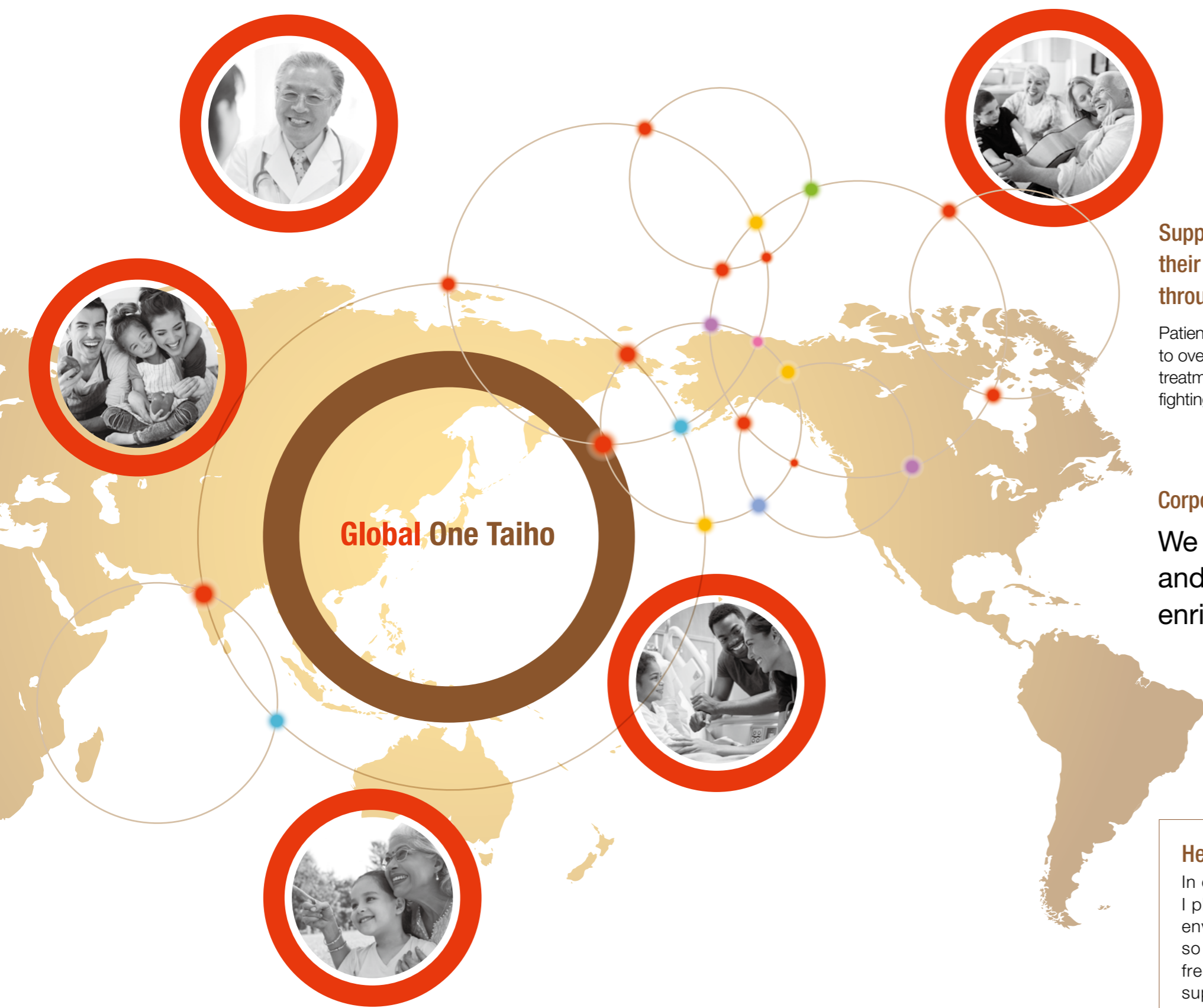


# Global One Taiho



TAIHO PHARMACEUTICAL CO., LTD.



**Supporting the courage and strength of patients,  
their families, and healthcare professionals  
through innovative new drugs**

Patients and their families setting their hopes on medicines to overcome illness; healthcare professionals seeking the best treatments for their patients—we stand with these people fighting disease, hoping to give them strength and courage.

**Corporate Philosophy**  
**We strive to improve human health  
and contribute to a society  
enriched by smiles.**

**Health Pledge**  
In order to realize this corporate philosophy, I pledge to further enhance workplace environments across our entire organization so that employees can work with even more freedom and energy. We will do this by supporting the physical and mental health of all employees.

February 2017  
**Masayuki Kobayashi**  
President and Representative Director

**Contents**

|   |    |
|---|----|
| President's Message   | 3  |
| Taiho Pharmaceutical's Initiatives  | 5  |
| Research & Development  | 7  |
| Close-up:<br>History of Taiho Pharmaceutical's<br>Anticancer Drug Development | 9  |
| Taiho's Global Reach  | 11 |
| Main Products   | 13 |
| CSR   | 15 |
| Corporate Data  | 17 |
| Otsuka Group  | 19 |



# Taking on Challenges

## History of Challenges

Taiho Pharmaceutical Co., Ltd. was established as a member of the Otsuka group in 1963. Ever since, the whole company has worked as a united team to provide quality products that people around the world can use with confidence and to disseminate safety information.

Looking back over the history of the company's pharmaceutical business since its establishment, we recall the 1974 Japan launch of Futraful, an oral tegafur formulation, one of the world's first oral anticancer agents. This was followed by the Japan launches of other oral anticancer agents developed in-house: UFT (a formulation of tegafur and uracil) in 1984, TS-1 (a formulation of tegafur, gimeracil, and oteracil potassium) in 1999, and LONSURF (trifluridine and tipiracil) in 2014. In 2015, LONSURF became the first Taiho product to be marketed directly by the company in the U.S. In 2016, the drug was launched in Europe via our French partner, Servier. Today, it is available in an increasing number of countries around the world.

