

Fiscal year ended March 31, 2020

ANNUAL REPORT 2020

April 1, 2019–March 31, 2020



Mission Statement
Mission

The Company’s mission is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people’s lives by improving health and beauty.

Management Policies
Vision

- 1. Focus on core businesses**
- (1) Self-Medication Operation Group, Prescription Pharmaceutical Operation Group
 - (2) Businesses based on clear scientific and objective evidence that take full advantage of the Company’s strengths
- 2. Continue to drive sustained growth in business activities while fulfilling the following obligations expected of the Company by stakeholders:**
- (1) For consumers, the Company will strive to help realize healthier and more enriched lives based on the theme of health in various fields.
 - (2) For business customers and suppliers, the Company will establish and maintain fair and reasonable relationships.
 - (3) For employees, the Company will respect the human rights and dignity of each individual and endeavor to secure employment.
 - (4) For shareholders and other investors, the Company will disclose accurate information in a fair and timely manner.
 - (5) For local communities, the Company will remain actively engaged in the community as a corporate citizen while striving to protect the environment and build mutually beneficial relationships.

Code of Conduct
Values

- Based on the Company’s founding spirit, we are working to share the following values internally as we conduct our business activities:**
- Compliance with laws, regulations and other rules
 - High ethical standards
 - Honesty, diligence and passion
 - Competitive viewpoint (provide higher quality products at lower prices and even better services)
 - Logical thinking
 - Value standards from a long-term perspective

ANNUAL REPORT 2020

Fiscal year ended March 31, 2020

Creating Value

A Message from Management	3
History of the Taisho Pharmaceutical Group	7
Value Creation Process	9

Business Action

Business Overview	11
Self-Medication Operation Group Japan	13
Self-Medication Operation Group Overseas	17
Prescription Pharmaceutical Operation Group	21
R&D and Production Activities	25
Factual Data	27

Management

Sustainability	29
Environment	31
Social	33
Governance	35

Corporate Data and Information

Consolidated Financial Highlights	37
Members of the Board	39
Group Companies	41
Corporate Data/Investor Information	42

Cautionary Statement with Respect to Forward-Looking Statements

Forward-looking statements made in this annual report, including the future performance of the Taisho Pharmaceutical Group, are based on currently available information and assumptions management believes to be reasonable, and the Group does not guarantee their achievement. Various factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Scope of Reporting

- Companies subject to reporting:
Taisho Pharmaceutical Holdings Co., Ltd., Taisho Pharmaceutical Co., Ltd. and other Group companies
- Businesses subject to reporting:
Self-Medication Operation Group, Prescription Pharmaceutical Operation Group, etc.
- Reporting period:
April 1, 2019 to March 31, 2020 (includes some information from prior and subsequent periods)

A Message from Management



Akira Uehara
Chief Executive Officer

Introduction

The global spread of COVID-19 has led to one of the greatest crises we have faced for many years and there is still no end in sight. I would like to express my deepest condolences and sympathies to all those affected as well as my sincerest respect and appreciation to all essential personnel providing daily support, from frontline medical professionals to staff in pharmacies and drugstores.

Our Company will remain vigilant about the lingering effects of the pandemic and seek to minimize the impact on business by implementing thorough risk management.

Analysis of the Business Environment

I believe there are currently two major characteristics depicting the times we live in.

First, globalization is bringing change to society. Advances in intellect, monetary systems, goods, information, technology and medical care have helped enhance affluence while also leading to rapid population growth, increased longevity and a society where the customer is king and consumer preferences determine the production of goods and services. At the same time, I believe the affluence is skewed, evident in widening disparities in wealth, education and information between regions, as well as issues with resources and the environment, particularly in terms of overhunting and overfishing, climate change and energy-related problems.

Second, we are shifting to a new kind of society. The Sustainable Development Goals (SDGs) were adopted at the United Nations Summit in September 2015 as a means to deal with the many issues the world is facing, including poverty, hunger, health and welfare, the environment and social justice. Every industry is now required to move away from traditional business models in order to resolve these issues. In Japan, "Society 5.0" is being advocated as a future society to aim for in order to drive economic development and find solutions to social challenges. It is thought that digital technology will be at the forefront of connecting people and objects so that knowledge and information can be shared to create a new society that balances economic progress with the resolution of social issues. Going forward, I believe we are moving toward an era in which existing industries may not survive under conventional business models and will therefore need to either reform or evolve the way business is done.

A Message from Management



Taisho Pharmaceutical Group's Initiatives

Looking back at fiscal 2019, I believe it was a year of transformation for us. We implemented an early retirement program in fiscal 2018 aimed at establishing a robust structure that enables us to respond effectively to changes in the market environment. Fiscal 2019 was the first year in which we pursued and embarked on highly efficient working styles under this new structure. Further, France-based UPSA and Vietnam-based Duoc Hau Giang Pharmaceutical (DHG) were made subsidiaries, and efforts to expand overseas served to cultivate new business foundations. As a result, the ratio of overseas sales stood at 24.1% in fiscal 2019, with projections for this figure to rise to at least 30% in fiscal 2020 on a full-year consolidated basis. The addition of the new subsidiaries has increased the number of employees by around 4,500 and approximately half of the Group's personnel are now non-Japanese as we move toward a more diverse, global-oriented human resource structure.

We will also continue with our challenge to create new value. To achieve this, it is important to always have a firm grasp of trends, as I mentioned earlier, and to move forward one step at a time toward our goals while taking advantage of the opportunities the new era brings.

The business environment has changed for the Self-Medication Operation Group domain since certain retailers have grown through mergers and acquisitions, thereby strengthening the power of the buyer. There has also been a significant increase in Foods for Specified Health Uses and

Foods with Function Claims, with the scale of the market closing in on ¥2 trillion. On the other hand, consumers are required to embrace a new way of thinking where "one is responsible for protecting one's own health" against a backdrop of healthcare financing and a social security system geared toward a rapidly aging society. To put this idea into action, steps are being taken to further propagate Japan's self-medication tax system, led by various industry groups. In this environment, we will develop products and cultivate sales channels that meet changing consumer needs and purchasing behavior, promote product development in the switch OTC and self-medication fields, and create a sales system that can cater to changes in the retail sector.

In overseas business, it is first necessary to efficiently integrate UPSA and DHG as members of the Taisho Pharmaceutical Group as quickly as possible. Going forward, we will strive to merge quality control, manufacturing control and information management functions through a two-pronged structure that combines the European market with the Southeast Asian market as well as boost uptake of the self-medication concept and expand business by leveraging our model for product development, brand development and marketing know-how built in Japan to grow the market.

In the Prescription Pharmaceutical Operation Group domain, methods of research, examination and treatment have changed with new objectives for pharmaceutical development and advancements in new medical technology. In addition, generic drugs are becoming increasingly popular as a means to decrease medical expenses while reforms continue to be made in the NHI drug price system. Amid such a market environment, we are focused on maximizing our original products *Lusefi* and *LOQOA*, and introducing entities and products in the late development stage to supplement the pipeline. In the medium to long term, we will strengthen collaboration with outside research institutes and other companies, and expand R&D functions by incorporating advanced technologies with the aim of driving sustainable growth through new drug creation.

In Closing

In the increasingly challenging business environment of the pharmaceutical industry, growth is not possible without actively responding to these changes. The Taisho Pharmaceutical Group will promote new initiatives to search for novel new business ideas that transcend our existing business domains.

Taisho Pharmaceutical Holdings will work to strengthen corporate governance as we create a framework that enables agile management decision-making in response to any change in the environment, and thus enhance our ability to create value throughout the Taisho Pharmaceutical Group.

Finally, I would like to express our sincere thanks to everyone and ask for your continued understanding and support.

Chief Executive Officer

History of the Taisho Pharmaceutical Group

For over 100 years since its establishment, the Taisho Pharmaceutical Group has fostered a corporate brand built on safety, security and trust by drawing close to each individual as a valued health partner.



1912–Laying the Foundations

Taisho Seiyakusho was founded in the early 20th century, a time when medical standards and personal nutrition in Japan were still lacking, to support illness prevention and healthier living through over-the-counter (OTC) drugs.

