



Otsuka-people creating
new products for better
health worldwide

Otsuka group: What we are here for

- 09 Corporate philosophy and Mission
 - Corporate philosophy
 - Sustainability vision
 - Total healthcare
 - Vision for 2035 / Otsuka's goal

- 13 Our history of contributing to people's health worldwide
 - Doing what only Otsuka can do: A timeline
 - Total healthcare through business diversification
 - Otsuka group's expanding presence

- 15 The future Otsuka group envisions
- 16 The value creation process
- 17 Special feature: A story of Well-being from Otsuka's total healthcare
 - Our unique approach: Total healthcare
 - Our approach to realizing Well-being
 - Working toward a society that lives with dementia

What we are here for

Corporate philosophy

Otsuka-people creating new products for better health worldwide

In keeping with this corporate philosophy and the Otsuka values of *Ryukan-godo* (by sweat we recognize the way), *Jissho* (actualization) and *Sozosei* (creativity), we strive to do what only Otsuka can do.

The Otsuka group supports the lives of people worldwide through a wide range of innovative and creative products including pharmaceuticals, functional beverages, and functional foods.

We are dedicated to cultivating a dynamic corporate culture and workplaces that reflect our vision as a healthcare company, to finding ways to live in harmony with local communities and the natural environment, and to contributing to richer and healthier lives.

Our corporate culture

Ryukan-godo
(by sweat we recognize the way)

The process of discovering the core substance of something through hard work and practice

Jissho
(actualization)

Self-actualization through achievement, completion and the discovery of truth

Sozosei
(creativity)

Pursuing that which only Otsuka is capable of delivering



How we fulfill our corporate philosophy

Sustainability mission

Guided by its corporate philosophy, the Otsuka group works to solve social issues through its businesses and contribute to the creation of a healthy and sustainable society, while achieving growth.



Contribute to the health and Well-being of people around the world



Empowering our people to realize our corporate philosophy



Promote positive impact on global environment



Create more sustainable future with business partners



How we approach creating value

A unique concept

Total healthcare

Seeing each individual holistically—rather than viewing them simply as “ill” or “healthy”—is the essence of the Otsuka group’s approach to healthcare.

Based on this approach, we view people’s overall social environment as a connected whole and take measures to address health-related social issues.



— What we are working toward

Vision for 2035

From better health to beyond health to Well-being

To address social issues such as the global environment, women's health, and aging societies with declining birthrates, we, as a total healthcare company, will go beyond the concepts of prevention, health promotion, diagnosis, and treatment, create new health values, and pursue Well-being for each individual.

Otsuka's goal

To become an indispensable contributor to people's health worldwide

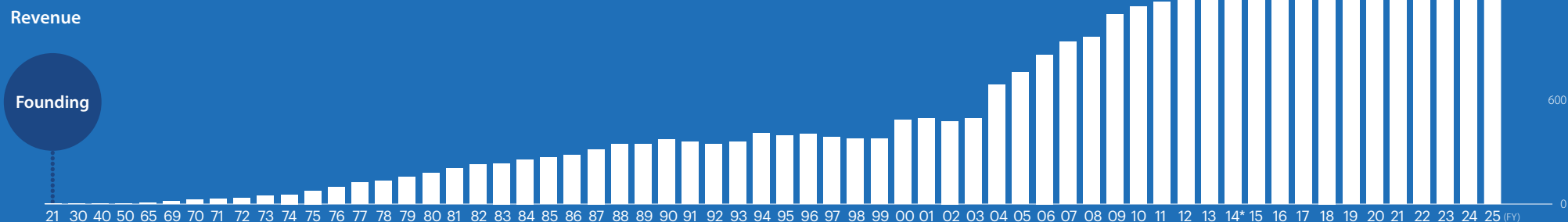
With the realization of our corporate philosophy as the foundation of all our business activities, we aim to continue to create and provide society with the unchanging value of contributing to the Well-being of people worldwide.



Our history of contributing to people's health worldwide

Since its founding in 1921 as a manufacturer of chemical raw materials, the group has pursued innovation in ways possible only for Otsuka in its quest to address social issues.

Today, the Otsuka group operates in 32 countries and regions, supporting the health and the daily lives of people around the world.