Each of these examples shows how Taiho Pharmaceutical has continued to embrace the challenge of developing medicines that can contribute to cancer chemotherapy around the world. Meanwhile, we have also worked intensively on the development of innovative pharmaceuticals in the allergy, immunology, and urology fields. We are continuing to do everything we can to create new drugs that help to improve quality of life for patients and contribute to full recovery.

The company has also developed much-loved brands in the consumer healthcare market, like Tiovita, Solmack and Harnicare. We are determined to continue to take on the challenge of creating and nurturing unique brands that people love for many years.

## Spirit of Globalization

Taiho Pharmaceutical is focusing on reinforcing its marketing structure in North America, Asian countries, Europe and other markets in order to give patients all around the world access to its products. We are also conducting numerous global clinical trials via existing clinical development centers in Japan as well as in Europe, the U.S. and Asia. We are pursuing simultaneous global development of a number of promising compounds coming out of our R&D divisions, seeking to get these new drugs ready for patients around the world as soon as possible.

## Commitment to Compliance and Sustainability

In line with Taiho Pharmaceutical's corporate philosophy—"We strive to improve human health and contribute to a society enriched by smiles."—each and every employee strives to ensure compliance. Our people take the company's close involvement with human life seriously and understand the importance of complying with the



President's Message

The most important thing for our business development will be securing people with great talent. We develop world-class human resources, bring in top talent without regard for nationality or other such factors, and actively promote work-style reform. In addition, we provide work support for employees who have cancer or other diseases. Taiho Pharmaceutical creates optimal workplaces where people from diverse backgrounds can truly enjoy their jobs.

letter and spirit of the law and codes of conduct. Going forward, our entire team will work as one (Global One Taiho) to pursue sustainability in order to ensure that Taiho Pharmaceutical remains a valuable contributor to the health of people worldwide by developing and supplying outstanding pharmaceuticals.

小林将之  
Masayuki Kobayashi  
President and Representative Director

# Global One Taiho

Taiho Pharmaceutical seeks to improve human health and contribute to societies enriched by smiles through its two businesses.

Pharmaceutical  
Business

Consumer Healthcare  
Business

Taiho Pharmaceutical's R&D, production,  
marketing, and other functions work as one to  
deliver innovative products to people worldwide.

## Research & Development

**Delivering innovative, reliable drugs to patients as quickly as possible, to help people awaiting new medicines**

Taiho Pharmaceutical leverages its wealth of experience and technology and the trust it has built with key opinion leaders around the world to improve the quality and speed of its drug R&D. In its ongoing pursuit of research and development of innovative new drugs that can be trusted by all, the company makes the most of its R&D network in Japan and also collaborates with academia, start-up companies and Otsuka Group companies in the U.S., Europe and Asia.

In the consumer healthcare field, the company is committed to researching and developing unique products that leverage insights into people.



## Production

**Supplying the global market with safe, high-quality products manufactured to stringent international standards**

Taiho Pharmaceutical has established optimal production and quality control systems for each product, including pharmaceuticals and quasi-drugs, in pursuit of product quality and safety.

The company has leveraged its years of experience in the production of pharmaceuticals to build an ultra-reliable, industry-leading quality assurance system that meets stringent international standards, including those of the U.S. and Europe. The company also shares information among divisions and strives to understand frontline needs and social issues in order to respond rapidly. Taiho Pharmaceutical constantly endeavors to improve its technologies so that it can stably provide the highest quality to everyone who uses its products.



## Marketing

**Contributing to people's health worldwide by providing innovative new drugs and high-quality information**

Taiho Pharmaceutical develops global marketing programs across its worldwide network to support the health of people and to create smiles. The company will continue to provide valuable products and information that support peace of mind and courage for patients, their families, medical staff, and everyone else who cares about health.

In the consumer healthcare field, the company will create a chain of smiles by seeking insights into people and creating new markets focused closely on them.



# Open Innovation

Leveraging drug discovery in Japan and global open innovation to deliver new drugs as quickly as possible

At Taiho Pharmaceutical, researchers and departments with knowledge and experience in many specialized fields integrate their diverse abilities to drive in-house drug discovery forward. In addition, the company is expanding its drug-enabling platform technologies and is pursuing external research collaboration in and outside Japan to supplement its own technology and accelerate research and development.

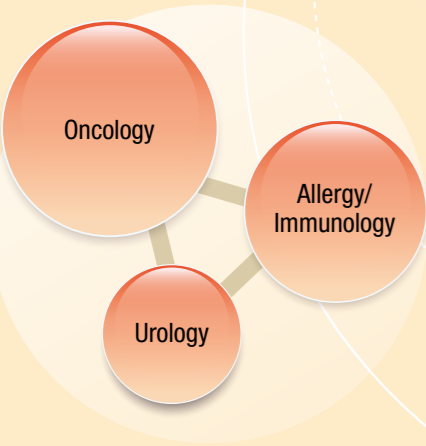
By collaborating and partnering with the Otsuka group and other companies, Taiho Pharmaceutical is also strengthening its drug discovery capabilities through the sharing of expertise and cutting-edge technologies, enhancing its development capabilities, and accelerating its global expansion. Furthermore, by investing in the corporate venture capital companies, Taiho Ventures, LLC, and Taiho Innovations, LLC (see pp.11 and 12), and in Remiges BioPharma Fund, LP, an open innovation fund, the company has built a network with promising biotechnology ventures and academia around the world, giving it access to creative, innovative third-party technologies and drug-discovery seeds.