In 1948, the Company changed its name to Taisho Pharmaceutical Co., Ltd. After the end of the Second World War, to play our part in a speedy national recovery, we introduced new technology into our factories to expand our product range to encompass prescription pharmaceuticals as well. With the advent of commercial broadcasting and the television's rapid spread throughout Japan, our commercials featuring our recognizable eagle trademark quickly made Taisho Pharmaceutical a household name.

1912

Taisho Seiyakusho was founded to support illness prevention and healthier living.

1927

Pabron was launched. Customers were won over with easy-to-take medicine.



1955

Eagle trademark was adopted.



1957

Manufacture of our first prescription pharmaceuticals got underway after seizing opportunities for growth.



1961–Pursuing Growth

In the 1960s, the “Japanese economic miracle” filled homes and workplaces with vitality and drove healthcare needs higher. Against this social background, our energy drink, *Lipovitan D*, was an unprecedented, record-breaking hit, allowing us to secure an unshakable position as an OTC drug manufacturer. Following this, we created a series of mainstay brands, and by building alliances with overseas companies and expanding our prescription pharmaceuticals business, we established a position as a comprehensive pharmaceutical company.

1962

Energy drink *Lipovitan D* was launched. Invention of the energy drink culture transformed us into a leading OTC drug manufacturer.



1991

Macrolide antibiotic *Clarith*, developed in-house, was launched with world-class standards.



1999

Deregulation led to soaring sales of *Lipovitan D*.

1999

A new market was created with the launch of *RiUP*, Japan's first hair-growth medication.



2002–Evolving Further

Against a background of global economic slowdown, the pharmaceutical industry remained active, with major corporations engaging in M&As and restructuring.

Amid these developments, we actively worked to improve our competitiveness both domestically and internationally in a variety of ways: acquiring OTC brands, expanding into health foods and online shopping, forming business and capital alliances with other companies, and working to expand our OTC drug business in Asia.

In 2011, we established Taisho Pharmaceutical Holdings, through which we continue to develop our self-medication and prescription pharmaceuticals businesses as we evolve into a global company offering total support for health.

2002

VICKS Medicated Drops business was acquired.



2006

Dedicated online shopping website Taisho Pharmaceutical Direct was released.

2008

Biofermin Pharmaceutical, a top brand in the field of intestinal medicine, was acquired as a consolidated subsidiary.



2009

A foray into the Asian OTC drug market was made with the acquisition of PT Bristol-Myers Squibb Indonesia Tbk (BMSI) as a consolidated subsidiary.

2014

The type 2 diabetes mellitus agent *Lusefi* was developed in-house and launched.



2016

Transdermal anti-inflammatory analgesic patch *LOQOA* was launched.



2019

Our pharmaceutical business was further strengthened in Asia through the acquisition of Duoc Hau Giang Pharmaceutical JSC (DHG) as a consolidated subsidiary.



2019

Firm business foundations were developed in Europe with the acquisition of UPSA SAS as a wholly owned subsidiary.



Net sales

1912

1961

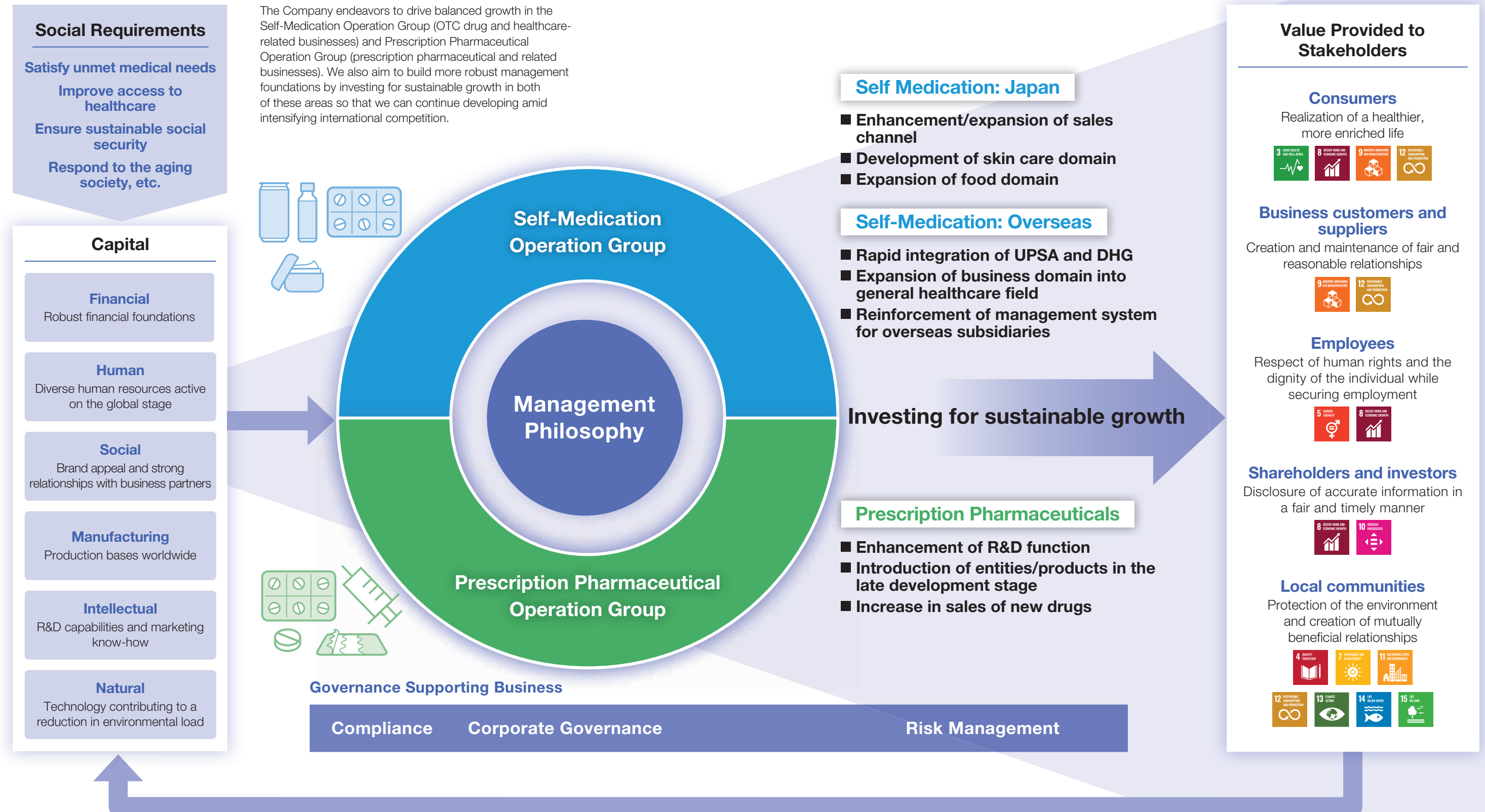
2002

2020

Consolidated net sales
(Fiscal 2019)
¥288.5 billion

Value Creation Process

Our mission is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people's lives by improving health and beauty. Based on this mission, we seek to maximize corporate value by leveraging our assets in our business activities to fulfill our roles and responsibilities in line with the expectations of our stakeholders.



Business Overview

The Company conducts business through the Self-Medication Operation Group (OTC drug and healthcare-related businesses) and the Prescription Pharmaceutical Operation Group (prescription pharmaceutical and related businesses).



Prescription Pharmaceutical Operation Group

Net sales **¥68.5 billion** % of total **23.7%**

Launched Original Products as an R&D Company

In the prescription pharmaceutical business, we developed in-house and launched such products as the macrolide antibiotic *Clarith*, the type 2 diabetes mellitus agent *Lusefi* and the transdermal anti-inflammatory analgesic patch *LOQQA* as a company engaged in R&D.

With a focus on the domains of orthopedic disorders, metabolic diseases, infections diseases and central nervous system (CNS) diseases, we aim to secure the early approval of compounds at the development stage and to reinforce our development pipeline by introducing entities/products in the late development stage from companies in Japan and overseas.

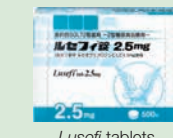
We are also strengthening cooperation with external research institutes and companies to support the ongoing discovery of original substances through the incorporation of new technology and joint development initiatives.