Doing what only otsuka can do: A timeline

1946– IV solutions business

As a leading company in the IV solutions business, Otsuka powers the development of IV solutions in Japan, taking the patient perspective as it works on innovative product development.



https://www.otsukakj.jp/en/about_us/history/

1974– An oral anticancer drug that changed the conventional wisdom of cancer treatment

The market launch of *Futorahuru* established the novel therapeutic approach of postoperative adjuvant chemotherapy.



https://www.taiho.co.jp/en/company/history/close_up/

1980– POCARI SWEAT

This product is now sold in more than 20 countries and regions around the world. We undertake related activities worldwide to raise awareness of the importance of hydration and electrolyte replenishment.



→ P. 49

2014– Women's health

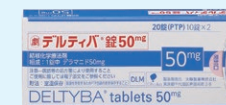
Our ongoing product development and awareness-raising activities reflect our belief in the importance of responding appropriately to the physical and mental changes that occur at each life stage.



→ P. 53

2014– Toward the elimination of tuberculosis, a "new old" disease

"Tuberculosis is a serious global health issue. If no one else will take action, we at Otsuka must continue the research ourselves." Guided by this deep commitment, the Otsuka group continued its research efforts, leading to the development of delamanid (brand name *DELTYBA*), the first tuberculosis treatment to be approved in 40 years.



→ P. 46

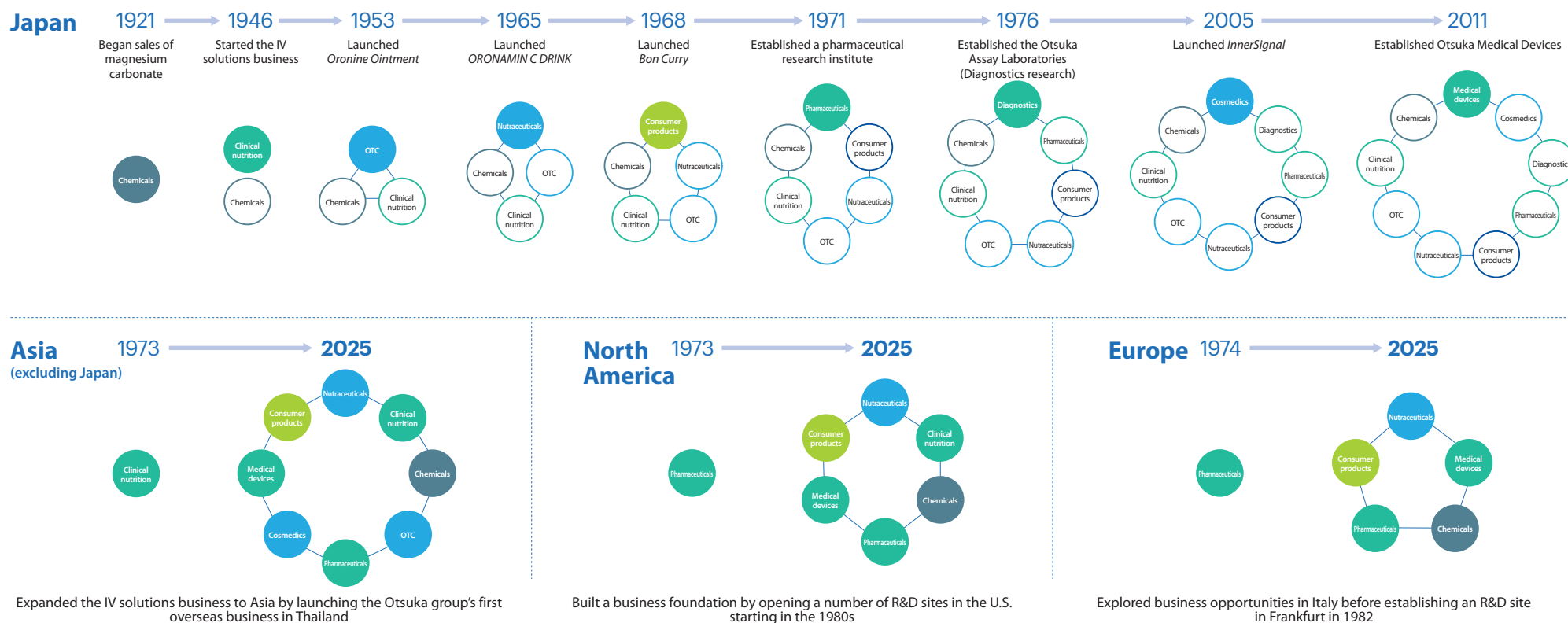
2023– Dementia need not be an isolating disease

Since the market launch of *ABILIFY* in 2002, the Otsuka group has continued to deliver distinctive products in the psychiatry and neurology area, addressing dementia specifically through *REXULTI*, which aims to support dementia patients and their families and caregivers.