The goal of all these efforts is to improve the health of patients worldwide and contribute to a society enriched by smiles. Taiho Pharmaceutical will continue taking on the challenge of researching and developing innovative new drugs by driving innovation with in-house drug discovery and various collaborations.

## Creating innovative new drugs



## Three Target Development Areas



### Oncology

Building on its flagship anticancer agent, TS-1, Taiho Pharmaceutical has been conducting research and development of drugs in new categories based on its accumulated findings and knowhow. One strong result was the discovery of LONSURF, which has a novel mechanism of action. Taiho Pharmaceutical seeks to contribute to the diversification of cancer treatment around the world. It works on molecular targeted anticancer agents with various mechanisms such as inhibition of protein functions involved in cancer cell proliferation, survival, angiogenesis or drug resistance, as well as anticancer agents that target cancer cell-specific metabolism and also cancer immunity, an area that has developed remarkably in recent years.

### Allergy/Immunology

Applying the experience and technology for molecular targeted drug discovery developed over years of oncology research, Taiho Pharmaceutical has dedicated itself to research in the allergy and immunology fields. The company pursues drugs with a focus on the mechanisms of refractory diseases such as autoimmune diseases, as well as drugs with novel mechanisms of action applicable to rare diseases.

### Urology

Leveraging the wealth of findings and experience gained from BUP-4, a therapeutic agent for urinary incontinence and frequent urination, Taiho Pharmaceutical has researched the pathology behind many kinds of urinary incontinence and disorders of micturition. Taking advantage of this experience, Taiho Pharmaceutical is exploring new types of drugs for unmet medical needs.

## Product Pipeline

| IND Code | Dosage Form | Indications                                     | Development Locations | Development Stage |          |           |                 |
|----------|-------------|---|-----------------------|-------------------|----------|-----------|-----------------|
|          |             |   |                       | Phase I           | Phase II | Phase III | Submitted/Filed |
| TAS-118  | Oral        | Gastric cancer                                  | Japan/Asia            |                   |          |           |                 |
| TAS-114  | Oral        | Non-small cell lung cancer (NSCLC)              | Japan/US/EU           |                   |          |           |                 |
| TAS-115  | Oral        | Prostate cancer                                 | Japan                 |                   |          |           |                 |
|          |             | Idiopathic pulmonary fibrosis                   | Japan                 |                   |          |           |                 |
| TAS-116  | Oral        | Gastrointestinal stromal tumor (GIST)           | Japan                 |                   |          |           |                 |
|          |             | Solid tumors                                    | US/EU                 |                   |          |           |                 |
| TAS-117  | Oral        | Solid tumors                                    | Japan                 |                   |          |           |                 |
| TAS-119  | Oral        | Solid tumors                                    | US/EU                 |                   |          |           |                 |
| TAS-120  | Oral        | Cholangiocarcinoma                              | Japan/US/EU           |                   |          |           |                 |
| TAS0313  | Injection   | Urothelial cancer                               | Japan                 |                   |          |           |                 |
| TAS3681  | Oral        | Prostate cancer                                 | US/EU                 |                   |          |           |                 |
| TAS0728  | Oral        | Solid tumors                                    | US/EU                 | Phase I/Phase II  |          |           |                 |
| ET-743   | Injection   | Ovarian cancer                                  | Japan                 |                   |          |           |                 |
| Pro-NETU | Injection   | Chemotherapy-induced nausea and vomiting (CINV) | Japan                 |                   |          |           |                 |
| TAS-205  | Oral        | Duchenne muscular dystrophy (DMD)               | Japan                 |                   |          |           |                 |
| TAS5315  | Oral        | Rheumatoid arthritis (RA)                       | Japan                 |                   |          |           |                 |
| TAC-302  | Oral        | Detrusor underactivity with overactive bladder  | Japan                 |                   |          |           |                 |
| TAS-303  | Oral        | Stress urinary incontinence                     | Japan                 |                   |          |           |                 |

As of December 31, 2019

For the latest information about the pipeline, scan this QR code.



# Close-up

## History of Taiho Pharmaceutical's Anticancer Drug Development



Since  
1969

Then-president Yukio Kobayashi shaking hands with Futraful developer

### Taiho Pharmaceutical's history of anticancer drugs began with an encounter with Futraful in Latvia.

In 1969, Taiho Pharmaceutical's first president, Yukio Kobayashi, visited the former Soviet Union for business discussions on Pantocrin, a crude drug formulation for which demand had suddenly started to increase at the time. Kobayashi, who devoted every spare moment during his time there to visit pharmaceutical-related sites, happened to see an injection ampule at a cancer research center in Moscow. It was Futraful, a derivative\* of a novel anticancer drug, 5-fluorouracil (5-FU). Guided by intuition, Kobayashi sensed its great potential and instantly decided to conduct clinical trials in Japan.

After returning to Japan, he immediately established an anticancer team in the research center to initiate a research program. After confirming the drug's efficacy in basic research, the drug was taken into clinical trials. However, satisfying clinical results were not obtained, with investigators presenting negative reports on efficacy at the first investigators' meeting.

There was, however, one report that the compound showed efficacy in a patient, and this case became a ray of hope encouraging further research. Research showed that long-term exposure to cancer cells exerts an anticancer effect even at low blood concentration. This shifted the direction to the development of an oral anticancer agent, a very uncommon formulation in the world at that time. It was then, April 1972, when the possibility created by intuition started moving steadily toward becoming a reality.