LOQQA tape



Edirol® capsules



Lusefi tablets



Bonviva® intravenous injection



Biofermin tablets



Clarith tablets

Self-Medication Operation Group

Net sales **¥220.0 billion** % of total **76.3%**

Japan Net sales **¥147.1 billion**

A Wide-Ranging Lineup Including Health Foods and Skin Care Products Centered on OTC Drugs

The Self-Medication Operation Group in Japan develops products that meet the health-related needs of consumers, beginning with OTC drugs that can be purchased at drug stores and pharmacies, and also including health foods, skin care products and other health-related products. In OTC drugs, we provide products in numerous categories that revolve around our mainstay brands such as the *Lipovitan* series, which focuses on energy drinks, the *Pabron* series based around cold remedies, and the *RiUP* series of hair-growth medication and other hair-care products. In this group, we are expanding into health-related products in addition to OTC drugs in line with changes in the health-related needs of consumers, and we are striving to create new demand by augmenting our lineup. In addition, we are endeavoring to enhance convenience by reinforcing our mail order shopping and other sales channels in order to meet changes in purchasing behavior.



Lipovitan D



Pabron S Gold W Granules



RiUP X5 Plus NEO



Shin Biofermin S Tablets



Tablets for People Concerned about Belly Fat (pill type)



AdryS Active Cream (left)
AdryS Active Lotion (right)

Overseas Net sales **¥69.4 billion**

Two-Pronged Structure Covering Southeast Asia and Europe

Overseas, we aim to achieve sustainable growth by expanding business in international markets through a two-pronged structure covering Southeast Asia and Europe based on a policy of increasing operations in regions where growth is expected.

In Southeast Asia, we have expanded business by fostering OTC drug brands attained via M&A and brand acquisitions and by strengthening business foundations. In addition, we acquired France-based UPSA as a wholly owned subsidiary in 2019 in an effort to expand into new regions aiming for medium- to long-term business growth. This has enabled us to secure strong business foundations in France as well as other European countries, including Eastern Europe.

Southeast Asia



Tempra



Counterpain



Hapacol



Lipovitan

Europe



Efferalgan



Dafalgan

Self-Medication Operation Group Japan

As a leader in the OTC drug market in Japan, we have multiple brands that are number one in their category such as *Lipovitan*, *Pabron* and *RiUP*.

Business Overview

The Self-Medication Operation Group engages in a wide range of fields led by OTC drugs and also covering health foods, skin-care products and other peripheral domains. As distinct from prescription pharmaceuticals, which are prescribed after a physician's examination, OTC drugs are unique in that it is consumers who select the products they wish to use themselves. Taisho Pharmaceutical is a leading company of OTC drugs in Japan, with multiple brands commanding top market share in their respective categories, including *Lipovitan*, *Pabron* and *RiUP*. Through efforts to develop products and make improvements in line with consumer needs and leveraging brand groups that are already popular in the market, we are able to cultivate our overall brand presence.

In recent years, the health-related needs of people have

grown beyond OTC drugs to encompass health foods, skin care products and other health-related items. As a pharmaceutical company, we deliver the safe, secure, highly functional products sought by consumers based on strict quality control and production technologies that make effective use of our know-how in manufacturing pharmaceuticals.

In order to remain a popular choice for consumers, we intend to increase our points of contact with shoppers and execute sales promotion activities that resonate with people in addition to accurately grasping and responding to changing needs. We are also looking to expand our online shopping channels to bring further benefits to consumers, such as through Taisho Pharmaceutical Direct and TAISHO BEAUTY ONLINE.

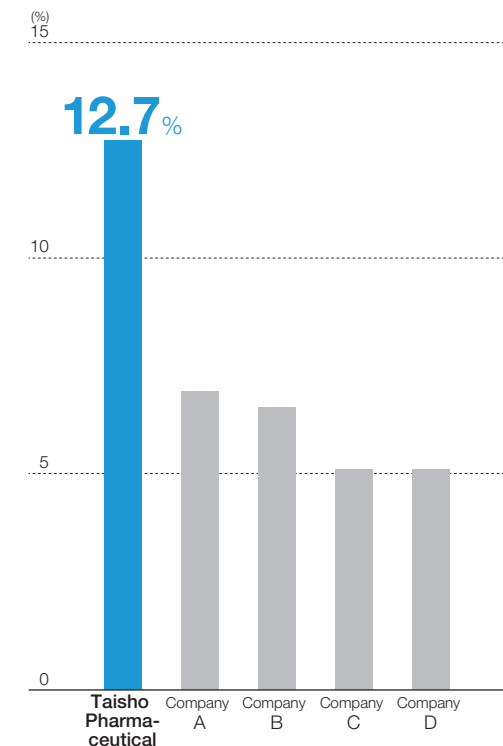
Initiatives for Sustainable Growth

The OTC drug market has been relatively unchanged in recent years due in part to a decline in the domestic population. Amid such a market environment, we will work to develop and further increase the value of major brands such as *Lipovitan*, *Pabron* and *RiUP* to enable sustainable growth. We are also actively investing in the food domain

and the skin care domain as we see these areas as new growth drivers fulfilling changing consumer needs. Consumer purchasing behavior is also changing, and we are striving to improve buying convenience and secure new users by responding to the shift to online channels.



Top Share in Japan's OTC Drug Market



Top Share in Six Categories



*Monetary basis *Taisho Pharmaceutical's estimates based on INTAGE SDI and SRI data (period: April 1, 2019 to March 31, 2020)

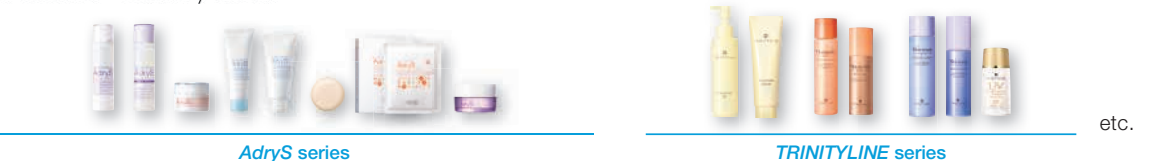
Online Sales Channels

TAISHO PHARMACEUTICAL DIRECT



We develop products centered on Foods with Functional Claims such as supplements and aojiru (green juice) based on technology and quality unique to a pharmaceutical company.

TAISHO BEAUTY ONLINE



We develop a wide variety of beauty products ranging from cosmetics to beauty foods based on a desire to support the health and beauty of more women.

Self-Medication Operation Group Japan

Fiscal 2019 Results

Net sales in the Self-Medication Operation Group in Japan for the fiscal year ended March 31, 2020 amounted to ¥147.1 billion, up ¥1.1 billion, or 0.7%, year on year. With regard to mainstay brands, sales were down 2.2% to ¥50.9 billion in the *Lipovitan* series, up 2.9% to ¥29.8 billion in

the *Pabron* series, down 2.8% to ¥14.9 billion in the *RiUP* series and up 5.1% to ¥10.7 billion in the *Biofermin* series. In addition, sales from our mail order shopping channel, Taisho Pharmaceutical Direct, increased to ¥11.5 billion.

Sales of Main Brands

Lipovitan series

¥50.9 billion

Taisho Pharmaceutical is a pioneer in energy drinks effective for preventing fatigue and aiding recovery, and its different products in this series meet diverse needs.



Biofermin series

¥10.7 billion

Led by *Shin Biofermin S*, a long-selling intestinal remedy that contains human-derived lactic acid bacteria, this lineup helps to ensure a healthy stomach.



Pabron series

¥29.8 billion

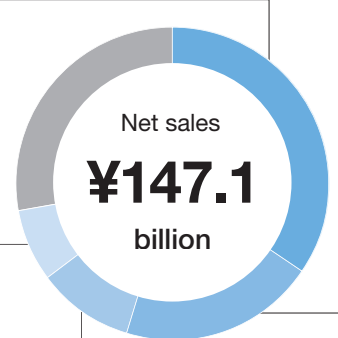
This series comprises a broad range of products from cold remedies to sinus treatments, cough suppressants and preventive remedies.



RiUP series

¥14.9 billion

This series launched in 1999 marked the first hair-regrowth treatment in Japan. It is led by *RiUP*, a direct OTC product sold as an OTC drug without passing through the pharmaceutical drug stage.



