



Health

For more details about our health-related initiatives, visit:
<https://www.otsuka.com/en/csr/society/health/pharmaceutical.html>



Pharmaceutical Business: The Challenge of Addressing Unmet Medical Needs

Basic Policy

Good health is a universal desire. At the Otsuka group, we work every day to help healthcare professionals around the world prevent and treat illness, and to help ordinary people maintain and improve their health. Numerous challenges remain, including protracted infectious disease outbreaks, underdeveloped medical infrastructure, and insufficient effective treatment options. We approach these issues by considering what it is that only Otsuka can do, with a particular focus on working to address unmet medical needs. Moreover, with medical costs soaring, maintaining and improving health is now an issue not just for individuals but for society as a whole to face head on. The Otsuka group endeavors not only to raise awareness of health-related issues among individuals, but also teams up with communities to help all people become and stay healthier.

In this section, we look at the Otsuka group's initiatives targeting unmet medical needs, focusing on efforts to eliminate tuberculosis, which is one of the world's "big three" infectious diseases.

disease worldwide); contribute to Doctors Without Borders programs; have secured funding from the Bill & Melinda Gates Foundation for the development of new TB treatment drugs; and forge alliances with global companies in places where we have no corporate presence, all with the aim of using our strengths to contribute to public health.

Otsuka Pharmaceutical is working to establish a system for sustainable drug supply at appropriate prices so that people around the world can access delamanid when they need it, regardless of the socioeconomic conditions or income level of the countries in which they live. This multifaceted approach has seen use of delamanid expand to more than 120 countries/regions by the end of 2021, with enough doses to treat more than 60,000 cases shipped since 2016.



Expanding Access to Patients Worldwide

Alongside HIV/AIDS and malaria, tuberculosis (TB) is considered one of the world's "big three" infectious diseases. Its deadliness is comparable with newcomers such as COVID-19; of the more than ten million people that are affected by TB each year, 1.5 million die. Otsuka Pharmaceutical has contributed to the fight against TB with the development of delamanid, a TB drug that is the result of more than 40 years of R&D. However, given that many of the world's TB patients are in developing countries/regions in Africa, Asia, and other parts of the world where Otsuka Pharmaceutical has no corporate presence, we are working to expand access to TB drugs and diagnostics by teaming up with the Stop TB Partnership, an organization that helps developing nations purchase medicines sustainably via its Global Drug Facility.

In addition, we work with a wide range of stakeholders to contribute to people's health worldwide. For instance, we participate in the Global Health Innovative Technology (GHIT) Fund (a public-private partnership headquartered in Japan that aims to tackle the spread of infectious

Battling Antimicrobial Resistance (AMR)

Otsuka Pharmaceutical has been implementing the Responsible Access Program to prevent the outbreak of delamanid-resistant TB and to promote proper use of the drug.

Our stewardship achievements, including efforts to educate about proper use, increase global access to delamanid, and conduct ongoing research and development into drug-resistant TB, are acknowledged in the AMR Benchmark, a survey of global pharmaceutical companies conducted by the Access to Medicine Foundation, which is funded by the U.K. and Dutch governments.

For more details about our Fight against Tuberculosis – An Ancient Disease with a Contemporary Face, visit:

https://www.otsuka.com/en/csr/society/health/to_health.html

Health

Nutraceutical Business: Initiatives for Yet-To-Be-Imagined Needs

Basic Policy

The advance of medical technology and improvement in public health has seen the average lifespan increase worldwide. However, new health challenges have also emerged, such as declining birthdates, aging populations, and the rise of lifestyle-related diseases. At the Otsuka group, our Nutraceutical Business pursues a range of initiatives aimed at supplying the world with products that help people maintain and improve their health. These initiatives include the development of innovative products that combine scientific evidence with the Pharmaceutical Business's accumulated expertise, and ongoing health awareness programs aimed at tackling challenges related to access to nutrition. Here, we present our initiatives for women's health, as well as offerings that support the self-medication trend, such as *Nature Made*.

Contributing to Total Healthcare for Women

The Otsuka group continues to research topics relating to women's health and actively engage in product development. In addition to *EQUELLE* and *EQUELLE Gelée*, which contain equol (an ingredient that supports women's health and beauty at a time when aging brings physical and mental changes), Otsuka Pharmaceutical released *tocoelle* in 2021, which emerged from R&D focused on premenstrual symptoms. Furthermore, Taiho Pharmaceutical launched *BUP-4 LADY*, which aims to improve the day-to-day lives of women with urinary urgency. In 2021, the Otsuka group acquired Uqora, a U.S. provider of products for women's urinary health. We are committed to addressing health needs in a broad range of areas and contributing to total healthcare for women.

