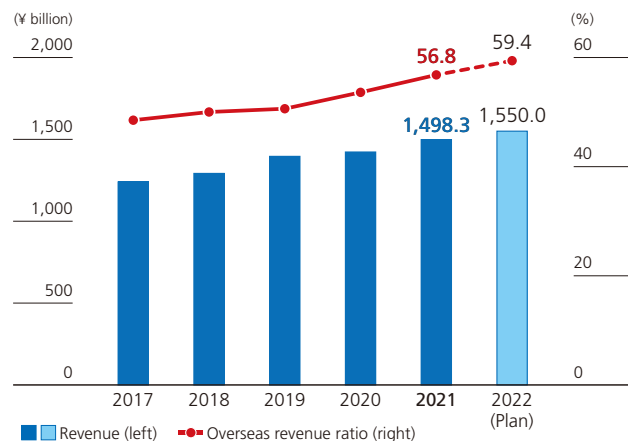
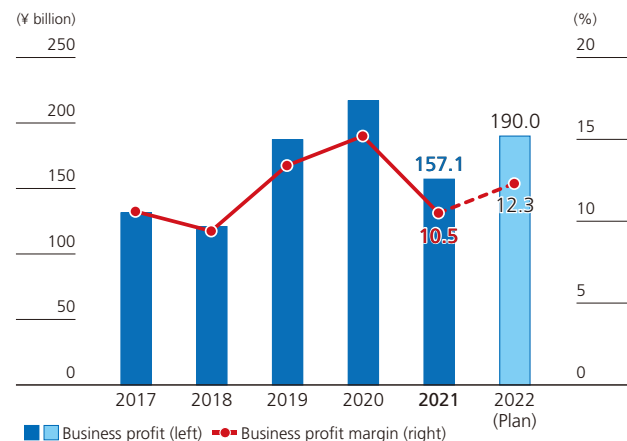


Financial and Non-Financial Highlights

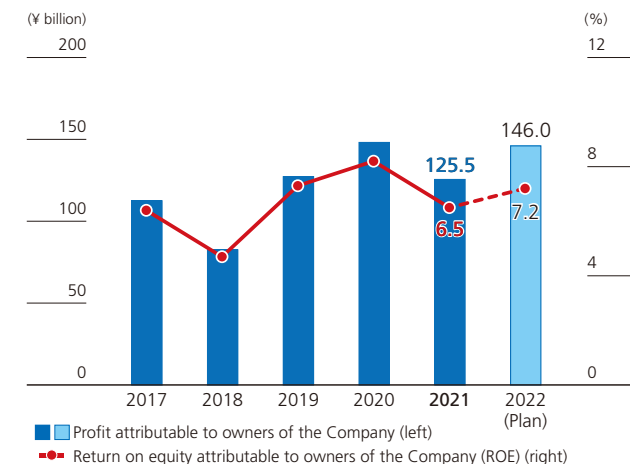
Revenue, Overseas Revenue Ratio



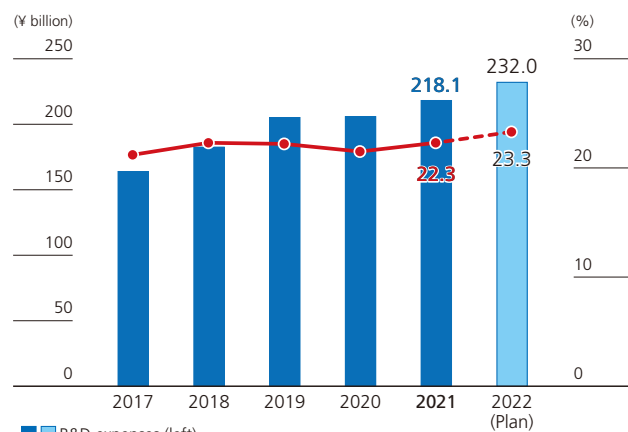
Business Profit, Business Profit Margin (Ratio to Revenue)



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

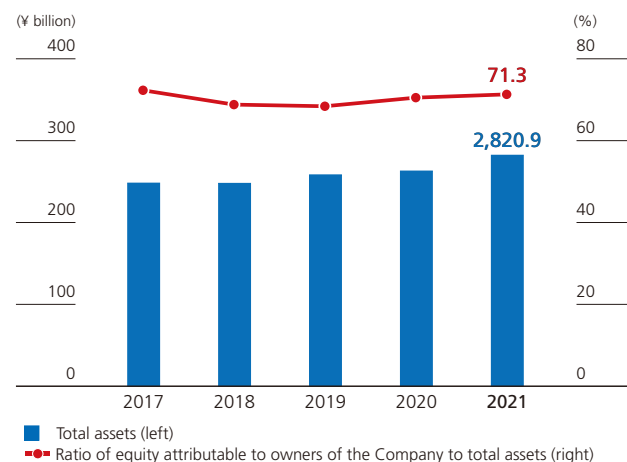


Pharmaceutical Business R&D Expenses*, R&D Ratio (Ratio to Revenue)

