investors and other stakeholders.

Q1 Please tell us about your response to the loss of exclusivity (patent cliff) for ABILIFY MAINTENA and JINARC.

During the period of the 4th Medium-Term Management Plan (MTMP), we will enter a temporary adjustment phase due to the loss of exclusivity for *Abilify Maintena*, *Samsca*, *JINARC/JINARQUE*, and others. However, our aim is to limit the duration of this adjustment phase and rapidly return to a growth phase with double-digit business growth by establishing new growth drivers backed by Core 2 (*REXULTI* and *LONSURF*), the products that will drive growth in the 4th MTMP, as well as by new product lines. Please refer to page 32 of this report and the content of our 4th MTMP presentations for more details about Core 2.

Q2 Tell us about the elements of your pipeline that you will be focusing on going forward in the Pharmaceutical Business.

Our focus is on making Global 10 Plus 2 products our growth drivers for the next generation so that we can achieve sustainable growth. In particular, we are developing Next 8 products as part of our pipeline, promising growth during the 4th and 5th MTMP periods. Please refer to page 32 of this report and the content of our 4th MTMP presentations for more details about Next 8, including the constituent products.

Q3 What is your business plan for the Ultrasound Renal Denervation (*uRDN*) system?

The *uRDN* system was first approved by the FDA as an adjunctive treatment option for hypertension in the U.S. in November 2023. Currently, we are focusing on raising awareness of this new treatment option with the goal of obtaining broad insurance reimbursement in the U.S. In the first two days after approval, several patients were treated with *uRDN* and the system has been gradually spread across the U.S. We expect broad insurance reimbursement to take two to three years, after which we plan to make a strategic marketing introduction. Going forward, Otsuka will accelerate the development of the medical device market in the U.S. while leveraging our group's expertise in the pharmaceutical business.

Q4 What are your plans for royalty income from strategically licensed products allocated to other companies, such as *Kisqali* and *Pluvicto*?

We consider sales forecasts with reference to publicly available values regarding licensee companies and external forecasts such as reports issued by securities firms, and make plans accordingly.

Q5 How do you see the Nutraceutical Business growing in the future?

The Nutraceutical Business will grow as a result of expanding sales revenue through global development of existing brands such as *POCARI SWEAT*, and as a result of maintaining a high business profit margin while making

investments to enhance the value of unique brands such as plant-based products and women's health. In the 4th MTMP, we divide growth drivers into three categories from the viewpoint of social issues, and we will continue to evolve to provide appropriate solutions to tackle needs that have yet to be imagined by consumers, in terms of prevention and health promotion. Please refer to page 39 of this report and the content of our 4th MTMP presentations for more details about these three categories. As a global company with flexibility, we aim to further expand the scale of our business and improve profitability by setting a challenge goal for our Nutraceutical Business of more than 1 trillion yen in sales revenue by 2035.

Q6 What kind of actions will you be taking as part of "business management with a corporatewide awareness of capital cost"?

During the 4th MTMP period, we will aim to improve ROIC by setting the cost of capital at 6%. Here, maximizing cash return from operations and optimizing invested capital are key measures. Cash return will be maximized by setting KPIs that match business characteristics, growth market areas, and other business developments, and by integrating KPI management into our business activities. We will also practice continuous cost control and upgrading of shared services in each area. Meanwhile, invested capital will be optimized by improving asset efficiency through the utilization of business assets based on reinforced investment discipline and strengthening control of business assets with a view to total optimization for the whole group. In addition, we will reduce interest-bearing debt and improve financial efficiency by controlling the standby capital required for business operations through the use of intra-group financing, while balancing financial stability by diversifying fund procurement.

Q7 What is your shareholder return policy?

Our basic policy on shareholder returns is to provide stable and consistent dividends. While placing emphasis on dividend continuity and stability, we carefully consider the amount of dividends by comprehensively taking into account internal reserves required for investment in growth, our financial condition, and optimal capital structure. Thanks to our growth investments, we are now able to expect sustainable growth ahead, we have decided to increase the dividend to 60 yen per share beginning at the year-end dividend for fiscal 2023. As for the interim and year-end dividends in fiscal 2024, we plan for both to be 60 yen per share, resulting in a stable and continuous total annual dividend of 120 yen per share. In addition, Otsuka Holdings plans to repurchase approximately 50 billion yen of its own shares during the 4th MTMP period (as of July 2024). Going forward, we will maintain the stable dividends we have paid so far and focus on further shareholder returns.