Building Awareness of Women's Health

Otsuka Pharmaceutical strives to support women in leading active, healthy lives, and knows the importance of building understanding of the changing health needs of women throughout life, and of arming individuals with the knowledge they need to make choices that are right for them. We



Women's Health Promotion Project website (available only in Japanese)

provide a variety of information in this regard. Since 2015, we have held Women's Health Seminars throughout Japan. Furthermore, we launched the Otsuka Advanced Training for Healthy Aging Supporters (OATHAS) program to assist pharmacies and pharmacists in supporting the health of their local communities. This program is both a source of essential knowledge for community health, and an opportunity for hands-on practical experience. Other measures include webpages that offer insights into women's health, including the Women's Health Promotion Project, KO-NENKI.Lab (with content on menopausal health issues), and PMS LABORATORY, through which we offer day-to-day health support for women of all ages.

Supporting the Self-Medication Trend

The U.S. is a global leader in nutrition and supplements. *Nature Made* was developed in the U.S. by Pharmavite, which was founded by a pair of pharmacists who felt that more could be done to improve people's wellness other than simply prescribing drugs. To address this issue, they developed a range of products that contain nutrients essential for life in a form as close as possible to their natural state.

Nutritional Support and Helping Families Fill Nutrition Gaps

Pharmavite, which is based in the U.S. and handles the development and sales of *Nature Made* products, has partnered with the non-profit organization Feed the Children to provide products and support for health over three years. Through this partnership, the company has donated approximately 15 million children's chewable multivitamins. Each family received a two-year supply of children's vitamins, reaching 8,800 families total.

In addition, *Nature Made* registered dietitians provided on-site nutritional education to families on how to compensate for nutritional deficiencies.





People

Diverse Human Resources to Drive Innovation

Basic Policy

Innovation has always been driven by people. The Otsuka group attracts talented people and offers opportunities for skills development to enable those people to make the most of their skills. Moreover, we are establishing a network across workplaces and business fields that will actively promote communication inside and outside the group. By doing so, we hope to generate a lasting source of innovation that is free from fixed ideas.

Human Resource Development

Upholding Our Corporate Culture and Developing Global Leaders

In 2016, Otsuka Holdings established the Otsuka Global Academy with the aim of ongoing identification and development of the global human resources needed for sustained growth. The academy's programs, which target Otsuka group employees worldwide, are designed and run in-house, but we also partner with outside institutions in some areas for more effective human resource development. Guided by the commitment of Otsuka Holdings' executives and rooted in the leadership of the Otsuka group's founding figures and the group's unique approach to business, participants learn about and discuss the kinds of people the Otsuka group needs for its next generation of leaders and the skills they are expected to possess, and are cultivated as future leadership candidates.

Meanwhile, since 2021 Taiho Pharmaceutical has partnered with outside institutions to provide training that emphasizes dialogue on upholding the company's longstanding corporate culture and mindset. Inspired by the company's slogan "Acting on what should be done," training currently targets company executives, but the company intends to broaden coverage going forward.



Highlight Global E-Learning Platform

In April 2020, we launched the Global E-Learning (GEL) Platform employing the Harvard ManageMentor program provided by Harvard Business School Publishing Corporate Learning. A first for the Otsuka group, it is a shared learning platform for group employees worldwide. So far, a total of 2,400 employees from 75 group companies in 29 countries/regions have participated. In addition to cultivating business literacy and skills, the program features messages from top Otsuka group executives, as well as training initiatives unique to Otsuka that group employees around the globe can take part in together, including a learning "café" and webinars.

For more details about our people-related initiatives, visit:

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



A System That Generates Innovation

Human Resource Development through Collaboration Inside and Outside the Group

The Otsuka group views partnerships and collaborative efforts inside and outside the group as opportunities to help address the unmet medical needs of patients worldwide. By sharing expertise and state-of-the-art technologies, we are boosting our drug discovery capabilities, further improving our development capabilities, and stepping up our global expansion. For example, Taiho Pharmaceutical established its own corporate venture capital (CVC) subsidiary in the U.S. in 2016, and is using it to forge a network with promising biotech start-ups and the academic community in the U.S. and elsewhere with a view to generating innovation. The company also seconded employees from Japan to the CVC subsidiary for a few years to gain overseas experience as part of their professional development.