Fiscal 2019 Key Initiatives

In product development, we cultivated new areas in response to heightened health awareness and further promoted efforts aimed at satisfying consumer needs. We launched *Lipovitan Jelly*, a new formulation pouch-type jelly drink, in the *Lipovitan* series, and also upgraded and added products to our mainstay brands such as *Biofermin*, *VICKS*, *NARON*, *Colac* and *Taisho Kampo Stomach Medicine*.

We have also strengthened efforts to position our mail order shopping channels Taisho Pharmaceutical Direct and TAISHO BEAUTY ONLINE as growth drivers. For Taisho Pharmaceutical Direct, we enhanced the lineup of supplement product series, particularly with the

inclusion of Foods with Function Claims, and for TAISHO BEAUTY ONLINE, we launched the new skin care brand of moisturizers called *AdryS* in the cosmetics domain, introducing moisturizing lotions and creams as well as facial sheet masks and nighttime gels.

In advertising and promotion, we served as the official sponsor of Rugby World Cup 2019™ held in Japan from September 20, 2019, helping to raise the profile of the event through ads for *Lipovitan D* while increasing points of contact with consumers and undertaking promotional activities using online content that resonated with the public.

TOPICS

Expansion of *AdryS* Lineup

AdryS is a skin care brand created by Taisho Pharmaceutical after many years of research based on a steadfast desire to alleviate the women's issues of year-round dry skin and dry skin that gets exacerbated with age. Since launching *AdryS Active Lotion* and *AdryS Active Cream* in May 2019, we have introduced a series of other products and expanded the lineup to eight items as of August 2020. *AdryS* makes the skin better moisturized and glow, making it more beautiful and healthier, thereby helping to boost self-confidence and enable a brighter future.



AdryS is sold via TAISHO BEAUTY ONLINE.



TAISHO BEAUTY ONLINE
(in Japanese only)
<https://taisho-beauty.jp/>



For the Skin and the Environment

Although sunscreen protects our skin from harmful ultraviolet rays, research has shown that some of its ingredients, namely the ultraviolet absorbers oxybenzone and octinoxate*, actually have an adverse effect on marine life and coral reefs. It is thought that these components have been a factor in such issues as the bleaching of coral reefs and damage to the genes of marine organisms. This has led to a growing movement to ban the sale and use of sunscreens containing these substances in order to protect the marine environment.

*Names used on labels: Ethylhexyl methoxycinnamate, octyl methoxycinnamate, etc.

Coppertone Protection UV Plus Milk, launched in January 2020, uses a non-chemical formulation free of the ultraviolet absorbers oxybenzone and octinoxate. In addition to this, the sunscreen is highly effective with levels of SPF50+ and PA++++. The sunscreen is therefore kind to both the skin and the environment.



The following SDGs are being addressed with *Coppertone Protection UV Plus Milk*:

12: Ensure sustainable consumption and production patterns

14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Self-Medication Operation Group Overseas

Since 2009, we have been acquiring local brands in the OTC drug sector and expanding business based on the Southeast Asian and European markets.

Business Overview

The Taisho Pharmaceutical Group aims to build a stronger management foundation so that we can continue to grow and develop in the face of international competition. As part of these efforts, in recent years we have been extending the reach of our OTC drug and energy drink lines overseas in addition to Japan, particularly into regions with high market growth potential backed by population increase and economic progress.

In the OTC drug sector, since our full-fledged entry into Asia in 2009, we have obtained brands with roots in the local market through M&A and brand acquisition, and used our marketing know-how to further develop these brands. This has served to drive growth, especially in Southeast Asia. In 2019, we acquired France-based UPSA as a subsidiary, securing us new business foundations. Our main OTC

drug product lines overseas include *Counterpain* topical anti-inflammatory analgesics and *Tempra* and *Hapacol* antipyretic analgesics, mainly in Southeast Asia, as well as *Dafalgan* and *Efferalgan* antipyretic analgesics in Europe, led by France, and in Africa, among other locations.


In energy drinks, since our first export of *Lipovitan D* to Taiwan in 1963, we have marketed products with flavors and formulations that suit each region. We now sell energy drink in 12 countries, including Japan.

In addition, governance-related initiatives have been positioned as paramount alongside expansion of overseas business. To this end, we are building an efficient and effective subsidiary management system at Head Office while at the same time enhancing the level of management at each local subsidiary.

Initiatives for Sustainable Growth

In our Self-Medication Operation Group overseas, we are looking to further expand our business by establishing a two-pronged structure targeting the European market in addition to the Southeast Asian market. To achieve this, we first aim to swiftly complete consolidation with UPSA and Duoc Hau Giang Pharmaceutical (DHG), both of which were acquired as subsidiaries in 2019. The centralization and standardization of different functions such as quality control, manufacturing control and information management

will serve to strengthen our management framework for overseas subsidiaries. We will leverage the business model we have cultivated in Japan, particularly in terms of product development, brand development and marketing know-how, to bolster our product portfolio and open new markets by capturing the health-related needs of consumers in respective countries. By doing so, we can further penetrate our self-medication model and expand the business into the general healthcare domain.



France Vietnam

Rapid integration of UPSA and DHG



Expansion of business domain into general healthcare field



Reinforcement of management system for overseas subsidiaries

History of Overseas Development

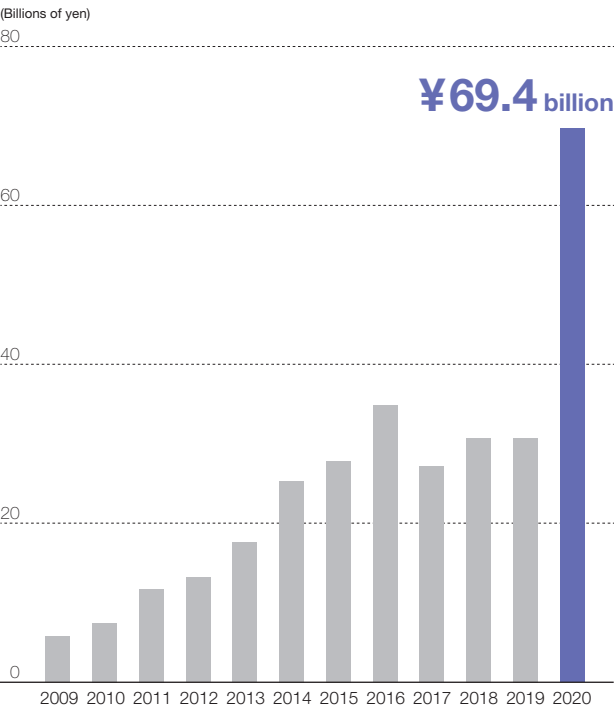
Overseas expansion	Started M&A and brand acquisition		
1963	2009	2011	2012
Started exports of Lipovitan to Taiwan	Acquired shares in BMSI Commercial rights to OTC products in Asia from Bristol-Myers Squibb Company were acquired, along with shares in PT Bristol-Myers Squibb Indonesia Tbk. (Subsequently renamed PT. Taisho Pharmaceutical Indonesia Tbk)	Acquired shares in HOE 100% of the shares of Hoepharma Holdings, Sdn. Bhd. (HOE), a pharmaceutical company in Malaysia, was acquired. Acquired Bonamine and Dramamine brands from Johnson & Johnson Brand assets for <i>Bonamine</i> and <i>Dramamine</i> , treatments for motion sickness, held by Johnson & Johnson in the Philippines, Indonesia and Thailand, were acquired.	Acquired shares in CICSA Shares in four Mexican pharmaceutical companies, including Compañía Internacional de Comercio, S.A.P.I. de C.V. (CICSA), were acquired. Osotspa Taisho Pharmaceutical OTC operations in Thailand were merged with Osotspa Co., Ltd. to establish Osotspa Taisho Pharmaceutical Co., Ltd.