1974

Futraful capsule 200mg and Futraful injection 400mg launched in Japan



1984

UFT combination capsule T100 launched in Japan



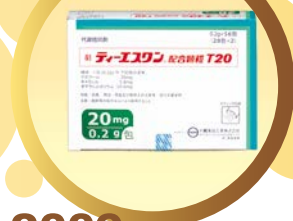
1999

TS-1 combination capsule T20/T25 launched in Japan



2003

UZEL tablet 25mg launched in Japan



2009

TS-1 combination granule T20/T25 launched in Japan



2010

Aloxi I.V. injection 0.75mg launched in Japan



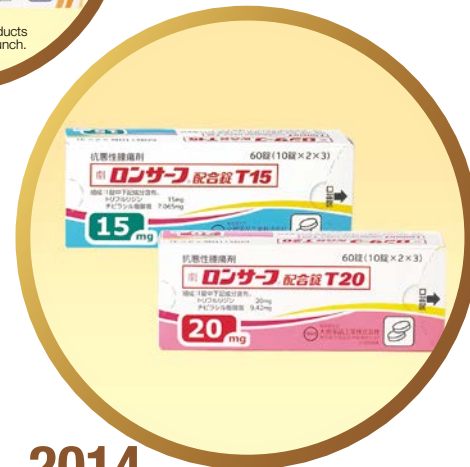
2010

Abraxane I.V. infusion 100mg launched in Japan



2013

TS-1 combination OD tablet T20/T25 launched in Japan



2014

LONSURF combination tablet T15/T20 launched in Japan



2015

Yondelis I.V. infusion 0.25mg/1mg launched in Japan

### Taiho Pharmaceutical's researchers redefined cancer treatment by bringing small buds of potential to fruition.

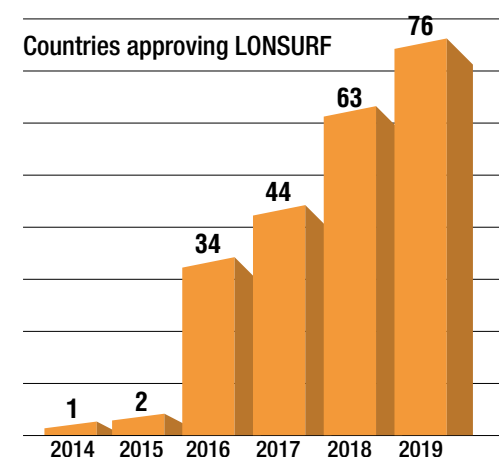
The oral anticancer drug Futraful was created in 1974. Unlike conventional anticancer drugs, Futraful enabled outpatient therapy due to its long-term oral administration, later leading to the establishment of the concept of adjuvant chemotherapy.

### Taiho Pharmaceutical overcame various challenges to create new possibilities.

Ten years later, in 1984, Taiho Pharmaceutical launched UFT, a combination of uracil with Futraful. Having moved forward with research after UFT, in 1999, the company launched TS-1, which combined two new compounds, gimeracil and oteracil potassium, with Futraful, the principal component.

### Taiho Pharmaceutical continues to support the present and pioneer the future of cancer treatment.

In 2013, Taiho Pharmaceutical launched TS-1 as the world's first anticancer agent in OD tablet form. In recent years, Taiho Pharmaceutical has been conducting R&D aimed at comprehensive care in oncology, with an even greater awareness of patients' quality of life. In addition to developing formulations that are easier for cancer patients to use, the company is going beyond cancer treatment, striving to contribute to better quality of life for patients.



### Taiho Pharmaceutical aims to deliver innovative drugs from Japan to patients around the world.

LONSURF, a combination of two compounds, trifluridine and tipiracil, is a drug discovered by Taiho Pharmaceutical. It was first launched in Japan in 2014, and the following year the company began selling it in the U.S. LONSURF is the company's first product approved in the U.S. In Europe, approval for the drug was obtained from the European Commission in 2016, and it has now been approved in more than 80 countries, including countries in Asia.

In its half-century of anticancer drug research and development, Taiho Pharmaceutical has established a great body of evidence in cancer chemotherapy. Transforming that abundant experience into a dynamic asset, Taiho Pharmaceutical will keep developing new drugs to help cancer patients in Japan and around the world.

# Taiho's Global Reach

Determined to Improve the Health of Patients Worldwide and Contribute to Societies Enriched by Smiles

## Aiming to become an agile specialty pharma trusted around the world

Since the start of the new millennium, Taiho Pharmaceutical has been pursuing global R&D while building its own sales structure in the U.S. and expanding its sales network in other countries. In recent years, the company has established two corporate venture capital firms to expand its development pipeline and promote the creation and utilization of innovation. Going forward, Taiho Pharmaceutical will continue to make every effort to increase its global reach, seeking to bring smiles to the faces of people around the world.



### TAIHO ONCOLOGY, INC.

In 2002, Taiho Pharmaceutical established Taiho Pharma U.S.A., Inc. (now Taiho Oncology, Inc.) in Princeton, New Jersey in the U.S. Its select team of professionals works together with medical professionals and organizations in the U.S. and Europe, while cooperating with Taiho Pharmaceutical staff in Japan, to advance the global development of new drugs that can contribute to the treatment of cancer.

LONSURF became Taiho's first product in North America, obtaining U.S. FDA approval in 2015 for the treatment of advanced or recurrent colorectal cancer. Taiho Oncology has been marketing the drug since then. In 2019, an additional indication was approved for metastatic gastric cancer.



### TAIHO VENTURES, LLC

In 2016, the corporate venture capital company, Taiho Ventures, LLC, was established in California in the U.S. for the purpose of biotechnology investment. The new company invests in promising biotechnology ventures around the world that are engaged in innovative new drug R&D as well as cutting-edge drug-enabling platform technologies, mainly in the oncology field. It also takes advantage of the resources Taiho Pharmaceutical has cultivated as a pioneer of oral anticancer drugs on behalf of its portfolio companies. Through Taiho Ventures, LLC, Taiho Pharmaceutical searches for partnering opportunities with promising venture companies in order to enhance its development pipeline and acquire innovative drug discovery technologies.