Group Structure / Global Network / Corporate Information / Overview of Main Operating Companies

Philosophy



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^{*1} business to support the maintenance and promotion of everyday health.

The company's culture, summarized in a few words as, "Ryukan-godo" (by sweat we recognize the way), "Jissho" (actualization) and "Sozosei" (creativity), have been fostered by successive Otsuka leaders. These are emphasized by our 34,000^{*2} employees across 168 group companies in 32 countries and regions who strive to create and market unique products and services.

*1. Nutraceuticals: nutrition + pharmaceuticals *2. As of end of December, 2023. Otsuka Holdings and consolidated subsidiaries.

Organizational Structure



Global Network (As of December 31, 2023)

Otsuka operates in

32 countries/regions Europe **36** companies Asia, Middle East, Oceania, etc. **61** companies
168 companies Japan **34** companies North America **36** companies South and Central America **1** company

Corporate Information (As of December 31, 2023)

Company Name	Otsuka Holdings Co., Ltd.
Established	July 8, 2008
Capital	¥81.69 billion
Head Office	2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan
Tokyo Headquarters	Shinagawa Grand Central Tower, 2-16-4 Konan, Minato-ku, Tokyo 108-8241, Japan
Telephone	+81-3-6717-1410
Number of Employees	154 (Consolidated: 34,388)
Business Description	Control, management and related activities with respect to the Company's subsidiaries and affiliates operating in pharmaceutical, nutraceutical, consumer product, and other businesses

Overview of Main Operating Companies

Otsuka Pharmaceutical Co., Ltd.	<p>A total healthcare company supporting well-being for the whole body, from the treatment of diseases to the promotion of everyday health</p> <p>Under the corporate philosophy "Otsuka-people creating new products for better health worldwide," Otsuka Pharmaceutical operates with two core businesses to benefit people's health: the Pharmaceutical Business, which provides new pharmaceuticals for the treatment of diseases, and the Nutraceutical Business, which provides products to help people maintain and improve their health.</p>
Otsuka Pharmaceutical Factory, Inc.	<p>Original company of the Otsuka group, and a leader in IV solutions in Japan with more than 75 years of experience in the field</p> <p>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. The company operates globally, with a focus on Japan and the rest of Asia.</p>
Taiho Pharmaceutical Co., Ltd.	<p>Half a century of working in the field of oncology, for patients and people worldwide</p> <p>Taiho Pharmaceutical is an R&D-driven specialty pharma focusing on the two fields of oncology, and allergy and immunology. Its corporate philosophy is "We strive to improve human health and contribute to a society enriched by smiles." In the oncology field in particular, Taiho Pharmaceutical is known as one of the leading companies in Japan, actively promoting globalization as well. In its consumer healthcare business, Taiho Pharmaceutical strives to create products that support a loving and affluent lifestyle with people's needs as its utmost priority.</p>
Otsuka Warehouse Co., Ltd.	<p>Contributing to people's health worldwide in the field of logistics</p> <p>Since its founding, Otsuka Warehouse has developed businesses with an emphasis on pharmaceutical and food product logistics. This includes constructing a shared platform that is tailored to the Otsuka group's three business domains—pharmaceuticals, foods and beverages, and daily necessities—and providing optimal logistics solutions through joint distribution with external manufacturers. In recent years, Otsuka Warehouse has utilized IT to achieve Connected Logistics, and is striving to reform its distribution solutions.</p>
Otsuka Chemical Co., Ltd.	<p>Creatively giving shape to the power of materials together with its customers</p> <p>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, and healthcare areas through its main segments of the hydrazine business, the functional polymer business, the inorganic and composite materials business, and the pharmaceutical intermediates and active pharmaceutical ingredient (API) business.</p>
Otsuka Foods Co., Ltd.	<p>Creating deliciousness, safety, peace of mind and better health, knowing that food begins with spirit</p> <p>Otsuka Foods has been delivering revolutionary products for new dietary styles since 1955. Its motto is "the company begins with people and food begins with spirit." With this in mind, everyone at Otsuka Foods brings a spirit of food focused on deliciousness, safety, peace of mind and better health to the company's business. With food and health as its main themes, the company is striving to create and propose revolutionary products that meet social needs, aiming to bring people all the joy and happiness that come with good health. In doing so, Otsuka Foods seeks to achieve sustainable growth by contributing to society.</p>
Otsuka Medical Devices Co., Ltd.	<p>Developing innovative treatment methods and creating new value</p> <p>Since its establishment in February 2011, Otsuka Medical Devices has focused on developing unique solutions that improve the health and wellbeing of patients whose medical needs and conditions cannot yet be fulfilled by existing treatment methods. To achieve its aspiration of becoming a pioneer in the medical device industry, the company combines global R&D efforts with the technology and drug discovery know-how inherent within the Otsuka group's heritage.</p>