Acquisition of assets for growth

2014	2016	2019	
Acquired Flanax brand from Roche Brand assets including trademarks for the anti-inflammatory analgesic <i>Flanax</i> were acquired in the Philippines from the Roche Group.	Commenced capital and business alliance with DHG 24.50% equity stake in DHG was acquired and alliance agreement was executed.	Made DHG a Consolidated Subsidiary With the aim of further strengthening the cooperative relationship that has been built up and bolstering the pharmaceutical business in the Asian market, a tender offer of shares was performed in March 2019. A total of 51.01% of the shares of DHG were acquired, making it a consolidated subsidiary.	Made UPSA a Wholly Owned Subsidiary The acquisition of shares in France-based UPSA SAS, which has approximately 80 years of tradition and history building up widely known and valued brands, has helped solidify business foundations especially in France, and in other European countries including Eastern Europe.

Overseas Sales

Years ended March 31



Main Local Brands

Antipyretic analgesics <i>Dafalgan</i>  Key markets: France, etc.	Antipyretic analgesics <i>Efferalgan</i>  Key markets: France, etc.
Antipyretic analgesics <i>Hapacol</i>  Key markets: Vietnam, etc.	Topical anti-inflammatory analgesics <i>Counterpain</i>  Key markets: Thailand, Indonesia, etc.
Antipyretic analgesics <i>Tempra</i>  Key markets: The Philippines, Indonesia, etc.	Dermatological treatment <i>Vitacilina</i>  Key markets: Mexico, etc.

Self-Medication Operation Group Overseas

Fiscal 2019 Results

Overseas sales in the Self-Medication Operation Group increased by ¥38.6 billion, or 125%, to ¥69.4 billion for the fiscal year ended March 31, 2020. Sales in the Asia region were up 53.7% to ¥42.5 billion and sales in the

Europe and Americas region amounted to ¥25.8 billion due in part to the impact of DHG and UPSA becoming consolidated subsidiaries.

Overseas Sales by Region



Fiscal 2019 Key Initiatives

In May 2019, the Company's shareholding in Vietnamese company Duoc Hau Giang Pharmaceutical (DHG) increased to 51.01%, making it a consolidated subsidiary. Originally the Group acquired 24.50% of DHG's shares in July 2016 and thereafter incrementally increased the shareholding ratio. DHG has the advantage of a distribution network throughout Vietnam, and an export system is currently being established with the acquisition of the international standard PIC/S GMP. Going forward we will work to strengthen pharmaceutical business operations in Southeast Asia by leveraging DHG's business base. In addition, procedures were completed on July 1, 2019 (Time in France) for the Stock

and Asset Purchase Agreement regarding UPSA, a French pharmaceutical manufacturer owned by BMS (Headquarters: New York, United States) through a subsidiary, and UPSA is now a wholly owned subsidiary.

The Company aims to swiftly complete the integrations and is building infrastructure for commercial distribution and information technology (IT) to this end.

We are maintaining steady growth in our existing businesses as well, which includes expanding our share of sales with the antipyretic analgesic Temptra, one of our mainstay brands.

TOPICS

Introduction to the New Subsidiaries

In 2019, Taisho Pharmaceutical made DHG in Vietnam and UPSA in France consolidated subsidiaries, thereby establishing a business base in Europe in addition to Southeast Asia, where we already have a strong foothold. Going forward, we aim to achieve sustainable growth by maximizing the beneficial features of both companies, including their product development and brand nurturing capabilities as well as their marketing know-how.

DHG



DHG is one of the largest pharmaceutical companies in Vietnam with its own nationwide distribution network. The company comprises the three businesses of pharmaceuticals, nutritional foods and cosmetics. In particular, the pharmaceutical business, which handles generic drugs and OTC drugs, accounts for more than 80% of sales. Further, antibiotics and antipyretic analgesics make up approximately 60% of sales.

Dispatching personnel from Taisho Pharmaceutical and providing support for production enabled us to acquire the PIC/S GMP and Japan GMP standards for DHG in preparation for the future export of pharmaceutical products.



DHG headquarters



A store in Vietnam

Main Product Overview: *Hapacol*

Hapacol, whose main component is paracetamol*, helps relieve headaches, fevers and other such ailments. Currently there are 25 different product series under the *Hapacol* name on the market, each with different formulations and flavors to cater to the whole family, from children to adults.



UPSA



With over 80 years of history in France providing OTC drugs for the whole family, UPSA now commands the second largest share of the OTC drug market in the country. In addition, the company is expanding globally with operations covering around 60 countries worldwide, including Europe (both Central and Eastern), Africa and Vietnam. UPSA handles the five product categories of antipyretic/analgesic, cough and cold, sleep aids, gastrointestinal, and vitamins. Over 80% of sales are accounted for by antipyretics/analgesics and cough and cold remedies.



UPSA factory in Guyenne, France



UPSA factory in Gascogne, France

Main Product Overview: *Efferalgan* and *Dafalgan*

Efferalgan and *Dafalgan* are antipyretic analgesics with a base component of paracetamol*. The company has developed product series with differing formulations that include effervescent tablets and capsules. The products are mainly sold in France as well as in other parts of the world.



* Paracetamol is also known as acetaminophen.

Prescription Pharmaceutical Operation Group

The Prescription Pharmaceutical Operation Group is currently taking steps to develop unique drugs as a pharmaceutical company engaged in R&D and promote proper use of prescription pharmaceuticals by carefully targeting the provision of information.

Business Overview

The Company's Prescription Pharmaceutical Operation Group was established in 1957 and over the years has established and expanded an R&D system that has enabled the development and marketing of unique new drugs. In 1991, we launched the macrolide antibiotic *Clarith*, which was developed in-house and is now used in over 100 countries. In 2014, we launched the type 2 diabetes mellitus agent *Lusefi*, which was also developed internally, and in 2016, we delivered to market the transdermal anti-inflammatory analgesic patch *LOQOA*, which was jointly developed by Taisho Pharmaceutical and our subsidiary TOKUHON Corporation.

The business environment remains tough due to increasing difficulty in discovering innovative new drugs alongside more complex requirements for medical care due to advancements in science and technology, while competition for new drug development is intensifying around the world. We are also faced with the impact of government measures designated to curb medical

expenses such as promoting the use of generic drugs and full-blown reform of the NHI drug price system, which is making it difficult to establish a stable earnings structure. To grow sustainably in such an environment requires continuous new drug discovery.

In response, we are undertaking measures to create unique new drugs with a focus on orthopedic disorders, metabolic diseases, infectious diseases and central nervous system (CNS) diseases, areas in which we command advantages in sales and development as an R&D-oriented pharmaceutical company. In addition, we are working to secure the early approval of compounds at the development stage and to reinforce our development pipeline by introducing new drug candidates. We are also strengthening cooperation with external research institutes and companies to support the ongoing discovery of original substances. We aim to maximize sales by carefully targeting the provision of information to medical institutions promoting proper usage.

Initiatives for Sustainable Growth

In the short to medium term, we are focusing on maximizing sales of the original in-house products, *Lusefi* and *LOQOA*, and the introduction of entities/products in the late development stage to supplement the pipeline.

In the medium to long term, we will strengthen

collaboration with external research institutes and other companies, and incorporate advanced technologies to expand the R&D function and aim for sustainable growth through new drug discovery.



Enhancement of R&D function









Introduction of entities/products in the late development stage





Increase in sales of new drugs

Development Pipeline

(As of August 5, 2020)

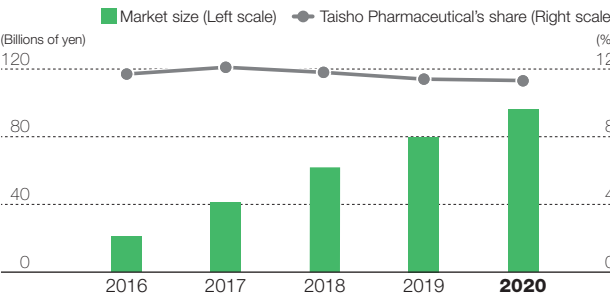
	Name	Formulation	Development	Planned indication	Phase		
					1	2	3
Japan	TS-152*		In-house	Rheumatoid arthritis	<div></div>	<div></div>	<div></div>
	TS-142		In-house	Insomnia	<div></div>	<div></div>	
Overseas	TS-121		In-house	Depression	<div></div>	<div></div>	
	TS-134		In-house	Schizophrenia	<div></div>		
	TS-161		In-house	Depression	<div></div>		
	TS-142		In-house	Insomnia	<div></div>		

*TS-152: Generic name "Ozoralizumab" ...Injection ...Oral

Lusefi

Launched in 2014, *Lusefi* is an SGLT2 inhibitor for type 2 diabetes developed by Taisho Pharmaceutical. There are six products jostling for position in the market for SGLT2 inhibitors, including *Lusefi*. The market size currently stands at around ¥95.9 billion (up 20.1% year on year) and is growing year after year. *Lusefi* has kept a solid share of this market and sales are increasing.