### TAIHO PHARMA SINGAPORE PTE. LTD.

In 2011, Taiho Pharmaceutical established Taiho Pharma Singapore Pte. Ltd. as a sales, regulatory affairs and medical affairs base in Southeast Asia. The new company is marketing the anticancer agents TS-1 (locally known as TS-ONE), LONSURF, UFT and Futraful either independently or through business partners.

Sticking with its philosophy, "by local, for local," Taiho Pharma Singapore Pte. Ltd. covers a wide range of jobs such as regulatory affairs, medical affairs and sales of anticancer drugs as a hub for Taiho's oncology business in Southeast Asia, staying in close touch with local medical oncologists and the other medical professionals in cancer care.



### OKAYAMA TAIHO PHARMACEUTICAL CO., LTD.

In 1992, Taiho Pharmaceutical established Okayama Taiho Pharmaceutical Co., Ltd. in Bizen, Okayama Prefecture, Japan. The company works on planning and development of topical products to meet people's needs and on improving manufacturing technology. In order to contribute to the creation of societies where anyone can receive anticancer drug treatment with peace of mind, Okayama Taiho Pharmaceutical entered the authorized generics (AG\*) business in 2017 and is now manufacturing and selling AG of UZEL and TS-1. Furthermore, as part of its contract manufacturing service, the company has been manufacturing the 100mL Tiovita drink series since January 2020.

\*Authorized generics: Generic drugs for which the use of patents, etc. has been authorized by the original manufacturer



### TAIHO PHARMA CANADA, INC.

In 2016, Taiho Pharma Canada, Inc. was established as a new pharmaceutical business base in that country. In 2018, Health Canada, the Canadian health authority, approved LONSURF. Taiho Pharma Canada, Inc. has been marketing the drug since then.



### TAIHO PHARMA EUROPE, LTD.

In 2009, Taiho Pharmaceutical established Taiho Pharma Europe, Ltd. to serve as its drug development center in Europe. Working closely with the professional R&D teams in Japan and the U.S., Taiho Pharma Europe, Ltd. provides direct management of research and development programs and regulatory affairs support for obtaining marketing approval of anticancer drugs in the European markets. In Europe, Teysuno (called TS-1 in Japan) and LONSURF are sold through partner companies.



### TAIHO PHARMACEUTICAL OF BEIJING CO., LTD.

In 2008, Taiho Pharmaceutical established a Chinese subsidiary, Taiho Pharmaceutical of Beijing Co., Ltd., to carry out the development and marketing function in China. The new company obtains approval from authorities in China on anticancer agents researched and developed by Taiho Pharmaceutical and provides product information to Chinese oncologists.

In 2009, the company launched TS-1 as its first product and began developing its business. In 2019, LONSURF was approved, and the company is preparing for the product's launch.



### TAIHO INNOVATIONS, LLC

In 2019, Taiho Pharmaceutical established Taiho Innovations Co., Ltd. as a corporate venture capital firm that invests in Japanese start-ups in the healthcare field. A feature of Taiho Innovations is that in addition to making start-up investments in the medical and consumer healthcare fields, it also conducts hands-on incubation investments\* from the early stages before a business is started. Meanwhile, it looks to actively expand company assets into other areas to drive innovation through open innovation unbound by existing frameworks.

\*Incubation investment: Investment to support business creation and start-up establishment



# Main Products

For more information about other products, scan this QR code.



## Pharmaceuticals

Anticancer agent  
**LONSURF**



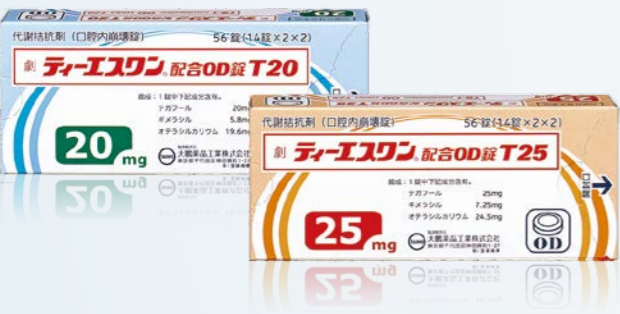
Antiallergic agent  
**Bilanoa**



Human anti-interleukin (IL)-23p19 monoclonal antibody  
**TREMFYA**



Antimetabolic agent  
**TS-1**



Antimetabolic agent  
**UFT**



Anticancer agent  
**Abraxane**



5-HT3 receptor antagonist antiemetic agent  
**Aloxi**



## Taiho Pharmaceutical's Plants



**Tokushima Plant (Tokushima Prefecture)**  
The Tokushima Plant manufactures pharmaceuticals and quasi-drugs in a variety of formulations, including tablets, capsules, granules, injections, and drinks.



**Kitajima Plant (Tokushima Prefecture)**  
The Kitajima Plant manufactures anticancer agents.



## Consumer Healthcare Products

Nutritive energy drink  
**Tiovita**



Herbal digestive support drink  
**Solmack**



Sore Throat Relief Strips  
**Pitas**



Miscellaneous household goods  
**Efil**



Herbal Medicine for Mild Incontinence and Frequent Urination  
**Harnicare**



**Saitama Plant (Saitama Prefecture)**  
The Saitama Plant manufactures drug substances.



**Inuyama Plant (Aichi Prefecture)**  
The Inuyama Plant manufactures crude drugs.

# Corporate Social Responsibility

## CSR Mission

As a member of the Otsuka group, Taiho Pharmaceutical has integrated CSR into its businesses and aims to achieve its own sustainable growth as well as healthy and sustainable societies enriched by smiles, in line with its corporate philosophy. We pursue these objectives supported by a comprehensive governance system.

### Contribution to a Sustainable Society



### Taiho's business activities = Solving social issues = CSR

We strive to improve human health and contribute to a society enriched by smiles.