Developing Digitally-Capable Human Resources

Otsuka Holdings is conducting a variety of initiatives to speed up digital transformation throughout the group. One example is the Otsuka Group AI Forum, which is used to share case studies of group companies' successes and generally promote the spread and understanding of artificial intelligence mainly among group company presidents and directors. Training in a wide spectrum of technologies such as data science is also provided in order to help boost employees' IT capabilities. In addition, a group-wide portal site was launched in 2021 to disseminate and share in-house and external information relating to digitalization.

Otsuka Medical Devices hosted a training session at which university professors shared examples of how to employ artificial intelligence in the field of medicine. Meanwhile Otsuka Warehouse, knowing that IT is vital for overcoming the challenges faced by the logistics industry, is seeking to improve the IT literacy of its employees through in-house study workshops and by encouraging employees to take the Japanese government's IT Passport exam by subsidizing examination fees. The company's commitment to building IT competency also includes ongoing year-round IT skills training for those who pass the exam.



Executives and employees at the Otsuka Group AI Forum

People

Diversity and Inclusion

Basic Policy

At the Otsuka group, we know that the contributions of a diverse array of people is conducive to innovation and globalization, and to the development of innovative products. That is why we embrace and promote diversity. As a group of companies driven to innovate, we are committed to ensuring our workplaces are welcoming to all people.

Promotion System

Since 2008, the Diversity and Inclusion Promotion Team at each group company has led efforts for greater diversity and inclusion through individual company and coordinated group initiatives. These initiatives include planning group-wide systems, conducting seminars, and holding regular meetings to share each company's effective examples of diversity and inclusion.

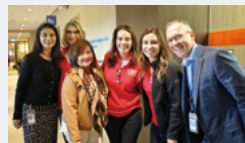
Collaborative Group Activities

In Japan, we have introduced the Family Smile Support System, which encourages employees to work from home before/after parental leave, or when taking on childcare and nursing care obligations. This system has led to improvements in work efficiency, productivity, and work-life balance. We have also introduced the Work Interval System, which mandates minimum rest periods for shift workers. We also hold regular group-wide diversity seminars. A total of 2,070 people attended the six seminars held from fiscal 2019 through fiscal 2021. We know that it is not enough for only employees to be aware of the issues—their bosses must broaden their awareness too. That is why we established the “*Ikuboss*” (managers supportive of work-life balance) declaration, which has already led to increases in the female manager ratio and the number of employees taking parental leave. (Please refer to Financial and Non-Financial Highlights on page 75.)

Highlight

Otsuka America Pharmaceutical among Recipients of HBA's ACE Award*

Otsuka Pharmaceutical in the U.S. established *Otsuka's Network of Otsuka Women* (NOW) in 2019 to drive efforts toward diversity, equity, and inclusion as key parts of its global business strategy. With a membership of more than 500 employees, NOW connects women with opportunities to consider how to succeed and grow in the workplace, and NOW members have had higher promotion rates. In recognition of this and other initiatives, Otsuka America Pharmaceutical received the 2021 Advancement. Commitment. Engagement. (ACE) award* from the Healthcare Businesswomen's Association (HBA).



* This award honors companies committed to ensuring gender diversity and leadership opportunities for women as part of their organizational DNA.

Health and Productivity Management

Basic Policy

At the Otsuka group, we believe that maintaining workplaces that enable each employee to work in good health and spirits is vital for making our shared corporate philosophy a reality. This was also the thinking behind the declarations on health made by major Otsuka group companies.

Promotion System

Otsuka Holdings' executive deputy president and director is in charge of health and productivity management, and under his supervision the Otsuka Pharmaceutical health insurance association, each group company's health and productivity promotion manager, and specialist staff such as industrial physicians and nurses work collaboratively across the entire organization to help maintain and enhance the health of employees and their families. As a result of these initiatives, 15 Otsuka group companies were selected by the Ministry of Economy, Trade and Industry under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program.

Raising Health-Awareness among Employees through Business Activities

We hold seminars on a variety of topics with the aims of deepening employees' understanding of group company activities and encouraging them to give their own health and the health of their families more thought. In 2021, a total of 1,300 employees attended online seminars on women's health and on cancer. Other seminars were held on headaches and presenteeism, and on alcohol consumption. Furthermore, employees of Otsuka Pharmaceutical Factory have produced a series of online health support videos for the benefit of their colleagues.