SGLT2 inhibitor market



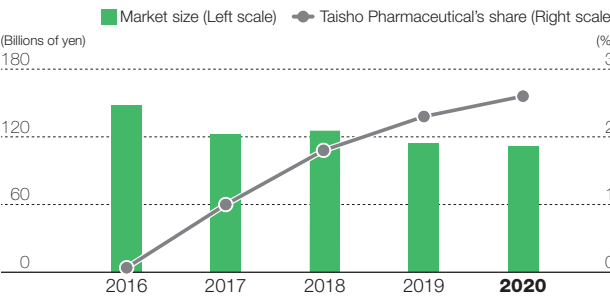
Copyright © 2020 IQVIA. Analysis by the Company based on JPM Apr. 2015–Mar. 2020 (Reprinted with permission). A marketing tie-up with Novartis Pharma K.K. was discontinued in January 2020.

LOQOA

Developed in conjunction with TOKUHON, *LOQOA* was launched in 2016 as a transdermal anti-inflammatory analgesic patch for the treatment of osteoarthritis pain and inflammation.

In the market for topical analgesics and anti-inflammatory agents, which exceeds ¥100 billion, we are providing information promoting its use as a new treatment option for osteoarthritis, thereby allowing us to steadily increase market share.

Topical anti-inflammatory analgesics; patches



Copyright © 2020 IQVIA. Analysis by the Company based on JPM Apr. 2015–Mar. 2020 (Reprinted with permission).

Prescription Pharmaceutical Operation Group

Fiscal 2019 Results

Net sales in the Prescription Pharmaceutical Group for the fiscal year ended March 31, 2020 decreased by ¥12.9 billion, or 15.9% year on year, to ¥68.5 billion.

Osteoporosis agent *Edirol*[®] increased by 3.0% to ¥27.0 billion, type 2 diabetes mellitus agent *Lusefi* increased by 27.0% to ¥7.1 billion, osteoporosis agent *Bonviva*[®] was up 3.1% to ¥6.6 billion, and transdermal anti-inflammatory analgesic patch *LOQQA* increased by 12.0% to ¥3.9 billion. However, for long-listed drugs, macrolide antibiotic

Clarith decreased by 20.0% to ¥4.3 billion, and peripheral vasodilator *Palux* was down 11.4% to ¥3.1 billion compared to the previous fiscal year due partly to the effects of NHI drug price revision and the shift to generic drugs. Due to the termination of the business alliance with FUJIFILM Holdings Corporation and TOYAMA CHEMICAL CO., LTD., certain products are no longer in the Company's lineup (as of March 31, 2019).

Sales of Main Brands



Fiscal 2019 Key Initiatives

In terms of sales, we are working to increase prescriptions by carefully targeting the provision of information. This has led to growth in sales of the highly profitable in-house products such as *Lusefi* and *LOQQA*.

With regard to R&D, we are working to secure the early approval of compounds at the development stage and to reinforce our development pipeline by introducing new drug candidates. TS-152 (generic name: Ozoralizumab; planned

indication: rheumatoid arthritis) is currently undergoing Phase 3 clinical trials for subjects with rheumatoid arthritis. In addition, early-stage Phase 2 clinical trials for TS-142 (planned indication: insomnia) for patients with insomnia have been completed, and late-stage Phase 2 clinical trials started in July 2020. We are working to provide treatment options to more patients through new drug discovery.

RELEASE

Exclusive License Agreement Concluded for Development, Manufacture and Commercialization of HIF-PH Inhibitor

Taisho Pharmaceutical signed an exclusive license agreement for the development, manufacture and commercialization of its hypoxia inducible factor-prolyl hydroxylase (HIF-PH) inhibitor, TS-143, worldwide, to ameliorate diseases of aging, with U.S.-based BioAge Labs, Inc. in April 2020.

Under the terms of the agreement, Taisho Pharmaceutical will receive from BioAge an upfront payment, development milestone payment, commercial milestone payments (based on annual net sales) and running royalties. The Company also has an option right for co-commercialization of TS-143 in Japan and a right of first refusal for the co-commercialization of TS-143 in several countries of Southeastern Asia (Thailand, the Philippines, Malaysia, Indonesia and Vietnam).

According to BioAge's proprietary human aging data, higher circulating levels of HIF-PH are associated with increased all-cause mortality and decreased functional measures. TS-143 can potentially treat multiple diseases of aging by inhibiting HIF-PH.

BioAge is a biotechnology company that uses proprietary AI technology to map the pathways that affect people's lifespan and develops drugs to treat aging and aging-related diseases.
<https://bioagelabs.com/media.html>

Termination of the Agreement Between Taisho Pharmaceutical and Takeda Pharmaceutical on the Distribution of Prescription Drugs of Biofermin Pharmaceutical

Taisho Pharmaceutical and Takeda Pharmaceutical Co., Ltd. agreed to terminate the distribution of prescription drugs manufactured and distributed by Biofermin Pharmaceutical Co., Ltd., the Company's consolidated subsidiary, through Takeda Pharmaceutical by the end of December 2020.

Taisho Pharmaceutical and Biofermin Pharmaceutical signed an exclusive sales agreement regarding Biofermin Pharmaceutical's products in July 2013. In addition, Taisho Pharmaceutical agreed to grant Takeda Pharmaceutical a domestic distributorship of Biofermin Pharmaceutical's products for a certain period of time and has distributed Biofermin Pharmaceutical's products through Takeda Pharmaceutical since January 2014. The OTC drug and quasi-drug transactions through Takeda Pharmaceutical terminated on September 30, 2017 (the "Termination Agreement"), and Taisho Pharmaceutical has conducted sales since October 2017. As a result of the Termination Agreement, all domestic sales of Biofermin Pharmaceutical's products, including prescription drugs, will be conducted by Taisho Pharmaceutical from January 2021 onwards.



R&D and Production Activities

R&D Self-Medication

In the Self-Medication Operation Group, we are engaged in a wide range of domains from mainstay OTC drugs to foods and cosmetics in the areas of health and beauty. We are currently implementing new initiatives in product development as well. This includes responding to the shift to switch OTC drugs for prescription pharmaceuticals, expanding the development of new food-related products to meet consumer needs such as Foods for Specified Health Uses and Foods with Function Claims, and the launch of the AdryS brand in 2019 to address women's skin problems.

Our consumer-centric R&D focuses on three key issues: Safety/quality, efficacy and convenience. We aim to develop high-value-added products in light of consumer needs, which includes the development of appealing, original materials, basic research from the viewpoint of physiology and pathology, and acquisition of the latest technology. At the same time, we actively pursue open innovation and embrace external collaborations.



R&D Prescription Pharmaceuticals

In the Prescription Pharmaceutical Operation Group, amid increasing difficulty in discovering innovative drugs and intensifying competition for new drug development, we aim to continue creating new drugs with a focus on orthopedic disorders, metabolic diseases, infectious diseases and central nervous system (CNS) diseases. Efforts to achieve this goal revolve around R&D in conjunction with outside research institutes and other companies in both Japan and abroad, while also expanding and enhancing our pipeline with a focus on introducing candidate substances.

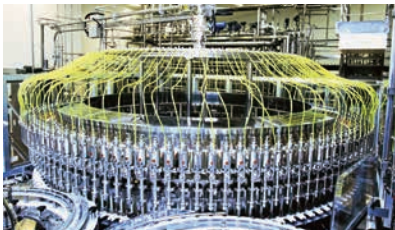


Production Activities

With regard to production activities, we provide safe and secure drugs that meet consumer expectations while taking into account the social environment to ensure they can be obtained when needed.

To that end, we are building a production system that enables speedy and flexible response in collaboration with Group factories worldwide. In recent years, we have added factories in Southeast Asia and Europe to the Group, thereby increasing our overseas production bases.