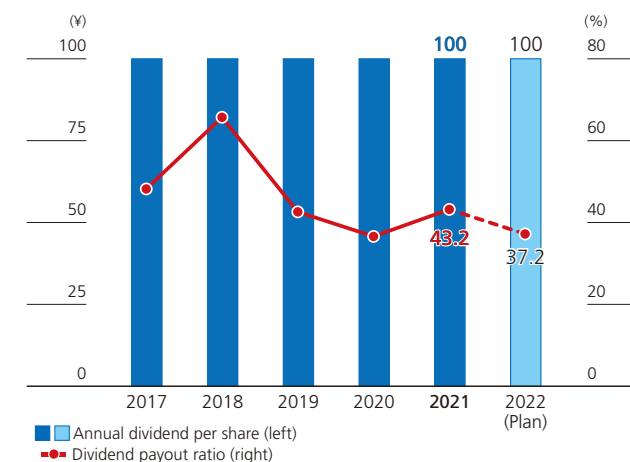


* Excluding impairment losses

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



Annual Dividend per Share, Dividend Payout Ratio



Financial and Non-Financial Highlights

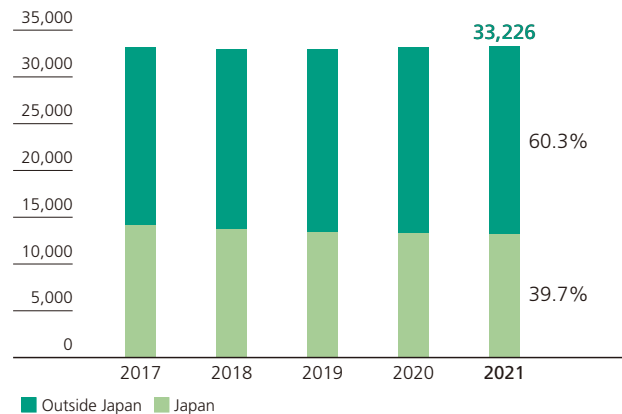
Visit the Otsuka Holdings website for key sustainability data at:



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

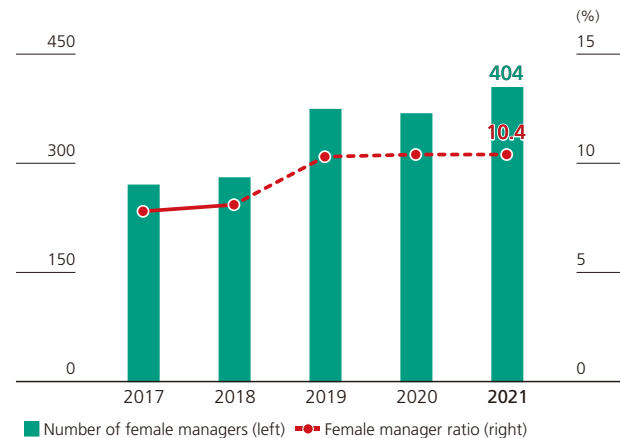


Number of Employees



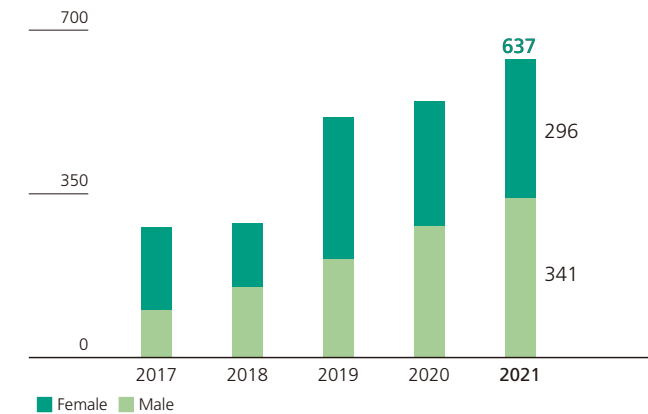
Scope: All production sites of the consolidated Otsuka group

Number of Female Managers, Female Manager Ratio



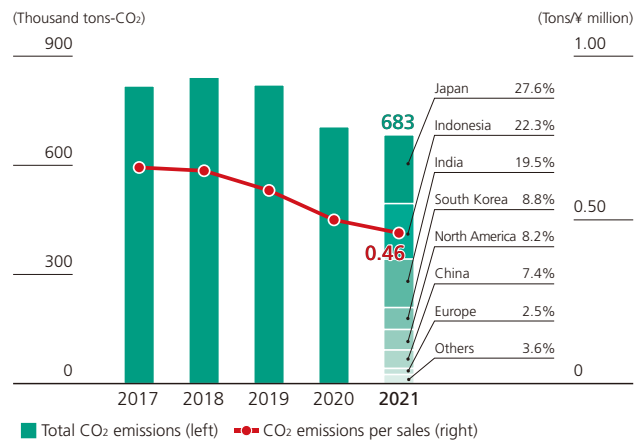
Scope: (Fiscal 2017–2018) Six companies: Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical, Otsuka Warehouse, Otsuka Chemical, and Otsuka Foods
(Fiscal 2019) Nine companies: six companies above plus Otsuka Pharmaceutical Development & Commercialization, Otsuka America Pharmaceutical, and Pharmavite
(Fiscal 2020) Eleven companies: nine companies above plus Otsuka Holdings and Otsuka Medical Devices
(Fiscal 2021) Nineteen companies: Eleven companies above plus Otsuka Electronics, Otsuka Techno, Okayama Taiho Pharmaceutical, Otsuka Packaging Industries, Otsuka Ohmi Ceramics, Higashiyama Film, Otsuka Wellness Vending, and JIMRO

