

June 19, 2009

Press Release

Fiscal Year through March 2009
Non-consolidated Results of Otsuka Pharmaceutical Co., Ltd.

Otsuka Pharmaceutical Co., Ltd. held its 45th Ordinary General Meeting of Shareholders on June 19, 2009. With the establishment of Otsuka Holdings Company on July 8, 2008, Otsuka Pharmaceutical became a wholly owned subsidiary engaged in the pharmaceuticals and consumer products business.

I. Individual Results for the Year Ended March 2009 (April 1, 2008 to March 31, 2009)

1) Operating results (JPY million)

	2009	2008	Year-on-year change
Net sales	440,438	413,315	6.6%
Operating income	53,697	65,586	(18.1%)
Ordinary income	57,385	65,297	(12.1%)
Net income	33,379	40,118	(16.8%)
Net income per share	2,294. ⁵⁶	2,959. ⁸⁸	(22.5%)

Net income per share: JPY

2) Financial position (JPY million)

	2009	2008	Year-on-year change
Total assets	594,767	516,379	15.2%
Net assets	315,583	374,965	(15.8%)
Equity capital ratio	53.1%	72.6%	-
Net assets per share	21,170. ⁷³	27,664. ⁴⁰	(23.5%)

Net assets per share: JPY

3) Expenditures (JPY million)

	2009	2008	Year-on-year change
Research and development expenditure	85,803	60,260	42.4%

II. 2009 Overview

1) Sales by segment (JPY million)

	2009	2008	Year-on-year change	% of total sales
Pharmaceutical Business	297,035	266,909	11.3%	67.4%
Consumer Products Business	143,403	146,406	(2.1%)	32.6%

2) Sales of major pharmaceutical products (JPY million)

	2009	2008	Year-on-year change
Mucosta	36,201	35,333	2.5%
Pletaal	42,124	40,254	4.6%
ABILIFY	13,211	8,686	52.1%

Over the past fiscal year, financial instability stemming from the meltdown of the U.S. sub-prime mortgage market triggered a severe contraction of the real economy, while a significant increase in the value of the yen had a negative impact on corporate performance. Employment adjustment and a feeling of uncertainty about the future have severely dampened personal consumption and the downturn in the economy is severe.

In the pharmaceuticals industry, global strategies are driving the trend toward mergers and acquisitions, and alliances among major corporations, which is having a growing impact on corporate earnings. In Japan, National Health Insurance drug prices were cut by an industry average of 5.2% last year, and market competition remains fierce due to factors such as the promotion of generic drugs and increasing domestic competition from overseas pharmaceuticals manufacturers. In this environment, Otsuka Pharmaceutical has continued to focus on pharmaceutical research and development to address unmet medical needs, endeavoring to build an organization which can provide high quality pharmaceutical products and related information to people around the world.

In the consumer products field, in addition to rising material costs caused by skyrocketing crude oil prices, the sluggish performance of the economy since last autumn has made the decline in personal consumption even more pronounced. In this environment, the Otsuka Pharmaceutical's consumer products business has been focusing on offering products that satisfy consumer needs, developing environmentally conscious products, building robust brands, and aggressively investing to increase the pace of global development.

These efforts resulted in Otsuka Pharmaceutical's sales for the fiscal year of JPY 440,438 million, a year-on-year increase of 6.6%, ordinary income of JPY 57,385 million, year-on-year decrease of 12.1%, and net income after tax of JPY 33,379 million, reflecting a decrease of 16.8%.

III. Financial Results by Segment

Pharmaceuticals business

In the area of pharmaceuticals, Otsuka Pharmaceutical achieved favorable results with core products anti-platelet agent *Pletaal*, anti-gastritis and anti-gastric ulcer agent *Mucosta* and anti-psychotic agent *ABILIFY*. *Pletal* was launched in Sweden, France and Italy in addition to UK and Germany, and is expanding its market in Europe. *Mucosta* continues to perform well both in Japan and across Asia. *ABILIFY* has already been approved for sale in over 70 countries worldwide. In Japan, additional dosage form of the product along with the dissemination of information about the drug's proper use has led to stronger sales and prescriptions. Also, the new formulation *ABILIFY Oral Solution 0.1%* was approved in January 2009.

In June 2008, UCB and Otsuka Pharmaceutical signed an agreement to co-develop and co-promote the anti epileptic drug *Keppra*, and the anti-TNF alpha drug *Cimzia* in Japan.

As a result, sales in pharmaceuticals business grew to JPY 297,035 million, a year-on-year rise of 11.3%.