**Healthier Society (Society)**  
Health People Quality In all we do

**Healthier Planet (Environment)**  
Climate change Resource circulation Water conservation

**Healthier Company (Governance)**  
Corporate governance Compliance Risk management

## Social Contribution Initiatives

Through partnerships with local communities and NPOs, Taiho Pharmaceutical will contribute to the creation of societies enriched by smiles.

### Participating in "READY FOR SDGs" program to support cancer-related issues

In 2019, Taiho Pharmaceutical participated in the SDGs matching program, "READY FOR SDGs," which READYFOR, Inc. launched for corporations, soliciting projects that address challenges in the field of oncology. All seven projects selected achieved their target crowdfunding amount, and Taiho Pharmaceutical matched the target amounts. Going beyond cancer treatment, Taiho Pharmaceutical aims to support organizations and individuals who are trying to solve various cancer-related issues, and encourages others to support them, thereby making it easier to achieve common dreams.



### Participation in Tokushima Cooperative Forestry Project

Since fiscal 2010, the Tokushima Plant has signed annual partnership agreements for the Cooperative Forestry Project with Tokushima Prefecture and the Tokushima Forestry Promotion Organization. Through these agreements, Taiho Pharmaceutical sponsors forest promotion projects within the prefecture. The activities, such as forest maintenance and conservation through thinning, etc., have increased CO<sub>2</sub> absorption by these forests, which in turn helps to address global warming. Taiho Pharmaceutical will continue to support the Cooperative Forestry Project, not just through donations, but also through thinning and tree planting carried out by employees and their families.

In 2019, Taiho Pharmaceutical signed an agreement with nine Otsuka group companies with an office in Tokushima Prefecture, expanding the forestry project to a 10-company FAB\* Tokushima Forestry Project. As a member of the host company group, Taiho Pharmaceutical will support forest promotion projects at the upper reaches of the Anabuki River in western Tokushima Prefecture through fiscal 2023.

\*Forest Activity Base



For more information about the Otsuka group's CSR, scan this QR code.



For more information about Taiho Pharmaceutical's CSR, scan this QR code.



## Promoting Diversity

Recognizing the great value of its human resources, Taiho Pharmaceutical promotes diversity and is working hard to ensure that every employee is able to work with vitality.

### Joining the Ikuboss Project

In addition to providing career support from the career counseling office and with human resource development sheets, Taiho Pharmaceutical has been making work-style reforms such as implementing a telecommuting system and a flex-time system, so that employees can play an active role while designing their own ideal future.



In recognition that companies that continuously provide new value to society are built on the efforts of diverse employees, Taiho Pharmaceutical joined the Ikuboss Project\* in November 2019. With this move, the company will further promote diversity and inclusion.

Taiho Pharmaceutical will increase the number of managers ("ikubosses"\*\*\*), who take the initiative to respect the values of each person, support their endeavors and boost employee motivation in order to create workplaces enriched by smiles.

\*A company alliance advocated by the NPO Fathering Japan

\*\* Bosses who are committed to their team's performance and results while also considering and supporting the work and personal lives of their team members, who also enjoy their own work and personal lives.

### Support for Balancing Employees' Work and Treatment Needs

As a provider of anticancer drugs, Taiho Pharmaceutical aims to foster workplaces where employees can continue working even while undergoing treatment for cancer or other diseases, and where people from diverse backgrounds can work effectively. The Team for Support for Balancing Work and Treatment Needs in the Human Resources Department and a team of industrial nurses are the main promoters of this effort. They are working to improve relevant HR systems, to train supporters, to create environments that encourage employee consultation with relevant personnel, and to promote awareness-raising activities in and outside the company. The company has programs that enable employees to balance their work and treatment needs, including paid time off (full- and half-day increments), accrued paid time off, telecommuting, flex-time options, etc. The company also offers options such as extended time-off for employees with cancer and a return to work (reemployment) system. These are part of a full range of programs that allow employees to focus on their treatment and flexibly adjust their work according to the circumstances. As part of efforts for the early detection and treatment of cancer and other diseases, Taiho Pharmaceutical provides support for employees to maintain their health, including partial coverage of medical examination costs. These initiatives were awarded the gold prize at the Cancer Ally Awards 2019 in October 2019.



### Support for Balancing Work and Child-Rearing

Taiho Pharmaceutical has been working to improve the work-life balance of all employees in various ways, including a work-at-home scheme, special days to promote the use of paid leave, and days when employees are encouraged to leave work on time. The company's Personal Career Counseling Office, staffed with industrial counselors and career consultants, endeavors to provide support that facilitates personal growth.



To support the balancing of work and child-rearing, Taiho Pharmaceutical has put in place systems that go beyond statutory requirements and conducts interviews with employees during pregnancy, before maternity leave, and when employees return to work. Taiho Pharmaceutical established Sukusuku Nursery, an on-site daycare in the Tsukuba area (Ibaraki Prefecture). The nursery is able to offer temporary childcare, care for a sick child, and extended-hours childcare, etc. This enables female employees to advance their careers and male employees to be more actively involved in raising their children. Going forward, Taiho Pharmaceutical will keep aiming to create better workplaces for all employees, enabling each and every employee to participate actively by offering diverse work styles that fit each stage of life.



This logo was designed with the launch of the Working Group for Promotion of Women's Participation and Advancement in the Workplace. Spelling out the word "women," it represents both men (blue) and women (pink) working actively together to create the future of Taiho Pharmaceutical.

### Support for Balancing Work and Family Care

Taiho Pharmaceutical offers a full range of support to help employees' balance family care and work. This includes a leave period that exceeds the legal requirement and continued payment of the social insurance premiums by the company during the leave. These steps allow employees with family care responsibilities to remain employed. The company intranet provides employees with a handbook that summarizes programs and gives contacts they can use when they need to provide care for a family member. In addition, the company periodically holds seminars on the support available for balancing work and family care. These seminars offer employees the relevant information in order to raise their awareness and allow them to assess their own understanding.