→ P. 19
<https://www.otsuka.co.jp/dementia/>
(in Japanese only)

Total healthcare through business diversification



Otsuka group's expanding presence

One-of-a-kind creativity from Otsuka

- **Product concept:** Dopamine partial agonists, water diuretics, oral anticancer drugs, ionic beverages, and balanced nutritional diets
- **Creating new values:** Agitation associated with dementia due to Alzheimer's disease, ADPKD,* women's health, and hydration and electrolyte replenishment

* Autosomal dominant polycystic kidney disease

Global network

- **Otsuka operates in:** 182 companies in 32 countries/regions
- **Percentage of overseas revenue:** 71%
- **Number of employees:** Japan: 14,024 (37%); Outside Japan: 23,734 (63%)

An ability to nurture enduring brands

- **Products with top market share in one or more pharmaceutical categories:** Japan: 13; Outside Japan: 4
- **Countries/regions where the anti-tuberculosis drug delamanid is available:** More than 120
- **Consumption experience of *POCARI SWEAT*:** 83.5%
- **Countries/regions where *POCARI SWEAT* is expanding:** More than 20

Pursuing creativity

- **R&D expenses:** ¥352.8 billion (as percentage of revenue: 14.3%)
- **Development projects in the Pharmaceutical Business:** 64

Stakeholder networks

- **Partnerships with local governments nationwide:** All 47 prefectures and over 800 municipalities

Solid foundation in finance and revenue

- **Rating by Rating and Investment Information, Inc. (R&I):** AA-
- **Cash flow before R&D investments:** ¥739.2 billion
- **ROE:** 12.6%

The future Otsuka group envisions



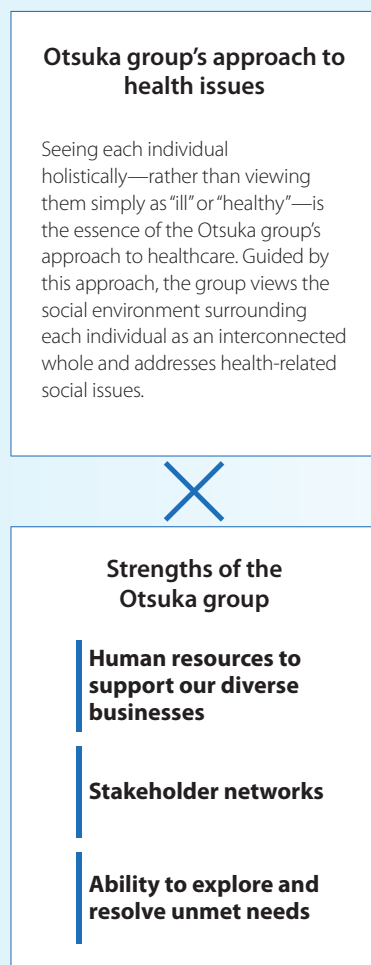
Building a world where everyone can be their healthy selves, whatever changes occur in their body, mind, or environment

People's health needs have evolved beyond a physical focus on being free from disease to include mental balance, meaningful connections, and a broader sense of "Well-being."

Given its diverse businesses linking medical care and everyday health, the Otsuka group believes that it has the responsibility and the potential to respond to this changed concept with a holistic approach to healthcare as a social issue.

The value creation process

Our unique approach: Total healthcare



The future Otsuka group envisions

→ P. 15

Value delivered to society

Linking diverse stakeholders in co-creative activity

We will identify previously overlooked issues through dialogue with consumers, partner companies, and a wide range of other stakeholders.

Creating new tools and options for healthy living

We will identify the essentials of each issue through a process of trial and error and create new solutions using an approach possible only for Otsuka.

Consistently delivering health support and related value to society

We will communicate the value of the products and services we create to the consumer and continue to promote them patiently until they become widely adopted in society.