Consumer products business

Otsuka Pharmaceutical's nutritional *SOYJOY* fruit soy bar has been developed as a global product and is currently sold in seven countries and regions worldwide. In Japan, the additions of new varieties and aggressive marketing activities have fuelled sales growth. In April 2008, the construction of a second *SOYJOY* factory in Japan was completed at the Tokushima Itano Factory. And around the same time *SOYJOY Strawberry* was released, followed in October by the launch of *SOYJOY Orange Folic Acid Plus*, further expanding the lineup.

Pocari Sweat has been lauded for its environmentally friendly 500ml PET "ecobottle" amid a generally heightened environmental consciousness and supported both the G8 Hokkaido Toyako Summit and the 4th Tokyo International Conference on African Development (TICAD IV).

In the Cosmetics (Cosmetic + Medicine) business, based on the theme of "Healthy Skin", the Men's skin care brand *UL·OS* was launched in September 2009 with the aim of creating a new market in the men's skin care segment. In addition, sales of the *InnerSignal* skin care brand have grown significantly with the introduction of new formulation and sales techniques that emphasize consultation.

However, affected by the economic stagnation and the decline in personal consumption, sales in consumer products business went down to JPY 143,403, a year-on-year decrease of 2.1%.

IV. Research and Development Overview

Otsuka Pharmaceutical's R&D network aims to satisfy unmet medical needs worldwide, conducting research and developing ethical drugs with its core focuses on central nervous system and oncology, as well as other focused areas of cardiovascular, digestive, respiratory, infectious diseases and ophthalmology & dermatology diseases. *(Please see the attached sheet for Otsuka Pharmaceuticals' compounds currently being developed)*

In the area of consumer products, we continue to develop products under the concept of "Nutraceuticals" to support daily health based on scientifically proven concepts in the areas of sports, nutrition and health.

Non-consolidated balance sheet
(As of March 31, 2009)

Millions of yen

Assets		Liabilities	
Item	amount	Item	amount
Total current assets	207,155	Total current liabilities	192,169
Cash and cash equivalents	32,324	Trade notes payable	2,217
Trade notes receivable	5,878	Trade accounts payable	47,698
Trade accounts receivable	124,228	Short-term borrowings	77,000
Marketable securities	165	Long-term loans due within one year	8,016
Products	1,457	Lease debt	3,177
Manufactured goods	8,706	Accrued liability	17,273
Raw materials	8,839	Accrued amount payable	17,500
Unfinished goods	8,270	Income tax payable	4,934
Inventories	2,251	Advance payments received	119
Short-term loan	16	Deposits received	7,928
Prepaid expenses	8,860	Reserve for bonus payment	6,010
Other accounts receivable	1,447	Reserve for bonuses for directors and corporate auditors	65
Deferred tax assets	3,585	Reserve for loss on returned goods	79
Other	1,128	Other	147
Allowance for doubtful receivables	(7)	Total fixed liabilities	87,014
Total fixed assets	387,611	Long-term debt	62,127
Property, plant and equipment	73,713	Lease debt	5,073
Buildings	24,899	Allowance for retirement benefits	15,681
Structures	1,934	Allowance for retirement benefits for directors and corporate auditors	492
Machinery and equipment	9,699	Reserves for loan guarantees	3,639
Motor vehicles and transport equipment	55	Total liabilities	279,184
Tools, furniture and fixtures	3,762	Net Assets	
Land	20,783		
Lease asset	8,106	Shareholders' funds	315,196
Construction in progress	840	Shareholders' equity	20,000
Other	3,631		
Intangible fixed assets	20,705	Capital surplus	44,046
Goodwill	8,826	Capital surplus reserve	
Patents	7,746	Retained earnings	44,046
Software	3,190	Revenue reserve	251,149
Other	941	Other retained earnings	1,500
Investments and other assets	293,192	Special depreciation reserve	249,649
Investment securities	27,927	Reserve for deferred gains on fixed assets	6
Shares in affiliated companies	242,248	Contingent reserve	197
Bonds of affiliated companies	318	Retained earnings carried forward	228,282
Investments in affiliated companies	17,583		21,162
Deferred tax assets	12,702		
Other	5,610	Valuation and translation adjustments etc	387
Investment loss reserve	(13,071)	Other marketable securities valuation difference	387
Allowance for doubtful loans	(127)	Total net assets	315,583
Total assets	594,767	Total liabilities and net assets	594,767

Non-consolidated statement of income
(Year ended March 31, 2009)