Number of Employees Taking Parental Leave



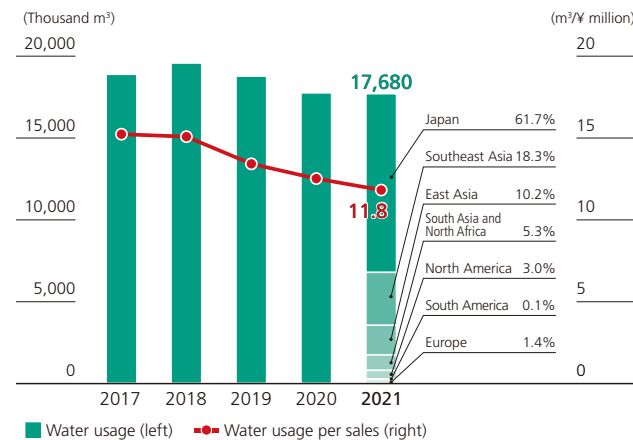
Scope: (Fiscal 2017–2018) Six companies: Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical, Otsuka Warehouse, Otsuka Chemical, and Otsuka Foods
(Fiscal 2019) Nine companies: six companies above plus Otsuka Pharmaceutical Development & Commercialization, Otsuka America Pharmaceutical, and Pharmavite
(Fiscal 2020) Eleven companies: nine companies above plus Otsuka Holdings and Otsuka Medical Devices
(Fiscal 2021) Nineteen companies: Eleven companies above plus Otsuka Electronics, Otsuka Techno, Okayama Taiho Pharmaceutical, Otsuka Packaging Industries, Otsuka Ohmi Ceramics, Higashiyama Film, Otsuka Wellness Vending, and JIMRO

CO₂ Emissions, CO₂ Emissions per Sales



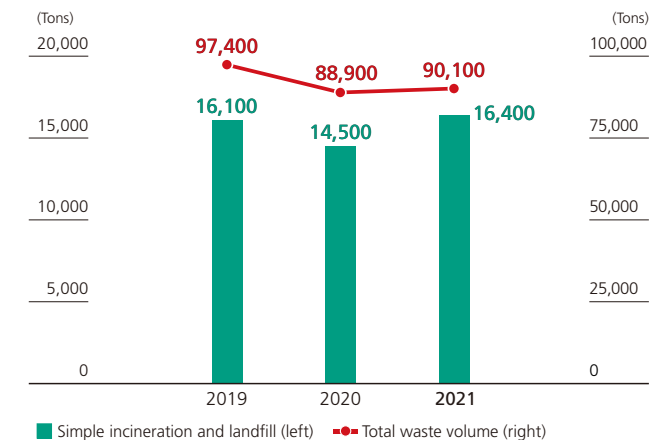
Scope: All production sites of the consolidated Otsuka group

Water Usage, Water Usage per Sales



Scope: All production sites of the consolidated Otsuka group

Simple Incineration and Landfill Volume, Total Waste Volume



Scope: All production sites of the consolidated Otsuka group

ESG Content Index

In addition to information included in this integrated report, the Otsuka group discloses the following ESG-related information on its website. Please visit the website for more details.