Visit the website for the organization chart.

<https://www.otsuka.com/en/company/overview/organization.html>

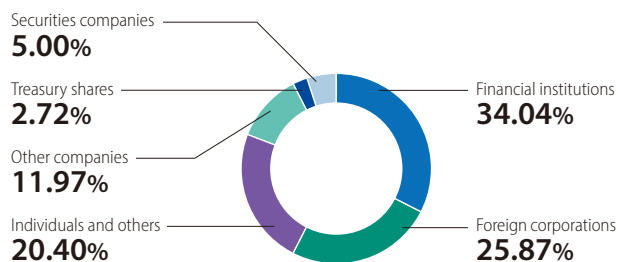
Stock Information

(As of December 31, 2024)

Stock Information

Number of shares authorized	1,600,000,000 shares
Number of shares issued	557,835,617 shares
Number of shareholders	85,818

Stock Distribution



Principal Shareholders (Top 10)

Name of Shareholders	Number of shares held (thousand)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	72,660	13.38
The Nomura Trust and Banking Co., Ltd. Otsuka Founders Shareholding Fund Trust Account	55,457	10.21
Custody Bank of Japan, Ltd. (trust account)	26,409	4.86
Otsuka Group Employee Shareholding Fund	13,438	2.47
The Awa Bank, Ltd.	10,970	2.02
STATE STREET BANK WEST CLIENT - TREATY 505234	10,646	1.96
STATE STREET BANK AND TRUST COMPANY 505001	10,112	1.86
SMBC Nikko Securities Inc.	9,581	1.76
Otsuka Asset Co., Ltd.	7,380	1.35
JP MORGAN CHASE BANK 385781	6,998	1.28

Notes: 1. Number of shares held is rounded down to the nearest thousand.
 2. Although the Company holds 15,149,580 of its own shares, treasury shares are excluded from the above list.
 3. Shareholding ratio is calculated after treasury shares are deducted.

External Evaluation of IR Activities

- Gomez Awarded the Silver prize in the IR site ranking 2023
- Gomez Selected as an Excellent company in the ESG site ranking 2023

ESG-related indices

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index

Major IR Activities

Shareholders' Meeting

	FY2023 Results
Number of attendees at Shareholders' Meeting	362
Attendees in online livestream at Shareholders' Meeting	211
Percentage of voting rights exercised	83.61%



Shareholders' Meeting

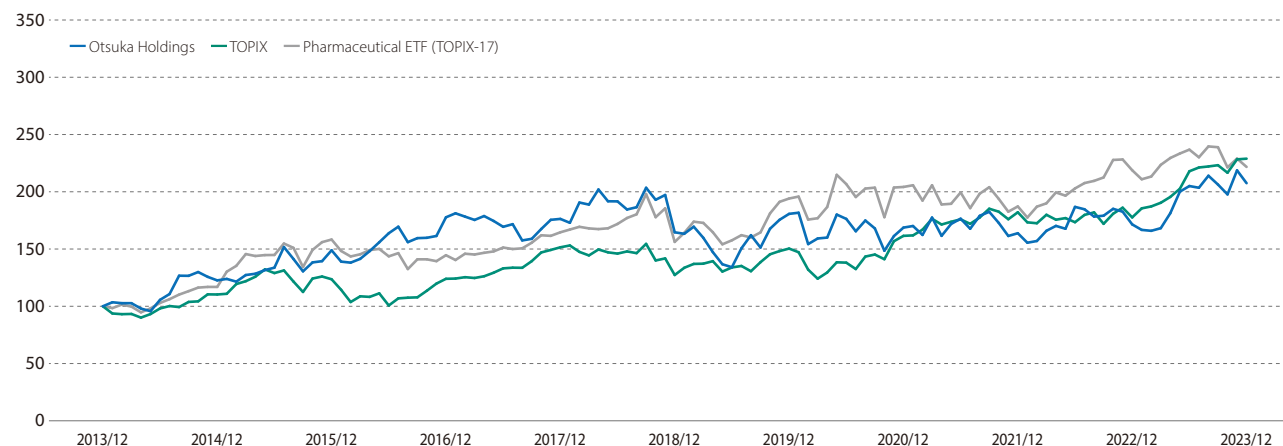
Dialogue with analysts and institutional investors