Further evolve strengths by resolving health issues

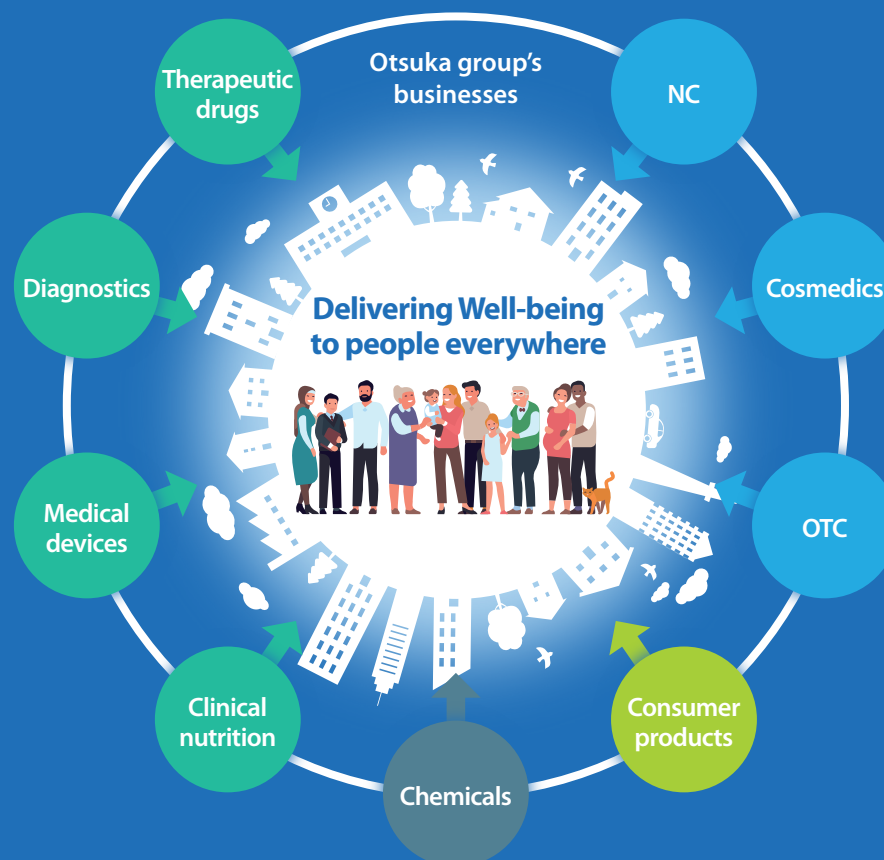
Special feature

A story of Well-being from Otsuka's total healthcare

From therapies for disease to everyday health maintenance, the Otsuka group is a total healthcare company that understands people's lifestyles.

With our diverse businesses working together to tackle increasingly complex social issues, we will create a future of Well-being that lets people around the world live their best life.

Our unique approach: Total healthcare



Pharmaceutical Business

(⇒ P. 39)

In addition to our traditional areas of strength such as psychiatry and neurology and oncology, we are also devoting resources to areas such as autoimmune diseases, where there is a high level of unmet medical need. We develop not only new drugs but also medical devices and digital tools, thus offering comprehensive solutions that support patients to reintegrate into society.

Other Businesses (⇒ P. 55)

We operate a chemical business, which supplies high-performance materials, and a warehousing and transport business, which provides logistics solutions with low environmental impact. In addition to supporting our group's diverse business foundation, we utilize our proprietary technologies and infrastructure to also make wide-ranging contributions to the development of industry and the realization of a sustainable society.

Nutraceutical Business

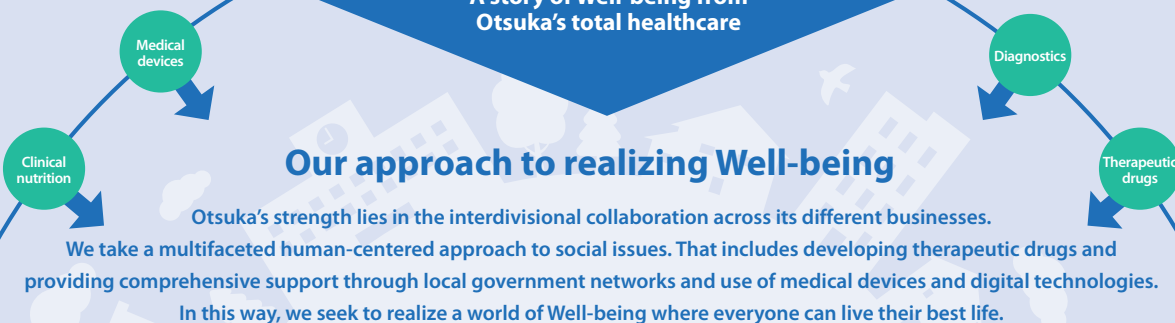
(⇒ P. 47)