# Corporate Data



Company Name Taiho Pharmaceutical Co., Ltd.

Established June 1, 1963

Capital ¥200 million

Representative Masayuki Kobayashi,  
President and Representative Director

No. of Employees 2,337 (as of December 31, 2019)

Sales ¥138.9 billion (fiscal 2019)

Net Income ¥12.2 billion (fiscal 2019)

Offices Head Office: Tokyo  
Branches: 15 in Japan for ethical drug sales  
4 in Japan for consumer healthcare  
Offices: 53 in Japan  
Plants: 4 in Japan  
Laboratories: Tokushima and Tsukuba (Ibaraki)

Head Office Location 1-27 Kandanshiki-cho, Chiyoda-ku,  
Tokyo 101-8444, Japan  
TEL: +81-3-3294-4527

Temporary Head Office Location 2F-9F, PMO Uchikanda Building,  
1-14-10 Uchikanda, Chiyoda-ku,  
Tokyo 101-0047, Japan



Management

Directors

President and Representative Director Masayuki Kobayashi

Managing Director Nobuyuki Hashimoto

Managing Director Teruhiro Utsugi

Managing Director Yasunori Okada

Director Tatsuya Niki

Auditors

Standing Audit & Supervisory Board Member Hiroki Yamashita

Outside Audit & Supervisory Board Member Seiji Tsuji

Outside Audit & Supervisory Board Member Yoshikatsu Nakashima

As of March 31, 2020

## Financial Highlights

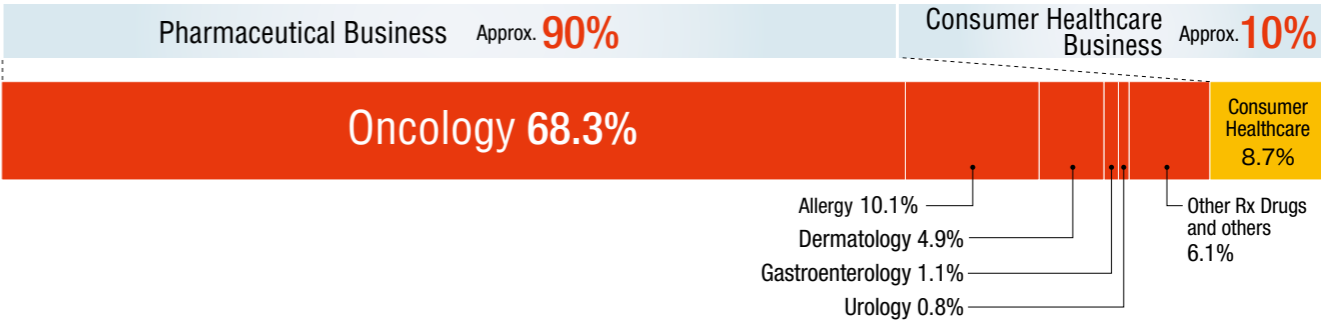
|                                   | FY2015<br>2015.12 | FY2016<br>2016.12 | FY2017<br>2017.12 | FY2018<br>2018.12 | Millions of yen<br>FY2019<br>2019.12 | Thousands of<br>U.S. dollars (Note)<br>FY2019<br>2019.12 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------------|--|
| Net sales                         | ¥134,309          | ¥150,406          | ¥130,446          | ¥124,967          | ¥138,982                             | \$1,268,553  |
| Operating income                  | 19,335            | 38,496            | 14,050            | 11,641            | 17,294                               | 157,853  |
| Net income                        | 14,834            | 28,065            | 10,376            | 9,570             | 12,254                               | 111,852  |
| Research and development expenses | 34,250            | 31,911            | 38,443            | 34,064            | 36,501                               | 333,156  |
| R&D ratio to net sales (%)        | 25.5%             | 21.2%             | 29.5%             | 27.3%             | 26.3%                                | 26.3%  |
| Total assets                      | ¥381,453          | ¥398,603          | ¥391,757          | ¥388,655          | ¥410,000                             | \$3,742,242  |
| Net assets                        | 346,176           | 366,311           | 363,835           | 363,613           | 354,032                              | 3,231,404  |
| No. of employees                  | 2,477             | 2,436             | 2,410             | 2,416             | 2,337                                | 2,337  |

Note. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥109.56=US\$1, the approximate exchange rate at December 31, 2019



Year ended December 2019 (non-consolidated)

## Net Sales Breakdown (FY2019)



Otsuka Group Corporate Philosophy

Otsuka-people creating new products for better health worldwide

Overview

The Otsuka group of companies is a total-healthcare enterprise that aims to contribute to the health of people around the world under the corporate philosophy, “Otsuka-people creating new products for better health worldwide”. Healthcare is broadly and holistically addressed through the 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. Our 47,000\*2 employees across 195 companies in 31 countries and regions take on challenges across various fields and themes to help fulfill the universal wish of people to be healthy. Our pursuit of these challenges is motivated by the Otsuka’s corporate culture, articulated as “Ryukan-godo” (by sweat we recognize the way), “Jissho” (actualization) and “Sozosei” (creativity), and fostered by successive generations of Otsuka leaders. By striving to provide unique products and services, we seek to achieve sustainable growth and be an indispensable contributor to the world.

\*1. Nutraceuticals: nutrition + pharmaceuticals      \*2. As of end of December, 2019. Otsuka Holdings and subsidiaries and affiliates.