Highlight Boosting mental and physical health on a virtual run.

In conjunction with World Mental Health Day, the POCARI SWET RUN charity event took place between October 1 and November 14, 2021, in collaboration with Silver Ribbon—a mental health awareness NPO based in Singapore. The event is a virtual running race utilizing a smartphone app. Participants choose their distance and donate to the NPO based on how far they manage to run. Around 4,000 runners including Otsuka group employees from Japan and Indonesia laced up their running shoes and took part in the event.

Before the race, participants could join online seminars to hear psychiatrists and athletes talk about mental health, focusing on mental welling, exercise, and hydration. Events of this kind highlight how Otsuka can work closely with and support consumers' mental and physical health by utilizing the synergy of its two core businesses.





Quality in All We Do

Basic Policy

To help build a sustainable society, the Otsuka group guided by an enduring philosophy of “Customers First” and “Quality First,” pursues quality at all stages of the value chain, and promotes initiatives taking into account the environment, society, and human rights.



“Quality is vital in a factory and so is packaging. We have to manufacture and market, putting ourselves in the consumer’s position.”







In 1946, when Otsuka began the manufacture and sale of injection drugs, Otsuka’s founder, Busaburo Otsuka, wrote the above guiding principles to clarify what his employees should do to ensure proper manufacturing, transportation, and sales.

Today still, these principles are on display at the Otsuka group’s manufacturing sites and other facilities, conveying our philosophy of “Customers First” and “Quality First.”

All employees of the Otsuka group will remain true to this philosophy, and now as in the past, our responsibility as a health-related company will always be to think of customers and quality first.

For more details about our quality in all we do-related initiatives, visit:
<https://www.otsuka.com/en/csr/society/quality/>



Fields	Field-Specific Quality in All We Do Challenges
 Research and Development	Ethical Considerations in Accordance with Laws and Guidelines We comply with all relevant laws and guidelines while striving to uphold bioethics and scientifically valid methodologies from the viewpoints of preservation of the environment and safety management.
 Procurement	Sustainable Procurement in Cooperation with Suppliers We share the Otsuka Group Procurement Policy and Otsuka Group Sustainable Procurement Guidelines with suppliers. We carry out robust due diligence when selecting new suppliers, and work with suppliers to promote sustainable procurement with regard to legal compliance, consideration for the environment, human rights, and other issues.
 Production, Quality Control and Patient/Customer Safety	Group-wide Teamwork to Ensure Stable Supply of High-Quality Products We comply with relevant laws and regulations, administrative instructions, and industrial standards, and have also been working to obtain international certification for quality and food safety management standards. In addition, we observe the laws and regulations of each country in which we do business and, based on GxP* perform quality control, quality assurance and utilize our global safety surveillance system to implement post-marketing safety measures, including the collection and monitoring of safety information concerning adverse events. <small>* GxP (Good x Practice): A general term for “Good Practice” standards (ministerial ordinances, regulations, and guidelines) established by governments and other public institutions for ensuring safety and reliability</small>
 Logistics	Building a Logistics Foundation with the Ultimate Mission of Ensuring Supply Stability We rigorously control and maintain product quality throughout pharmaceutical, food product, and beverage distribution. Furthermore, we have incorporated transportation into our business continuity planning, including registration of vehicles for authorized access to restricted areas in an emergency.
 Sales and Marketing	Appropriate Promotion and Enhanced Information Access We have established a Code of Practice that builds on the International Federation of Pharmaceutical Manufacturers & Associations’ Code of Practice and the Japan Pharmaceutical Manufacturers Association’s Promotion Code for Prescription Drugs. In addition to complying with that code, Otsuka group companies also observe industry rules such as the “Guidelines for Provision of Sales information on Prescription Drugs” and conduct sales and marketing activities responsibly and with a high level of ethics. We have also established an expert panel, comprising members drawn from multiple departments, to perform reviews of marketing plans and sales promotion materials.
 Customer Service	Sincere Response to Inquiries and Reflection in Company Activities We have established dedicated customer contact points (staffed by specially trained personnel) that field inquiries and are tailored to the characteristics of particular drugs, quasi-drugs, food products, and other respective products. Opinions and suggestions regarding products and services are proactively shared within the group for the purpose of product development and improvement.