Item	Policies, commitments, and systems	Initiatives
Overall	<ul style="list-style-type: none"> • Signatory to the United Nations Global Compact • Sustainability Mission ➡Page 18 • Materialities ➡Page 20 • Goals and progress ➡Page 21 • Stakeholder engagement • Sustainability management structure ➡Page 42 • External recognition • Data (people, the environment, and governance) 	
Society		
Health	Basic policy ➡Pages 43–44 Pharmaceutical Business <ul style="list-style-type: none"> • Basic policy • Goals and progress ➡Page 21 • “FY 2023 Goals (Quantification)” and “FY 2021 Progress” Nutraceutical Business <ul style="list-style-type: none"> • Basic policy • Goals and progress ➡Page 21 	<ul style="list-style-type: none"> • Contribution to unmet medical needs ➡Pages 26–33, Page 43 • Initiatives for access to medicine ➡Page 43 • Initiatives for infectious diseases including tuberculosis ➡Pages 32, 43 • Catering to yet-to-be-imagined needs ➡Page 44 • Initiatives for Access to Nutrition ➡Page 44
People	<ul style="list-style-type: none"> • Basic policy Human resource development <ul style="list-style-type: none"> • Basic policy ➡Page 45 Diversity & Inclusion <ul style="list-style-type: none"> • “Otsuka Group Global Code of Business Ethics” (“Diversity and Inclusion”) • Basic policy ➡Page 46 • Signatory to the Women’s Empowerment Principles (WEPs) ➡Page 42 • Ikuboss (managers supportive of work-life balance) declaration by group companies ➡Page 46 Health and Safety <ul style="list-style-type: none"> • Otsuka Group Global Code of Business Ethics (“Human Rights and Labor Standards” and “Employee Health”) • Basic policy • Declaration on health by group companies ➡Page 46 • “Health and Safety Committee” and other promotion structures Fair employment and working condition <ul style="list-style-type: none"> • Otsuka Group Global Code of Business Ethics (“Human Rights and Labor Standards,” “Discrimination and Harassment,” and “Reporting Concerns”) • Basic policy Human rights initiatives <ul style="list-style-type: none"> • Otsuka Group Global Code of Business Ethics (“Human Rights and Labor Standards,” “Discrimination and Harassment,” and “Reporting Concerns”) • Basic policy • Otsuka Group Human Rights Policy ➡Page 42 • Promotional structure 	<ul style="list-style-type: none"> • Human resource development programs (including management human resource development programs) ➡Page 45 • Internship programs • Systems for leveraging abilities (open recruiting system, self-assessment system, etc.) • Systems for diversity promotion (including mindset and establishing structure to help diverse human resources play active roles regardless of nationality, race, age, gender, disability, sexual orientation, etc.) ➡Page 46 • Examples of external recognition • Initiatives for employee health maintenance and promotion ➡Page 46 • Initiatives for workplace health and safety • Initiatives for reduction overtime and encouraging employees to take paid leave • Examples of external recognition • Internal training on bullying, harassment, and other issues • Employee survey, and improvement activities based on survey results • Implementing human right risk assessment to identify salient human right risks • Identifying salient human right issues and implementing corrective measures • Whistleblowing hotline • Employee training on Otsuka Group Human Rights Policy ➡Page 21 • External collaboration
Quality in All We Do	<ul style="list-style-type: none"> • Basic policy • Otsuka Group Global Code of Business Ethics (“Business Integrity,” “Maintaining Books and Records,” etc.) • Certification status of ISO 9001 (quality), ISO 22000, FSSC 22000 (food safety), etc. Research and development <ul style="list-style-type: none"> • Commitments in R&D (compliance with laws and guidelines, ethical considerations, etc.) ➡Page 47 Procurement <ul style="list-style-type: none"> • Basic policy ➡Pages 47–48 • Otsuka Group Procurement Policy ➡Pages 47–48 • Otsuka Group Sustainable Procurement Guidelines ➡Pages 47–48 • Sustainable procurement promotional structure (establishment of the Otsuka Sustainable Procurement Task Force) ➡Page 48 • Goals and progress ➡Pages 20–21 Production, quality control and patient/customer safety <ul style="list-style-type: none"> • Basic policy ➡Pages 47, 49 • Measures including global product quality policies for pharmaceutical products and the NC Global Quality Policy for the Nutraceutical Business of Otsuka Pharmaceutical ➡Page 49 • Promotion structure including Global Production Meeting and Global Product Quality Meeting ➡Page 49 Logistics <ul style="list-style-type: none"> • Basic policy ➡Page 47 • Establishment of the GDP Promotion Office and other promotion structures for control and maintenance of product quality and stable supply in logistics 	<ul style="list-style-type: none"> • Ethical considerations in research involving animals • Ethical considerations in research Involving human-derived specimens • Ethical considerations in research involving pathogenic microorganisms (pathogens, etc.) and genetically modified organisms • Ethics in clinical trials • Compliance in R&D by Otsuka group companies • Management of public research funds • Promotion of sustainable procurement with consideration for the environment, human rights, and other matters (including due diligence investigation on new suppliers, and the common SAQ and briefing sessions for suppliers) ➡Pages 47–48 • Joint business collaborator audit by pharmaceutical companies • Global initiatives for streamlining production and supply of products • Production, quality control and patient/customer safety in compliance with and regulatory requirements, and governmental and industry standards ➡Pages 47, 49 • Acquisition of ISO 9001 (quality), ISO 22000, FSSC 22000 (food safety), etc. ➡Page 49 • Quality control based on GQP and GVP, and post-marketing safety management ➡Page 49 • Global implementation of pharmacovigilance activities ➡Pages 47, 49 • Measures against falsified medicines • Employee training • Initiatives for quality control and maintenance (promotion of logistics in compliance with the Good Distribution Practice (GDP) guidelines, employee training, etc.) • Initiatives for streamlined cooperation among shippers and distributors (standardization of IT-based data systems, digitization of forms, etc.) • Initiatives for stable supply (distribution strage of inventory, registration of vehicles for authorized access to restricted areas, etc.) • Environmentally friendly measures (the promotion of modal shift to reduce CO₂ emissions, etc.)

ESG Content Index

The ESG balance sheet can also be found on our website:

https://www.otsuka.com/en/csr/esg_control_chart.html

Item		Policies, commitments, and systems	Initiatives
	Sales and Marketing	<ul style="list-style-type: none"> Basic policy ➡ Page 47 Establishing internal code of practice that expands on the JPMA's Promotion Code for Prescription Drugs, for activities targeted at healthcare professionals ➡ Page 47 Structural measures such as establishing the Scientific Affairs Department for gathering and disseminating information about products, related knowledge, and the latest academic information, and dedicated review unit to ensure appropriate marketing and promotion activities 	<ul style="list-style-type: none"> Conducting appropriate marketing and promotion activities in compliance with laws and regulations ➡ Page 47 Gathering and disseminating information about products, related knowledge, latest academic information, etc. Employee training Reducing food loss (extending shelf life, switching to month-based expiration dates, etc.)
	Customer Service	<ul style="list-style-type: none"> Basic policy ➡ Page 50 Declaration of Consumer-oriented Commitment ➡ Page 50 Group-wide Customer Service Liaison Meeting, cross-department "Listen to Customer Feedback Meeting," and other promotion structures for consumer-oriented management ➡ Page 50 	<ul style="list-style-type: none"> Promoting consumer-oriented management ➡ Page 50 Ensuring appropriate communication with customers ➡ Pages 47, 50 Improved products based on customer feedback ➡ Pages 47, 50 Establishing dedicated contact points for patients, healthcare professionals, and customers ➡ Page 47
Environment	Environmental Management	<ul style="list-style-type: none"> Otsuka Group Global Code of Business Ethics ("Environmental Protection") Otsuka Group Environmental Policy Otsuka Group Environmental Activity Guidelines Group promotional structures centering on the Otsuka Group Global Environmental Council ➡ Page 52 Disclosure of ISO 14001 certification status 2050 Environmental Vision, "Net Zero" ➡ Page 51 	
	Carbon Neutrality	<ul style="list-style-type: none"> Basic policy ➡ Page 52 Goals and progress ➡ Page 53 	<ul style="list-style-type: none"> Initiatives for efficient energy use and CO₂ reduction (expanded use of renewable energy sources, such as by introduction of CO₂-free electricity, including solar power generation for in-house consumption, and purchase of Green Power Certificates, etc.) ➡ Page 54 Disclosure According to TCFD Recommendations ➡ Page 52 Disclosure of CO₂ emissions and other data ➡ Pages 53, 75
	Circular Economy	<ul style="list-style-type: none"> Basic policy ➡ Page 55 Goals and progress ➡ Page 53 	<ul style="list-style-type: none"> Initiatives to achieve zero waste Initiatives for plastic recycling ➡ Page 55 Disclosure of waste volume (effective use volume and final disposal volume) and other data ➡ Page 75
	Water Neutrality	<ul style="list-style-type: none"> Basic policy ➡ Page 55 Goals and progress ➡ Page 53 	<ul style="list-style-type: none"> Water risk evaluation at manufacturing sites ➡ Page 55 Disclosure of water usage, unit sales and other data. ➡ Pages 53, 75
Governance	Corporate Governance	<ul style="list-style-type: none"> Basic policy Corporate Governance Guidelines 	
	Governance Structure	<ul style="list-style-type: none"> Basic policy ➡ Page 62 Overview of governance structure ➡ Page 62 	<ul style="list-style-type: none"> Disclosure of Corporate Governance Report Timeline of initiatives to strengthen corporate governance ➡ Page 62 Board of Directors, Audit & Supervisory Board and Corporate Governance Committee ➡ Page 63 Rationale for selection of directors Evaluation of board effectiveness ➡ Page 64 Skill matrix for directors and Audit & Supervisory Board members ➡ Pages 63, 66 Succession plan
	Remuneration for Directors and Audit & Supervisory Board Members	<ul style="list-style-type: none"> Basic policy ➡ Page 66 	<ul style="list-style-type: none"> Disclosure of Corporate Governance Report Remuneration standards, system, and method of determination ➡ Page 66
	Compliance Overall	<ul style="list-style-type: none"> Basic policy ➡ Page 70 Compliance promotion structure ➡ Page 70 	
	Tax Compliance	<ul style="list-style-type: none"> Basic policy ➡ Page 71 Tax policy ➡ Page 71 Transfer pricing policy ➡ Page 71 	<ul style="list-style-type: none"> Correspondence with tax authorities ➡ Page 71 Governance ➡ Page 71
	Anti-Corruption	<ul style="list-style-type: none"> Promotion system ➡ Page 70 Otsuka Group Global Code of Business Ethics ("Bribery and Corruption," etc.) Otsuka Group Global Anti-Corruption Policy 	<ul style="list-style-type: none"> Due diligence Training for employees ➡ Page 70 Monitoring ➡ Page 70
	Conflicts of Interest	<ul style="list-style-type: none"> Promotion system ➡ Page 70 Otsuka Group Global Code of Business Ethics ("Conflicts of Interest," etc.) Otsuka Group Global Policy for Conflict of Interest 	<ul style="list-style-type: none"> Training for employees ➡ Page 70 Monitoring ➡ Page 70
	Protecting Privacy	<ul style="list-style-type: none"> Otsuka Group Global Code of Business Ethics ("Privacy and Confidentiality," etc.) Otsuka Group Global Privacy Policy 	<ul style="list-style-type: none"> Training for employees Monitoring
	Whistleblowing Hotline		<ul style="list-style-type: none"> Provision of internal and external whistleblowing hotlines
	Risk Management Overall	<ul style="list-style-type: none"> Basic policy ➡ Page 71 Risk Management Policy Enterprise risk management ➡ Page 71 Risk management system ➡ Page 72 	<ul style="list-style-type: none"> Identifying significant risks via risk assessments and mitigating risks ➡ Page 73 Business continuity planning and management Risk management training Initiatives to mitigate information security risk
Contribution to Communities		<ul style="list-style-type: none"> Policy 	<ul style="list-style-type: none"> Contribution to communities

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.

J-GAAP

Item ¹	(Unit)	2011.3	2012.3	2013.3	2014.3	2014.12 ⁵
Results of Operations						
Revenue	(¥ billion)	¥1,127.6	¥1,154.6	¥1,218.1	¥1,452.8	¥1,224.3
Selling, general and administrative expenses ^{2,3}	(¥ billion)	457.6	457.4	462.2	563.4	508.6
Business profit before R&D expenses	(¥ billion)					
Ratio of business profit before R&D expenses to revenue	(%)					
R&D expenses ³	(¥ billion)	164.7	159.2	192.4	249.0	172.9
R&D ratio	(%)	14.6	13.8	15.8	17.1	14.1
Business profit ⁴	(¥ billion)					
Business profit margin	(%)					
Operating profit	(¥ billion)	126.3	148.7	169.7	198.7	196.5
Operating profit margin	(%)	11.2	12.9	13.9	13.7	16.1
Profit attributable to owners of the Company	(¥ billion)	82.4	92.2	122.4	151.0	143.1
Financial Position						
Total assets	(¥ billion)	¥1,589.7	¥1,666.8	¥1,779.2	¥2,028.4	¥2,178.2
Total equity	(¥ billion)	1,163.3	1,222.8	1,325.1	1,510.8	1,658.6
Ratio of equity attributable to owners of the Company to total assets	(%)	72.4	72.5	73.7	73.2	74.7
ROE	(%)	7.9	7.8	9.7	10.8	9.2
Cash Flows						
Net cash flows from operating activities	(¥ billion)	¥ 87.7	¥ 147.6	¥ 119.3	¥ 226.5	¥ 88.5
Net cash flows from (used in) investing activities	(¥ billion)	(131.5)	(107.6)	(91.2)	(108.5)	(28.7)
Free cash flows	(¥ billion)	(43.8)	40.0	28.1	117.9	59.9
Dividends						
Annual dividend per share	(Yen)	¥ 28	¥ 45	¥ 58	¥ 65	¥ 75
Dividend payout ratio	(%)	17.3	27.2	26.1	23.4	28.4
Common Stock, Stock Price						
Number of shares outstanding at year-end	(Thousand shares)	557,836	557,836	557,836	557,836	557,836
Stock price at year-end	(Yen)	¥ 2,055	¥ 2,450	¥ 3,300	¥ 3,087	¥ 3,617
Number of Employees⁸						
Total	(Persons)	25,188	24,595	25,330	28,288	29,482
Japan	(Persons)	14,030	13,808	13,732	14,116	14,285
Outside Japan	(Persons)	11,158	10,787	11,598	14,172	15,197

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 – 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.