Using expertise acquired in the Pharmaceutical Business, we provide functional beverages and foods and related products based on scientific evidence. From women's health to hydration and electrolyte replenishment, we offer solutions to the health issues of each life stage, supporting people around the world to maintain and improve their health at the everyday level.

Consumer Products Business (⇒ P. 54)

We develop food and beverage businesses around the themes of flavor, safety, peace of mind, and health. We create original concept products that meet people's needs, such as foods sealed in hygienic plastic pouches (retort bags). Food solutions such as these support the diverse health needs of today's society and help people live full and healthy lives.

Special feature
A story of Well-being from
Otsuka's total healthcare



Working toward a society that lives with dementia

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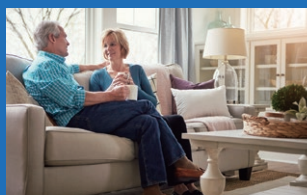
Taking a holistic approach to complex psychiatric and neurological disorders

➔ P. 41



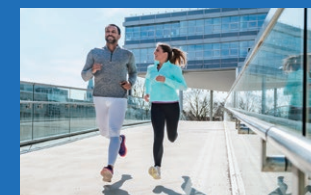
Working toward a society that lives with cancer

➔ P. 42



Supporting health for everyone through hydration and electrolyte replenishment

➔ P. 49



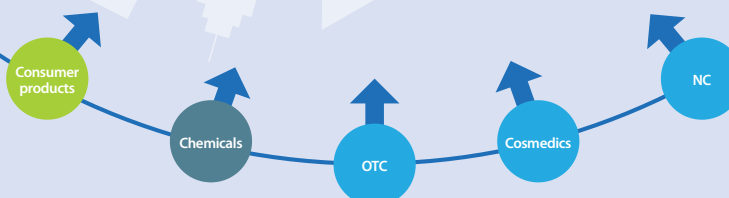
Empowering women by addressing their specific health issues

➔ P. 53 Nutraceutical Business For women's health category



Providing nutrients for a wide range of needs, from people living with disease to healthy people

➔ P. 50, P. 54



Special feature

A story of Well-being from Otsuka's total healthcare

Working toward a society that lives with dementia

Our view of the fundamental issues related to dementia

The Otsuka group sees the most fundamental dementia-related issue as being the social isolation it brings for those affected and their families and caregivers. They can become worn down from carrying the burden of day-to-day care alone due to a lack of understanding from the surrounding community. Relieving this isolation to create an inclusive society where everyone can live their best life is the real issue that we need to address.

Solutions for dementia care

We carry out development and sale of VR programs to train dementia caregivers.

→ P. 20, P. 45



Raising dementia awareness

We organize activities with internal and external stakeholders to raise awareness of new perspectives on dementia.



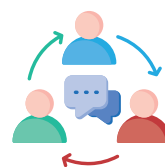
Our approach to dementia

The Otsuka group takes a human-centered total healthcare approach in which the Pharmaceutical and Nutraceutical Businesses collaborate to address the social issue of dementia. We contribute to value creation in society by applying the therapeutic drugs, VR tools, and other technologies developed with the scientific expertise of our Pharmaceutical Business. We roll these out through the more than 800 networks established nationwide with local governments and enterprises by our Nutraceutical Business. Through this unique approach, we provide solutions offering comprehensive support from diagnosis and treatment to living within the community.

Collaboration with stakeholders

We provide dementia support by drawing on the consumer contacts, networks, and expertise accumulated by the Nutraceutical Business.

→ P. 20



Networks with firm roots in local communities

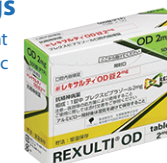
We use a total of some 800 comprehensive partnership agreements with local governments nationwide to provide dementia support rooted in the local community.