Quality in All We Do

Sustainable Procurement in Cooperation with Suppliers

Procurement

Basic Policy

The Otsuka group is a signatory to the 2016 United Nations Global Compact (UNGC), and considers the compact's positions on human rights, labor, the environment, and anti-corruption to be universal values. Our procurement is guided by the Otsuka Group Procurement Policy, which sets out the direction for consistently upholding the UNGC's values, maintaining sustainable procurement practices in accordance with our corporate philosophy, "Otsuka-people creating new products for better health worldwide," and improving corporate value while making a contribution to society.

Promotion System

The Otsuka Sustainable Procurement Task Force, which is supervised by Otsuka Holdings' directors and comprises Otsuka Holdings and eight group companies,* was formed in 2020. The task force meets once every two months to share views on challenges, exchange information, and report on each company's progress. In addition, we formulated the Otsuka Group Sustainable Procurement Guidelines in September 2020 as concrete guidelines for suppliers to follow.

Starting in 2022, the Otsuka group has begun focusing on a new area—stability of supply, which addresses natural disasters and geopolitical risks—in addition to the four existing areas of attention: human rights, labor, the environment, and anti-corruption.

* Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical, Otsuka Chemical, Otsuka Foods, Otsuka Packaging Industries, Otsuka Techno, and EN Otsuka Pharmaceutical.



Group meeting on sustainable procurement
Attendees include directors, executive officers, and procurement staff from Otsuka Holdings, Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical, Otsuka Chemical, and Otsuka Foods

Sustainable Procurement Initiatives

Embedding Sustainable Procurement through Training

We provide sustainable procurement-related training that takes into consideration human rights, the environment, and other issues, in order to further embed the Otsuka Group Procurement Policy and Otsuka Group Sustainable Procurement Guidelines throughout the group. Moreover, specific task forces work to improve the skills of procurement staff, providing them with opportunities to learn about sustainable procurement issues and other topics.

Briefings on Sustainable Procurement Practices

Target for 2023: Conduct Briefings for 160 Suppliers

2021 Progress: Conducted Briefings for 126 Suppliers

We hold briefings for suppliers on sustainable procurement practices. Attendees learn about the Otsuka Group Procurement Policy and the Otsuka Group Sustainable Procurement Guidelines, and our expectations regarding compliance. These events are also opportunities for all parties to stay up-to-date on human rights and environmental issues and hear about examples of the group's initiatives in action. Suppliers that agree to uphold our policies sign a pledge affirming their intention to cooperate in achieving sustainable procurement as business partners.

Self-Assessment Questionnaire (SAQ) on Sustainable Procurement

Target for 2023: Conduct SAQs at 200 Suppliers

2021 Progress: Conducted SAQs at 137 Domestic and Overseas Suppliers

Suppliers that sign the pledge conduct a self-assessment, which consists of the common SAQ published by Global Compact Network Japan, and the Human Rights SAQ and Environmental SAQ that we have developed taking into account characteristics of the Otsuka group business activities. Based on the results, we then conduct interviews with suppliers. Seven companies were interviewed in fiscal 2021, with the interviews conducted remotely as a pandemic measure. The sharing of examples of sustainable procurement practices are opportunities to learn from successful case studies, and cooperating to address specific concerns ensures that we and our suppliers can make tangible progress toward sustainable procurement.



Quality in All We Do

Production, Quality Control and Patient/Customer Safety

Group-wide Cooperation to Ensure Stable Supply of High-Quality Products

Basic Policy

At the Otsuka group, we believe that providing a stable supply of high-quality products is part of our contribution to a sustainable society. Accordingly, we seek to make the most effective use of the characteristics of our businesses, which include pharmaceuticals, foods, chemical products, and cosmetics, in the quest for a level of quality that justifies customers' faith in us. To that end, we believe it is vital to pursue talent development across departmental borders, to maintain a reliable quality assurance system spanning all relevant companies (which also has the advantage of enabling us to stay abreast of changes in the operating environment), to minimize quality risks, and to undertake dynamic initiatives that contribute to supply chain stability.

The Otsuka group's systems for production, quality, and safety management are compliant with relevant laws and regulations, administrative instructions, and industry standards (including those prescribed by the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and the Food Sanitation Act). Furthermore, we aim not only to obtain appropriate standards certification (ISO 9001 for quality, ISO 22000, and FSSC 22000 for food safety), but also to foster a "quality culture" that goes beyond the minimum obligations required by law.