7. Calculated at ¥115.02 = US\$1.

8. Number of employees including Otsuka Holdings Co., Ltd. and its subsidiaries

Main Data

IFRS										
Item ¹	(Unit)	2015.12	2016.12	2017.12	2018.12 ⁶	2019.12	2020.12	2021.12	(Unit)	2021.12 ⁷
Results of Operations										
Revenue	(¥ billion)	¥1,427.4	¥1,195.5	¥1,240.0	¥1,292.0	¥1,396.2	¥1,422.8	¥1,498.3	(US\$ million)	\$13,026
Selling, general and administrative expenses ³	(¥ billion)	617.5	519.5	531.4	552.8	557.6	562.4	622.3	(US\$ million)	5,411
Business profit before R&D expenses	(¥ billion)	369.8	285.7	305.4	313.8	403.0	433.7	389.4	(US\$ million)	3,386
Ratio of business profit before R&D expenses to revenue	(%)	25.9	23.9	24.6	24.3	28.9	30.5	26.0	(%)	26.0
R&D expenses ³	(¥ billion)	199.6	152.6	174.0	192.9	215.8	216.8	232.3	(US\$ million)	2,020
R&D ratio	(%)	14.0	12.8	14.0	14.9	15.5	15.2	15.5	(%)	15.5
Business profit ⁴	(¥ billion)	170.2	133.1	131.4	120.9	187.2	216.9	157.1	(US\$ million)	1,366
Business profit margin	(%)	11.9	11.1	10.6	9.4	13.4	15.2	10.5	(%)	10.5
Operating profit	(¥ billion)	148.9	101.1	104.2	108.3	176.6	198.6	154.5	(US\$ million)	1,343
Operating profit margin	(%)	10.4	8.5	8.4	8.4	12.6	14.0	10.3	(%)	10.3
Profit attributable to owners of the Company	(¥ billion)	102.0	92.6	112.5	82.5	127.2	148.1	125.5	(US\$ million)	1,091
Financial Position										
Total assets	(¥ billion)	¥2,575.3	¥2,478.3	¥2,480.3	¥2,477.4	¥2,581.3	¥2,627.8	¥2,820.9	(US\$ million)	\$24,525
Total equity	(¥ billion)	1,727.4	1,738.4	1,822.0	1,732.3	1,795.4	1,883.4	2,045.2	(US\$ million)	17,781
Ratio of equity attributable to owners of the Company to total assets	(%)	66.0	69.0	72.3	68.8	68.4	70.5	71.3	(%)	71.3
ROE	(%)	6.1	5.4	6.4	4.7	7.3	8.2	6.5	(%)	6.5
Cash Flows										
Net cash flows from operating activities	(¥ billion)	¥ 257.9	¥ 142.0	¥ 102.8	¥ 135.8	¥ 192.6	¥ 232.8	¥ 228.9	(US\$ million)	\$ 1,990
Net cash flows from (used in) investing activities	(¥ billion)	(422.6)	(135.1)	(40.1)	(93.3)	(52.3)	(99.9)	(95.3)	(US\$ million)	(828)
Free cash flows	(¥ billion)	(164.7)	6.9	62.8	42.5	140.4	133.0	133.6	(US\$ million)	1,161
Dividends										
Annual dividend per share	(Yen)	¥ 100	¥ 100	¥ 100	¥ 100	¥ 100	¥ 100	¥ 100	(US\$)	\$0.87
Dividend payout ratio	(%)	53.1	58.5	48.2	65.7	42.6	36.6	43.2	(%)	43.2
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	557,836	(Thousand shares)	557,836
Stock price at year-end	(Yen)	¥ 4,317	¥ 5,093	¥ 4,948	¥ 4,493	¥ 4,883	¥ 4,418	¥ 4,169	(US\$)	\$ 36.25
Number of Employees ⁸										
Total	(Persons)	31,940	31,787	32,817	32,935	32,992	33,151	33,226	(Persons)	33,226
Japan	(Persons)	14,082	13,909	13,880	13,757	13,356	13,319	13,196	(Persons)	13,196
Outside Japan	(Persons)	17,858	17,878	18,937	19,178	19,636	19,832	20,030	(Persons)	20,030

Group Structure / Global Network / Corporate Information

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 47,000*² employees across 200 group companies in 33 countries and regions who strive to create and market unique products and services.

*1. Nutraceuticals: nutrition + pharmaceuticals *2. As of end of December, 2021. Otsuka Holdings and subsidiaries and affiliates.