Development and sale of therapeutic drugs

We achieved the development and sale of the first therapeutic drug for agitation associated with dementia due to Alzheimer's disease.

→ P. 41



Neuropsychological assessment application program for dementia diagnosis support

We market a neuropsychological assessment application program used to support dementia diagnosis and treatment.

→ P. 45



Toward a society where everyone facing dementia can continue to be themselves



A new initiative to enhance understanding of dementia created in a collaborative project with Resona Bank

With the idea that dementia need not be an isolating disease, the Otsuka group is addressing related issues. Our approach combines the scientific expertise of the Pharmaceutical Business with the wide-ranging social networks of the Nutraceutical Business. This Special Feature takes the example of the collaborative project with Resona Bank, Limited to introduce our latest initiatives. The focus is not merely on diagnosis and treatment, but also on dementia in the context of everyday life, where we address the issue of isolation. Two members in charge share a unique value creation story born from collaboration across business divisions.

FACEDUO experience session held at a ResonaIn facility at Fukagawa Gatharia Legare



Addressing dementia-related isolation through Pharmaceutical-Nutraceutical collaboration

Kato As one of the potential issues affecting people living with dementia and their families, we considered the risk of social isolation as a result of a lack of understanding from the surrounding community. Starting from the idea that dementia need not be an isolating disease, we have been working to address related issues.

Ohnishi The activities of pharmaceutical companies are generally centered on medical environments. In the case of dementia, however, which involves a large number of stakeholders including local governments and businesses, we felt that we needed to turn our attention to everyday settings as well as medical institutions.

Kato As the Nutraceutical Business has extensive consumer contacts through the nationwide networks it has established with local governments, retail businesses, and other partners, we thought these could serve Otsuka as a strength in its dementia-related initiatives.

Ohnishi A major advantage was that an internal environment had

already been cultivated that made it easy for the Pharmaceutical and Nutraceutical divisions to consult each other. Otsuka Pharmaceutical has established a Portfolio Management Office for horizontal management across its businesses as part of ongoing efforts to facilitate interdepartmental collaboration.

Program to promote understanding of dementia-related issues created in a collaborative project with Resona Bank

Kato A typical example is the collaborative project with Resona Bank, who the Nutraceutical Business had contacts with through its support for B.LEAGUE basketball. Financial institutions too are aware of dementia as a major social issue in terms of both health and finance when it comes to supporting customers in their everyday life and future planning.

Ohnishi That is why we proposed to Resona that they try FACEDUO, a dementia care support VR program that we developed based on scientific evidence provided by the Pharmaceutical Business. The aim of the program is to enable families and other caregivers to experience the perspective of the dementia patient through simulation. This allows them to understand the background to the feelings and behaviors of people with dementia and to respond with appropriate support.

Kato FACEDUO was installed at one of the bank's ResonaIn locations. Among the feedback from participants were the comments that it had enabled them to understand why people with dementia act and speak as they do and to respond better to them, and that they had felt more relaxed as a result. This example, a collaborative project to promote understanding of dementia based on digital solutions, was carried out through a bank, which provided a familiar everyday location.

Ohnishi The Resona Bank team particularly valued the fact that they could experience FACEDUO themselves before introducing it to their customers. FACEDUO has now been installed at four ResonaIn locations.

Aiming to become a lifelong partner by creating new health value through Pharmaceutical-Nutraceutical collaboration

Ohnishi In our Pharmaceutical Business, we are also developing programs that promote new perspectives on dementia.

Kato In the Nutraceutical Business, we are developing content related to frailty, heat illness, and other health issues closely connected to daily life. Fundamental to Otsuka's thinking is the idea that disease is no more than one part of a person's makeup. Rather than seeing the disease, we look at the individual holistically and aim to be a lifelong partner.

Ohnishi I believe that our strengths lie in creating science-based products, having wide-ranging contacts with society, and possessing the ability to communicate product value. By generating new health value from Pharmaceutical-Nutraceutical collaboration, we are working to address health-related social issues.



(Left) **Koji Ohnishi**

Principal
Portfolio Management Office
Otsuka Pharmaceutical Co., Ltd.

(Right) **Naoki Kato**

Director, Social Health Relations Department
Nutraceuticals Business Group
Principal, Portfolio Management Office
Otsuka Pharmaceutical Co., Ltd.