Promotion System for Production

At the Otsuka group, we aim to maintain a stable supply of high-quality products. To that end, our production departments practice stringent production management that facilitates the tracing of products throughout the entire supply chain, from the procurement of raw materials through production and distribution to sale.

Moreover, to share information, hold discussions, and implement technical improvements group-wide, managers and staff from Otsuka group factories around the world come together under the supervision of group company executives for the Global Production Meeting, which has been held for over 30 years. It leads to new activities that leverage the strengths of the Otsuka group in conducting broad-ranging businesses, including the promotion of cross-company technical exchanges.

In terms of day-to-day production, we know the importance of reflecting on and learning from past performance, and to that end we have held "Manufacturing Errors" Workshops twice a year since 2017. These meetings bring together representatives of group company production

departments from Japan and around the world, and are an ideal opportunity to share and learn from manufacturing errors case studies from each company.

Promotion System for Quality Control and Patient/Customer Safety

The Otsuka group designs systems for quality control and patient/customer safety in accordance with the characteristics of each business, whether it be pharmaceuticals, food, chemical products, or cosmetics. We comply with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and observe laws and regulations of the countries in which we operate, perform quality control based on Good Quality Practice and Good Vigilance Practice in manufacturing and sales, and implement post-marketing safety measures. Moreover, we submit necessary reports to regulatory authorities, and update and maintain all required documentation. In addition, with regard to the manufacture and sale of pharmaceuticals at Otsuka group companies, information is exchanged among the General Marketing Compliance Officer and the Quality Assurance Manager, and the Safety Control Manager. We have established a pharmacovigilance system that facilitates the constant collection and assessment of product safety information throughout the group worldwide, and this has enabled us to provide information swiftly to medical institutions.

Otsuka Pharmaceutical and its overseas group companies have established global product quality policies,* implement measures to ensure the reliability of quality-related data, and publish manuals that outline common procedures. We strive to improve our quality systems, for instance by holding annual management reviews—globally, at the Otsuka International Asia Arab Division, and in Japan—in order to promote compliance with Good Clinical Practice, Good Vigilance Practice, and Good Manufacturing Practice from development through commercial sale.

Since 2019, product quality department of the Pharmaceutical Business and Nutraceutical Business jointly hold an annual Global Product Quality Meeting. The third meeting, held online, was attended by approximately 120 executives and quality supervisors for pharmaceuticals and nutraceuticals from 12 countries/regions, including Japan. The attendees shared information on changes in the social landscape and quality improvement initiatives. In addition, a Quality Performance Award was established to recognize quality control initiatives, and efforts are being made to train people for quality control and to raise awareness.

* Policies established at Pharmaceutical Business in 2017; at Nutraceutical Business in 2021.



Ryo Harima
Vice President
Deputy General Manager,
Production Headquarters
Otsuka Pharmaceutical

Over 30 Years of Technical Exchange at the Global Production Meeting

The Global Production Meeting returned in fiscal 2021 after a gap of two years due to the COVID-19 pandemic. The 2021 meeting was held online under the theme "New Forms of Production," and was attended by 138 employees and executives from 14 countries/regions. Participants presented case studies, including reports on remote support for the launch of a new overseas plant and the use of a big data analysis system in production, exchanged views, and joined the ceremony for the 2021 Production Awards, which recognize outstanding production achievements.



Ken Konagai
Director
Office of Nutraceuticals
Quality Assurance
Quality Headquarters
Otsuka Pharmaceutical

Commitment to the NC Global Quality Policy

In 2018, Otsuka Pharmaceutical's Quality Assurance Office of the Quality Headquarters inaugurated a Global Product Quality Team, with members from 14 Otsuka group companies from around the world involved in the Nutraceutical Business. Otsuka Pharmaceutical's approach to quality is rooted in, and remains faithful to, founder Busaburo Otsuka's words: "Quality is vital in a factory and so is packaging. We have to manufacture and market, putting ourselves in the consumer's position."

The key message of the NC Global Quality Policy is "Customer delight through Quality," which expresses the founder's sentiment in our own words and declares our common global commitment.



Quality in All We Do

Customer Service

Sincere Response to Inquiries and Reflection in Company Activities

Basic Policy

We recognize that respecting consumer rights is an important human rights issue. Our Declaration of Consumer-oriented Commitment, made in October 2018, establishes basic policies regarding our commitment to our social responsibilities as a corporation, which we fulfill by pursuing consumer-oriented management and making appropriate decisions that are based on dialogue with all stakeholders.