Millions of yen

Sales		440,438
Cost of sales		168,988
Gross profit		271,450
Selling, general and administrative expenses		217,753
Operating income		53,697
Non-operating income		8,080
Interest and dividend income	5,870	
Other	2,209	
Non-operating expenses		4,392
Interest expenses	1,168	
Foreign exchange loss	2,318	
Other	905	
Ordinary income		57,385
Extraordinary income		306
Interest of ended retirement benefit scheme	298	
Other	7	
Extraordinary losses		5,002
Loss on sales of property and equipment	82	
Loss on retirement of fixed assets	296	
Loss from liquidation of affiliated companies	46	
Valuation loss on investment securities	3,435	
Valuation loss on equity holdings in affiliated companies	113	
Valuation loss on investments in affiliated companies	85	
Impairment loss	145	
Increase in reserves for loan guarantees	796	
Net income before taxes		52,689
Corporate tax, residents' tax and enterprise tax	18,720	
Deferred income taxes	589	19,309
Net income		33,379

Otsuka Pharmaceutical's Pipeline Information (As of June 19, 2009)

Development Code/ Product Name	Nonproprietary name	Origin	Category	Indication/Dosage form	Country/Region	Status
Central nervous system						
OPC-14597	Aripiprazole	Otsuka	Dopamin partial agonist	Schizophrenia in adolescents/ Tablet	EU	Filed
				Autism/Tablet	US	Filed
				Schizophrenia/Depot injection	US, EU	Phase III
				Bipolar disorder/Tablet	JP	Phase III
				Major depressive disorder/Tablet	EU	Filed
				Major depressive disorder/Tablet	JP	Phase III
				Tourette syndrome/Tablet	Korea	Phase III
L059	Levetiracetam	UCB	Anti-epileptic drug	Epilepsy (partial onset seizures)/Tablet	JP	Filed
SPM-962	Rotigotine	UCB	Dopamin agonist	Parkinson's disease/Patch	JP	Phase II
				Restless legs syndrome/Patch	JP	Phase II
Anti-cancer and cancer-supportive care						
OPC-18	Interferon α	Hayashibara Biochemical Labs	Natural interferon α	Late-stage hepatic cancer (combination with 5-FU)/Injection	JP	Phase II
OPC-33300	Sativex	GW Pharmaceuticals	Cannabinoid (THC, CBD)	Cancer pain/Oral spray	US	Phase II
OPB-31121		Otsuka	Anti-cancer	Anti Cancer/Tablet	US, Asia	Phase I

Development Code	Generic name	Origin	Category	Indication/Dosage form	Country/Region	Status
Cardiovascular						
OPC-41061	Tolvaptan	Otsuka	V2-vasopressin receptor antagonist	Hyponatremia/Tablet	US	Approved
				Hyponatremia/Tablet	EU	Filed
				Cardiac edema/Tablet	JP	Filing in process
				Autosomal dominate polycystic kidney disease/Tablet	Global	Phase III
				Hepatic edema/Tablet	JP	Phase II
				Hyponatremia/Tablet	China	Phase II
Gastrointestinal						
CDP870	Certolizumab pegol	UCB	PEGylated anti-TNF α drug	Crohn's disease/Injection	JP	Filing in process
				Chronic rheumatoid arthritis/Injection	JP	Phase III
OPC-6535	Tetomilast	Otsuka	Anti-inflammatory	Crohn's disease/Tablet	JP	Phase II
OPC-12759	Rebamipide	Otsuka	Intestinal therapeutic drug	Ulcerative colitis/enema preparation	JP	Phase II
Other areas						
ODK-0501		Otsuka	Diagnostic agent of pneumococcus infection	Extracorporeal / diagnostic agent	JP	Filing in process
OPC-12759	Rebamipide	Otsuka	Mucin-production enhancing agent	Dry eyes/Eye drops	US	Phase III
				Dry eyes/Eye drops	JP	Phase II
OPC-262	Saxagliptin	Bristol-Myers Squibb	DPP-4 inhibitor	Diabetes/Tablet	JP	Phase II
OPC-6535	Tetomilast	Otsuka	Novel anti-inflammatory agent	COPD/Tablet	JP, US, China, Korea	Phase II
OPC-67683		Otsuka	Anti-tuberculosis agent	Tuberculosis/Tablet	Global	Phase II

* Otsuka Pharmaceutical discloses the compounds which are at a later development stage than Phase II clinical trial in the pipeline information, in principle. In addition, some compounds such as anti-cancer agents are disclosed from the Phase I clinical trial in the list.