	FY2023 Results
Individual meetings	243
Financial Results Announcement	4
Information Meeting	2
Conferences sponsored by securities firms	6



Financial Results Announcement

TSR*



	1 year	3 years		5 years		10 years	
		Cumulative	Annual	Cumulative	Annual	Cumulative	Annual
Otsuka Holdings	+25.4%	+26.7%	+8.2%	+29.1%	+5.2%	+107.5%	+7.6%
TOPIX	+28.9%	+41.8%	+12.3%	+79.8%	+12.5%	+128.9%	+8.6%
Pharmaceutical ETF (TOPIX-17)	+1.3%	+8.6%	+2.8%	+41.9%	+7.3%	+121.7%	+8.3%

* TSR: Total shareholder return. The total return on investment, including capital gains and dividends.
 * TSR is calculated for Otsuka Holdings based on accumulated dividends and stock price fluctuations, and for TOPIX based on a stock price index including dividends (prepared by the Company using Bloomberg data, etc.).
 * The values in the graph are indexed to the market value by TSR with the closing price data at the end of December 2013 as 100 (holding period is until the end of December 2023).

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 R&D.

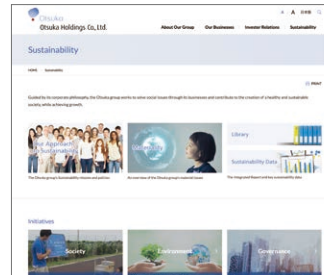
Website

<https://www.otsuka.com/en/>



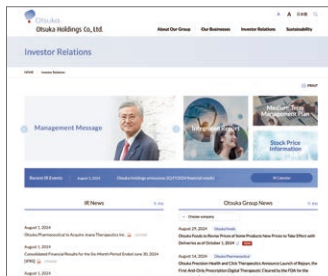
The Otsuka Group's Sustainability

<https://www.otsuka.com/en/csr/>



Investor Relations

<https://www.otsuka.com/en/ir/>



Library

<https://www.otsuka.com/en/csr/library/>



Sustainability Handbook
In this handbook, we present examples of our stance and initiatives with respect to sustainability in an easily accessible format for the general public.



Environmental Report 2022
We have compiled and published a detailed Environmental Report that introduces the Otsuka group's environmental initiatives.



Attestation of Validity **Yoshiro Matsuo, Executive Deputy President and Director**

Otsuka Holdings issued the Integrated Report 2024 in order to reinforce communication with all stakeholders.

Through this report, the topic of which is "creating new products, being there for people throughout the world with total healthcare, connecting, and creating a future society that stresses well-being," we worked to explain in easy-to-understand terms the group's business model, value creation process, and what we will do related to new material issues and the 4th Medium-Term Management Plan (MTMP) announced in June 2024.

As the director responsible for compiling the report, I attest to the fact that an appropriate process was used to create this report and that the content is accurate. I hope that through this report, we further deepen all stakeholders' understanding of the Otsuka group, which aims to become an indispensable contributor to people's health worldwide. Please feel free to provide us with your frank opinion regarding this report as we continue to value dialogue with all related parties and want to expand disclosure and improve transparency.

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 2023 (January 1, 2023 to December 31, 2023); Note that certain information from January 2024 onward is also included.

Scope of Reporting

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

Guidelines Referenced

- International Integrated Reporting Framework, International Financial Reporting Standards (IFRS) Foundation
- 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



Precautions Regarding Forward-Looking Statements

This integrated report summarizes the operating and financial results of the Otsuka group (Otsuka Holdings Co., Ltd. and its subsidiaries) for fiscal 2023 (January 1, 2023 to December 31, 2023). The report contains forward-looking statements and forecasts pertaining to plans, projections, strategies, and performance 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, 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.