Promotion system

Each Otsuka group company has established dedicated contact centers to field inquiries from patients, healthcare professionals, and general consumers, and these centers are staffed by trained personnel that provide information as appropriate. Inquiries are reported to the relevant department and the management team at each company so that views and suggestions about our products can inform future improvements.

Group-wide Customer Service Liaison Meeting

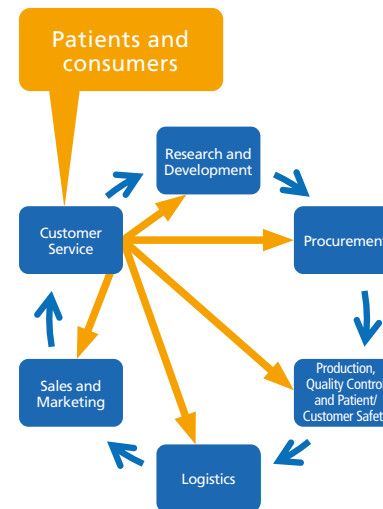
Since 2008, we have held a Group-wide Customer Service Liaison Meeting every year under the supervision of Otsuka Holdings directors. Meetings are attended by representatives of companies in the Pharmaceutical Business, Nutraceutical Business, Consumer Products Business, the daily necessities and e-commerce categories, and well as from other relevant departments. The various companies report on their customer service activities and initiatives for greater consumer orientation, thus fostering our consumer-oriented corporate culture. The 27th meeting, held in 2022, focused on evolving consumer trends amid social changes in the ongoing COVID-19 pandemic, and best practices for product improvements informed by customer feedback.



Switching to label-less bottles by reflecting customer feedback

Reflecting Stakeholders' Views in Company Activities

Customer-facing departments of Otsuka group companies receive a broad variety of feedback from patients, healthcare professionals, and consumers, and we make sure that feedback is shared appropriately with the relevant departments. We also strive to share this feedback throughout the value chain with the right executives and departments, so that it can be properly reflected in our company activities.



Value Chain	Communication with Stakeholders
Procurement	The cross-group Otsuka Sustainable Procurement Task Force communicates closely with suppliers to promote sustainable procurement.
Production	Otsuka Pharmaceutical's Tokushima Itano Factory and Human Resource Development Institute, and Otsuka Foods' Tokushima Factory hold online factory tours as part of community outreach.
Quality Control and Patient/Customer Safety	In addition to collecting feedback through the Consumer-Relations Office, Otsuka Pharmaceutical collects and analyzes consumer comments from social media, and incorporates these comments in product improvements.
Logistics	Otsuka Warehouse, which handles the Otsuka group's logistics operations, holds meetings with transport partners as necessary to share policies and initiatives, and also engages in mutual employee exchanges aimed at promoting digital transformation and operational improvements.
Sales and Marketing	Swift dissemination of information using online tools enabled us to provide information about pharmaceuticals and nutritional products without compromising strict COVID-19 countermeasures.



Toshifumi Fujishita
Director
Consumer-Relations Office
Otsuka Pharmaceutical

Group-wide Initiatives to Leverage Customer Feedback

At Otsuka Pharmaceutical, the Quality Assurance Office of the Quality Headquarters and the Consumer-Relations Office hold an annual Listen to Customer Feedback Meeting. This year's meeting was held online in December 2021, connecting Consumer-Relations Office offices in Tokushima, Osaka, Tokyo, and at production plants, and was attended by 115 representatives from sales, production, quality, procurement, and other head office departments, as well as members of Otsuka Holdings. Participants heard customer feedback about products and examples of how feedback had been incorporated into product improvements.



Prof. Izumi Kado
Department of Business and
Communication,
Shikoku University,
Junior College

High Hopes for Deeper Permeation of Consumer-oriented Management

I have the deepest respect for the people of the Otsuka group, who work hard to create a sustainable society together with consumers, inspired by the ideal of ethical consumption founded on three key concepts: the environment, workers' rights and happiness, and the community. In an age when we can no longer count on the future being a direct extension of the past, I am convinced that the Otsuka group's consumer-oriented management style, imbued with a spirit of altruism and defined by diverse, in-depth and, ethical communication with all stakeholders, will come to be shared widely around the world.