Organizational Structure



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graph TD
    OH[Otsuka Holdings] --- OP[Otsuka Pharmaceutical]
    OH --- OPF[Otsuka Pharmaceutical Factory]
    OH --- TP[Taiho Pharmaceutical]
    OH --- OW[Otsuka Warehouse]
    OH --- OC[Otsuka Chemical]
    OH --- OF[Otsuka Foods]
    OH --- OMD[Otsuka Medical Devices]
  
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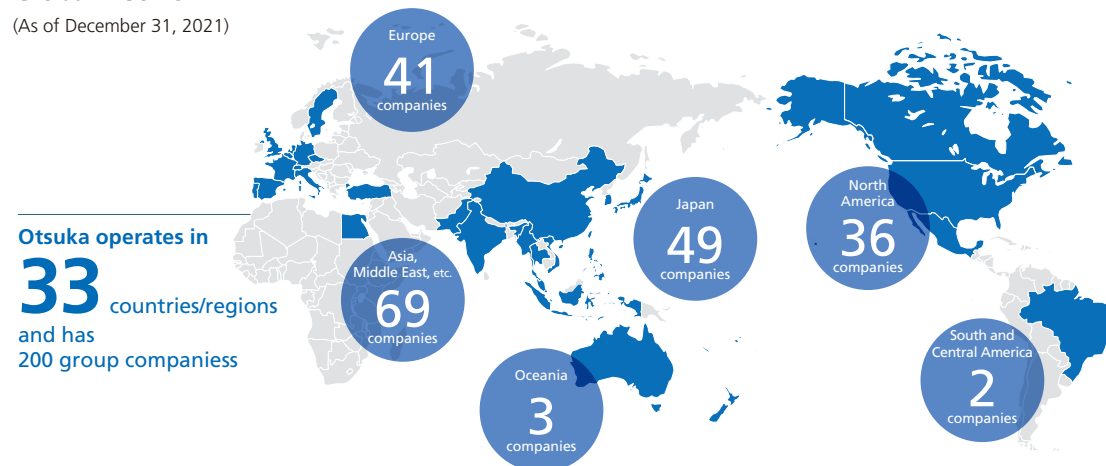
Corporate Information

(As of December 31, 2021)

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	137 (Consolidated: 33,226)
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

Global Network

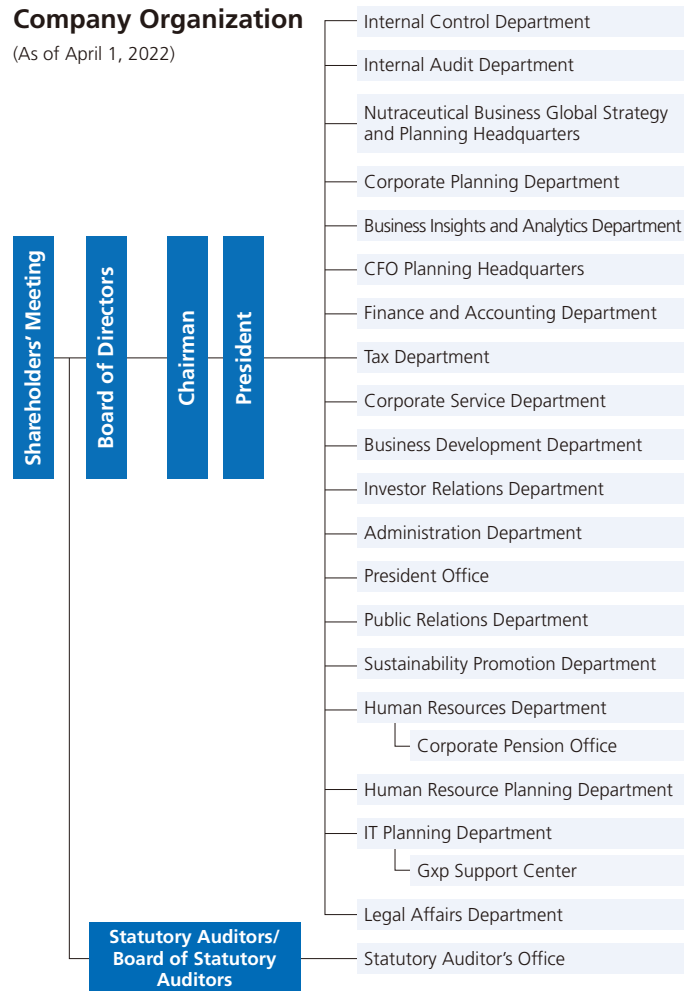
(As of December 31, 2021)



Company Organization / Overview of Main Operating Companies

Company Organization

(As of April 1, 2022)



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 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.

Otsuka Pharmaceutical Factory, Inc.

Original company of the Otsuka group, and a leader in IV 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. The company operates globally, with a focus on Japan and the rest of Asia.

Taiho Pharmaceutical Co., Ltd.

Half a century of working in the field of oncology, for patients and people worldwide

Taiho Pharmaceutical is an R&D-driven specialty pharma focusing on the fields of oncology, allergy and immunology, and urology. 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.

Otsuka Warehouse Co., Ltd.

Contributing to people's health worldwide in the field of logistics

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 working to reform its distribution solutions.

Otsuka Chemical Co., Ltd.

Otsuka Chemical creatively gives shape to the power of materials together with its 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, and healthcare areas through its main segments of the hydrazine business, the inorganic and composite materials business, and the pharmaceutical intermediates and active pharmaceutical ingredient (API) business.

Otsuka Foods Co., Ltd.

Delivering revolutionary products for new dietary styles since 1955

Otsuka Foods' 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.

Otsuka Medical Devices Co., Ltd.