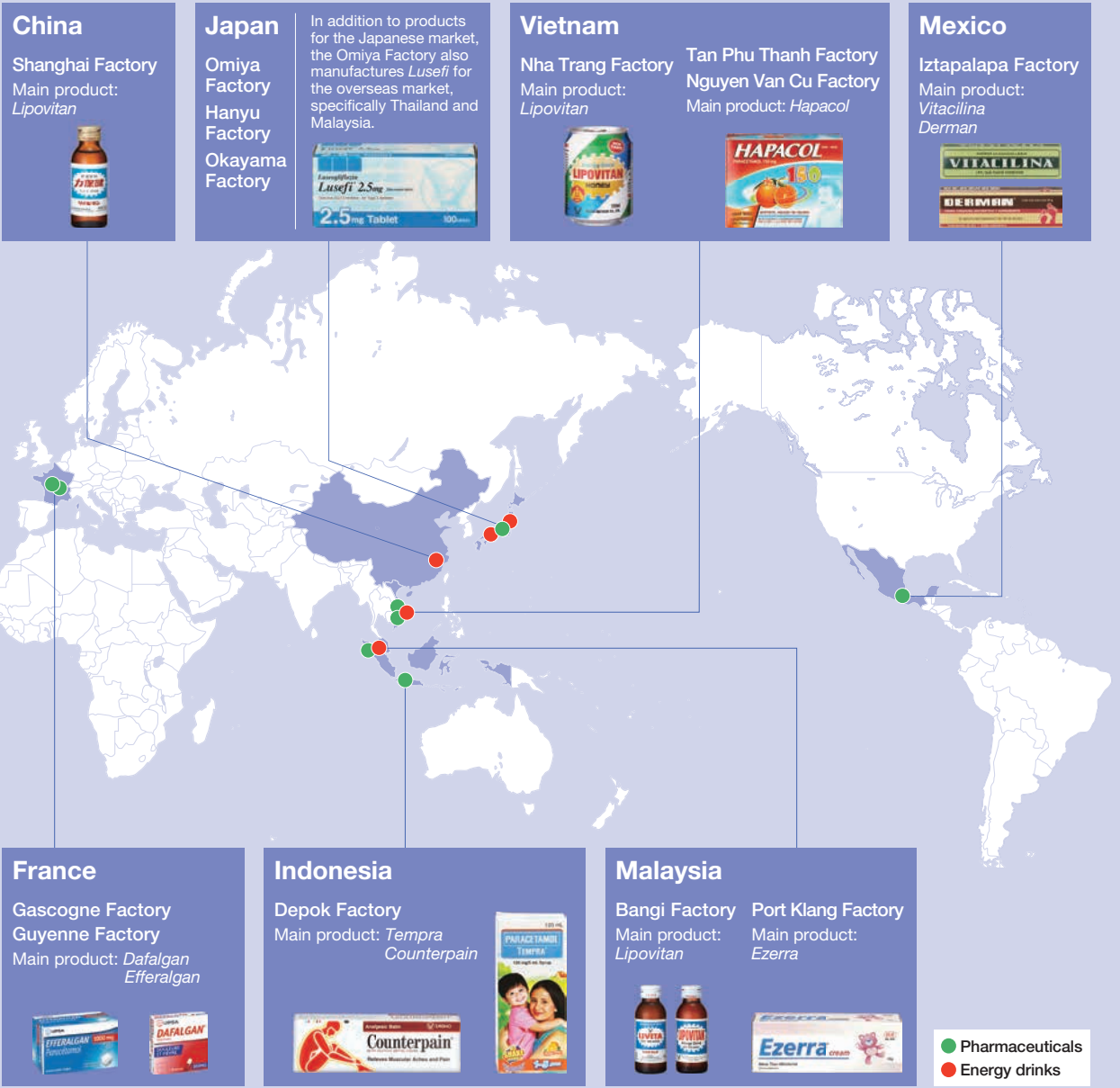
Further to this, we deliver high-quality products to consumers and medical institutions through a production system based on an enhanced quality assurance framework featuring strict quality control not only for prescription pharmaceuticals but also for self-medication related products.



TOPICS

Worldwide Production Bases

Taisho Pharmaceutical is deploying various product lines overseas as a global pharmaceutical company. DHG in Vietnam and UPSA in France were made subsidiaries in May and July 2019, respectively, bringing the total of the Company's overseas factories to 10. At the Omiya Factory, our global mother factory, we are taking steps to strengthen the production foundations of our overseas factories through such means as developing human resources, transferring technology and identifying ways to increase productivity.



Factual Data

Fiscal years ended March 31

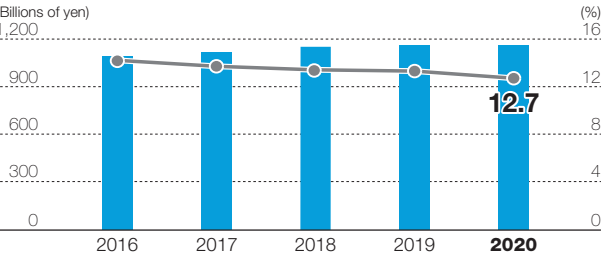
Self-Medication Operation Group: Market Share of Main Products

*Monetary basis *Taisho Pharmaceutical's estimates based on INTAGE SDI/SRI data.

■ Market size (Left scale) ● Taisho Pharmaceutical's share (Right scale)

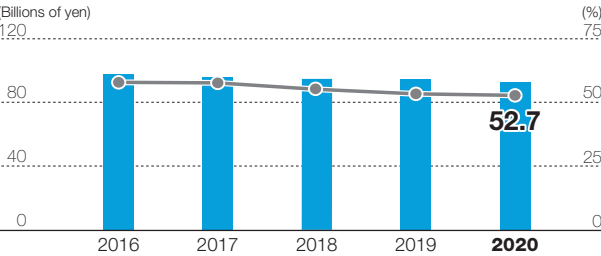
Japan's OTC Drug Market

(Includes quasi-drug energy drinks and mini-drinks)



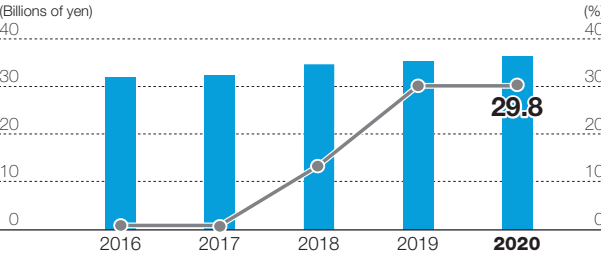
100mL energy drinks

(Lipovitan series)



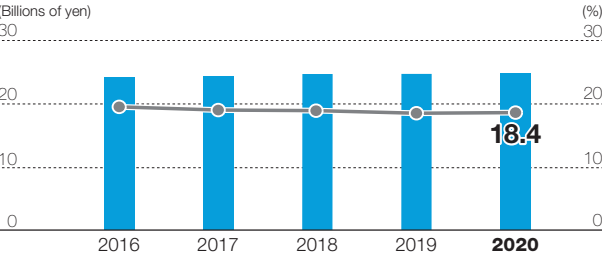
Intestinal remedy

(Biofermin series and others)



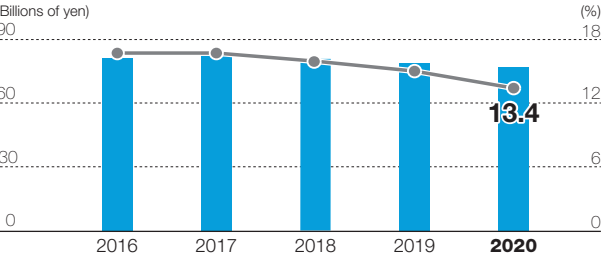
Laxatives

(Colac series and others)



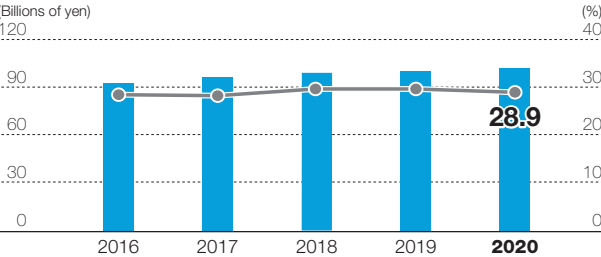
Mini-drinks

(Lipovitan series + ZENA series and others)