Organizational Structure

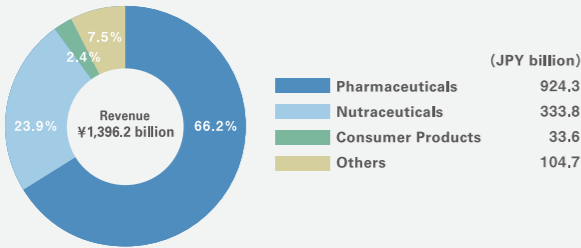


Milestones

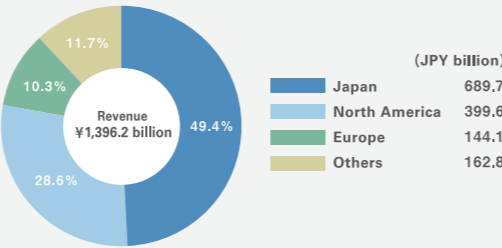
- 1921 Founded as a chemical raw material manufacturer in Naruto City, Tokushima Prefecture
- 1946 Started infusion (intravenous solutions) production, entering the pharmaceuticals field
- 1965 Launched nutritional drink (ORONAMIN C DRINK), entering the nutraceuticals field
- 1971 Otsuka Pharmaceutical established the group’s first pharmaceutical research laboratory
- 1973 First expansion outside Japan, in Thailand and the US
- 2008 Established Otsuka Holdings as a group holding company aiming to increase sustainable corporate value
- 2010 Otsuka Holdings listed on the Tokyo Stock Exchange

Financial Highlights

Revenue by Business Segment (FY2019)  
Revenue to external customers



Revenue by Geographical Segment (FY2019)  
Revenue to external customers



CSR~For Sustainable Society~



CSR Mission

CSR is integrated into our businesses across the Otsuka group of companies, which aims to grow while contributing to the creation of a healthy and sustainable society. We pursue these objectives supported by a comprehensive governance system.

Contribution to Sustainable Society



CSR is embedded in our businesses

Otsuka-people creating new products for better health worldwide



Otsuka Group’s Materiality and Related SDGs

| Materiality | Social Issues  | Our Goals  | Our Activities   | Related SDGs |
|-------------|--|--|--|--------------|
| Society     | Health <ul style="list-style-type: none"><li>●Unmet medical and health needs</li><li>●Nutritional needs</li><li>●Increasing aging issues</li></ul> | <ul style="list-style-type: none"><li>●Contribution to unmet needs solution</li><li>●Eradication of tuberculosis</li><li>●Creation of a system for the realization of a healthful life</li><li>●Healthy life extension</li></ul>             | <ul style="list-style-type: none"><li>●Promotion of R&amp;D for unmet needs</li><li>●R&amp;D of antituberculosis drugs and improvement of drug access</li><li>●Support for people's health maintenance / improvement mainly on exercise and nutrition etc., enlightenment activities</li><li>●Promotion of problem solving by strengthening partnerships</li></ul> |              |
|             | People <ul style="list-style-type: none"><li>●Presenteeism*</li><li>●Unprepared for diversification</li></ul>                                      | <ul style="list-style-type: none"><li>●Creation of a corporate culture that stimulates creativity</li><li>●Enhance employee engagement</li></ul>   | <ul style="list-style-type: none"><li>●Human resource development</li><li>●Diversity promotion</li><li>●Health management</li></ul>  |              |
|             | Quality in all we do <ul style="list-style-type: none"><li>●Consumption and production that impairs sustainability</li></ul>                       | <ul style="list-style-type: none"><li>●Gaining stakeholder trust</li><li>●Pursuing sustainability at all levels of the value chain</li><li>●Establishing a quality assurance system for safety and security</li></ul>                        | <ul style="list-style-type: none"><li>●Sustainable procurement and product design</li><li>●Thorough quality control and stable supply</li><li>●Responsible promotional activities and information provision</li><li>●Deepening communication with stakeholders</li><li>●Promotion of "Customer-oriented management"</li></ul>                                      |              |
| Environment | Climate change <ul style="list-style-type: none"><li>●Global warming</li></ul>   | <ul style="list-style-type: none"><li>●FY 2030 Goal   30% reduction in CO<sub>2</sub> emissions compared to FY 2017</li></ul>  | <ul style="list-style-type: none"><li>●Reduce CO<sub>2</sub> emissions throughout the value chain</li></ul>  |              |
|             | Resource circulation <ul style="list-style-type: none"><li>●Environmental load increase</li></ul>  | <ul style="list-style-type: none"><li>●FY 2030 Goal   50% reduction in simple incineration and landfill compared to FY 2019</li><li>●FY 2030 Goal   50% or higher content of recycled and plant-based materials in our PET bottles</li></ul> | <ul style="list-style-type: none"><li>●Reduce environmental impact by improving resource efficiency</li><li>●Promotion of business activities aimed at a sustainable state in both society and the earth</li></ul>   |              |
|             | Water conservation <ul style="list-style-type: none"><li>●Reducing freshwater availability</li></ul>   | <ul style="list-style-type: none"><li>●FY 2030 Goal   Improvement of water use efficiency by 15% compared to FY 2017</li></ul>   | <ul style="list-style-type: none"><li>●Understanding water resources risk</li><li>●Management and effective use of water resources</li></ul>   |              |
| Governance  | <ul style="list-style-type: none"><li>●Fragile governance system</li><li>●Social change risk</li></ul>   | <ul style="list-style-type: none"><li>●Long-term improvement of corporate value</li></ul>  | <ul style="list-style-type: none"><li>●Strengthen corporate governance</li><li>●Thorough compliance</li><li>●Risk identification, evaluation and management</li></ul>  |              |

\*The situation where productivity does not go up from the badness of the mind and body condition despite coming to work

For more information about Otsuka Holdings : <https://www.otsuka.com/en/>  
For more information about Otsuka group’s CSR : <https://www.otsuka.com/en/csr/>



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