Developing innovative treatment methods and creating new value

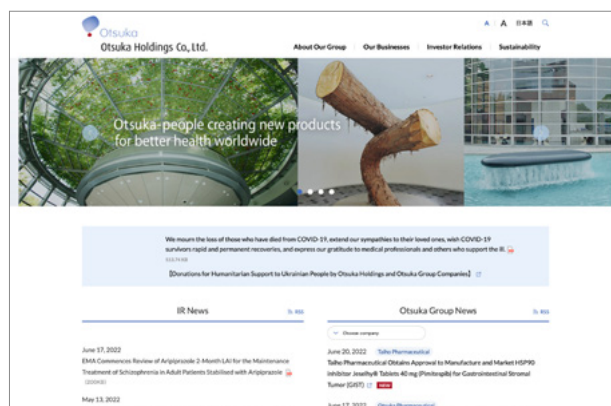
Since its establishment in February 2011, Otsuka Medical Devices has focused on developing unique solutions that improve the health and wellbeing of patients whose medical needs and conditions cannot yet be fulfilled by existing treatment methods. To achieve its aspiration of becoming a pioneer in the 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. Based on the Otsuka group's corporate philosophy—"Otsuka-people creating new products for better health worldwide"—Otsuka Medical Devices will do what it takes to offer patients new innovative treatment choices, and contribute to the health and healthcare of people across the world.

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.

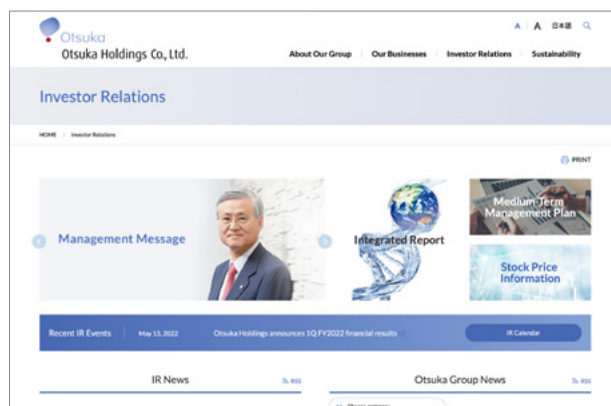
Website

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



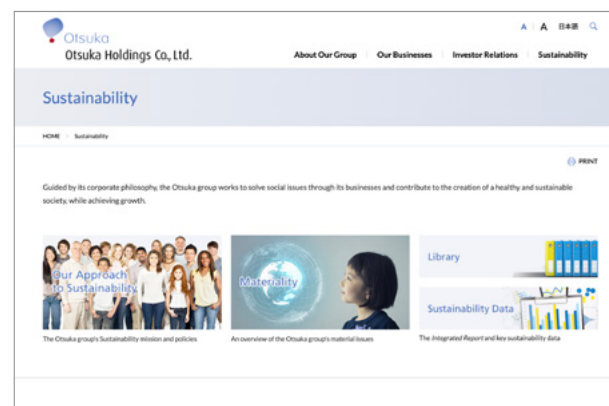
Investor Relations

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



The Otsuka Group's Sustainability

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



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 2020

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



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 2021 (January 1, 2021 to December 31, 2021); Note that certain information from January 2022 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 Integrated Reporting Council (IIRC)
- *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 2021 (January 1, 2021 to December 31, 2021). The report contains forward-looking statements and forecast 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.

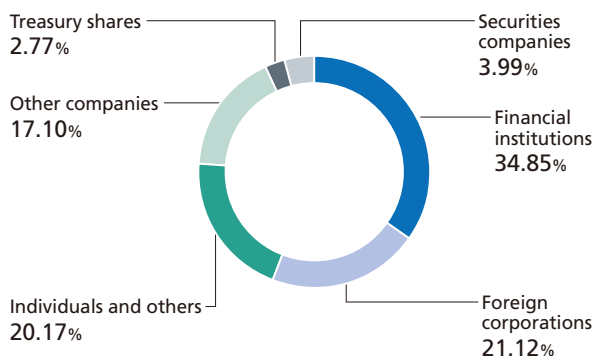
Please note that the information regarding pharmaceutical products (including products under development) is not intended for advertising or promotional purposes, or as medical advice.

Stock Information

(As of December 31, 2021)

Number of shares authorized	1,600,000,000 shares
Number of shares issued	557,835,617 shares
Number of shareholders	77,129

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)	68,567	12.64
The Nomura Trust and Banking Co., Ltd. Otsuka Founders Shareholding Fund Trust Account	56,216	10.36
Otsuka Estate Co., Ltd.	23,316	4.29
Custody Bank of Japan, Ltd. (trust account)	23,137	4.26
Otsuka Group Employee Shareholding Fund	13,175	2.42
The Awa Bank, Ltd.	10,970	2.02
JP MORGAN CHASE BANK 385635	8,862	1.63
JP MORGAN CHASE BANK 380072	7,964	1.46
SMBC Nikko Securities Inc.	7,933	1.46
Otsuka Asset Co., Ltd.	7,380	1.36

Notes: 1. Number of shares held is rounded down to the nearest thousand.
 2. Although the Company holds 15,443,722 of its own shares, treasury shares are excluded from the above list.
 3. Shareholding ratio is calculated after treasury shares are deducted.

Maximum/Minimum Stock Price and Volatility by Year

Fiscal	Maximum stock price (¥)	Minimum stock price (¥)	Volatility (%) (standard deviation)
2021	5,013	4,012	23.74
2020	5,158	3,224	32.51
2019	5,072	3,434	27.61
2018	5,832	4,331	29.07
2017	5,895	4,290	14.20
2016	5,139	3,467	17.69
2015	4,774	3,433	20.22
2014	4,019	2,773	19.24
2013	3,630	2,454	27.09
2012	2,512	2,100	9.89
2011	2,252	1,737	13.77

Total Shareholders' Return

Fiscal	2017	2018	2019	2020	2021
Otsuka Holdings	99.1%	92.1%	101.8%	94.6%	91.7%
Comparison: TOPIX Total Return Index	122.2	102.7	121.3	130.3	146.9

Stock Performance