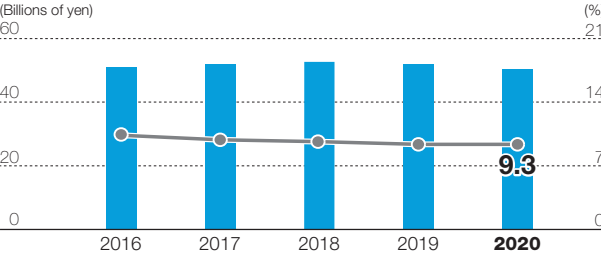
Cold remedies

(Pabron series)



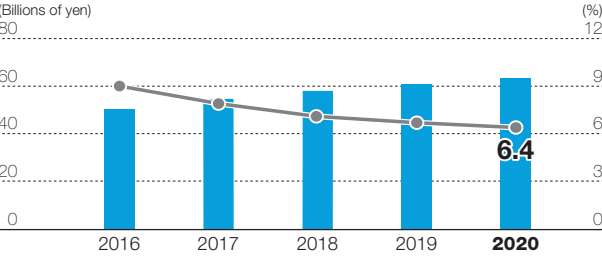
Gastrointestinal treatments

(Taisho Kampo Stomach Medicine and others)



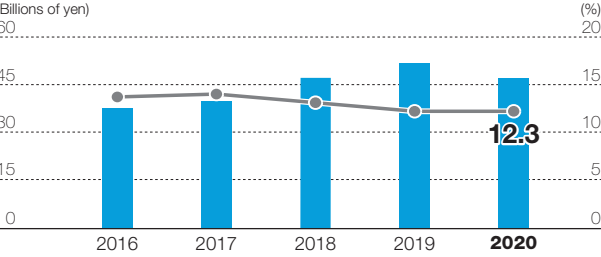
Antipyretic analgesics

(NARON series and others)



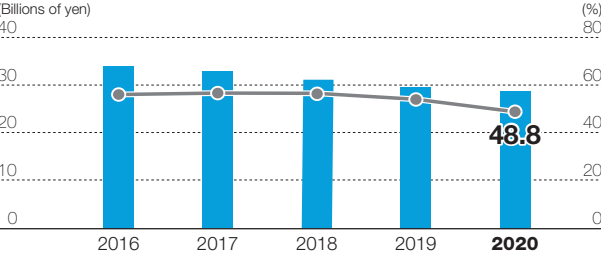
Sinus treatments

(Pabron series and others)



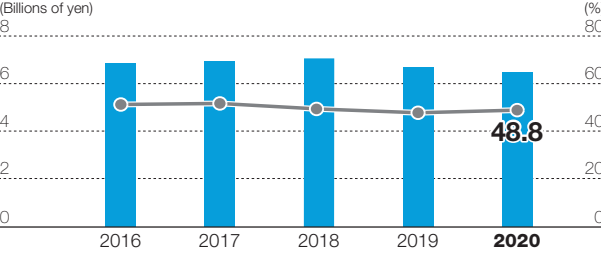
Hair-care products

(RIUP series)



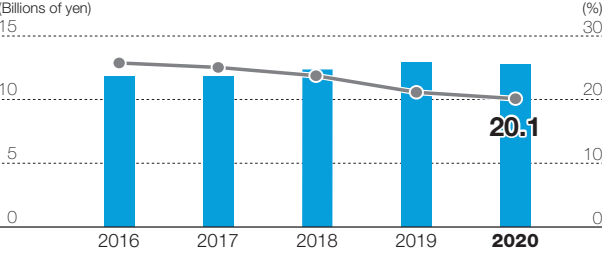
Cough suppressant throat lozenges and medicated drops

(VICKS series)



Hemorrhoid treatments

(Preser series)



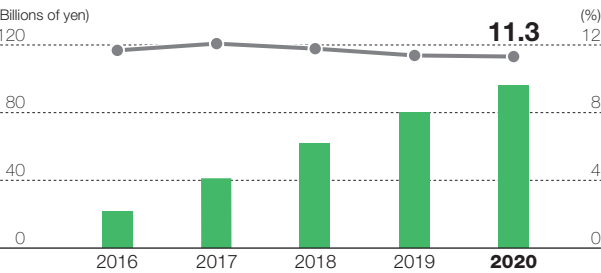
Prescription Pharmaceutical Operation Group: Market Share of Main Products

*NHI drug price basis *Copyright © 2020 IQVIA. Analysis by the Company based on JPM Apr. 2015–Mar. 2020 (Reprinted with permission).

■ Market size (Left scale) ● Taisho Pharmaceutical's share (Right scale)

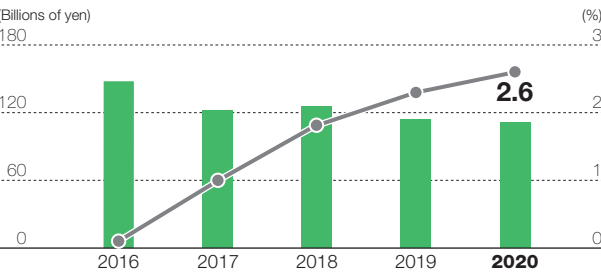
SGLT2 inhibitor*1 market

(Lusefi)



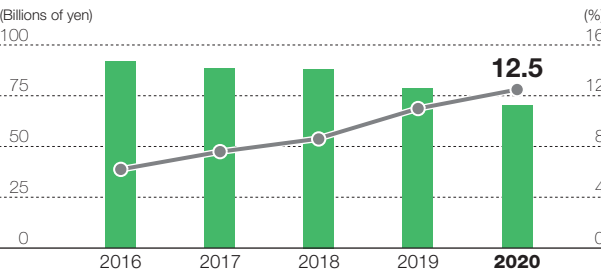
Topical anti-inflammatory analgesics; patches

(LOQOA)



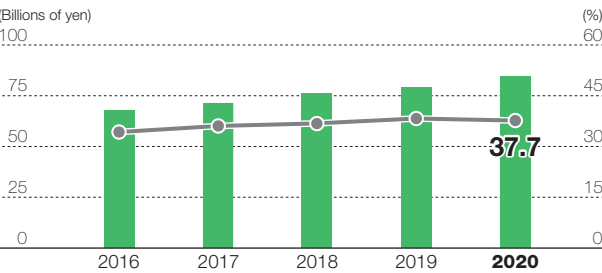
Bisphosphonate agents for osteoporosis and related diseases*2

(Bonviva®)



Active vitamin D3 derivatives*3

(Ediro®)



*1 A10P1 SGLT2 inhibitor

*2 Market size represents total sales of bisphosphonates for osteoporosis and related diseases (M05B3)

*3 Market size represents total sales of the vitamin D agents (A11C2) alfacalcidol, calcitriol and eldecalcitol

Sustainability

Contributing to a Sustainable Society

Basic Approach

The Taisho Pharmaceutical Group is strengthening ESG (Environment, Social and Governance) initiatives centered on the Declaration of Corporate Conduct based on our management philosophy. The Declaration comprises 10 principles to ensure adherence to laws, ordinances, regulations, social standards and business practices and so that we remain disciplined in our efforts to maintain a highly ethical approach. The principles outline our commitment to engage in good communication with stakeholders such as consumers, customers, business partners, employees, shareholders, investors and local communities and to voluntarily and actively undertake environmental initiatives.

The Declaration is consistent with the concepts underpinning ESG and the Sustainable Development Goals (SDGs), and we believe that it is essential for the Company to promote activities based on these concepts in order to achieve sustainable growth.

In promoting these activities, we will make efforts to disclose the initiatives we implement so that they can be accurately evaluated by stakeholders. We take such evaluations seriously and factor the feedback into our business activities that enable us to continue to improve them and contribute to society while enhancing our corporate value.

Declaration of Corporate Conduct

In keeping with our long-held tradition of *shinsho**, we abide with by laws, ordinances, regulations, social standards and business practices; are disciplined in maintaining a highly ethical approach; and pursue our business in accordance with the general principles outlined below.

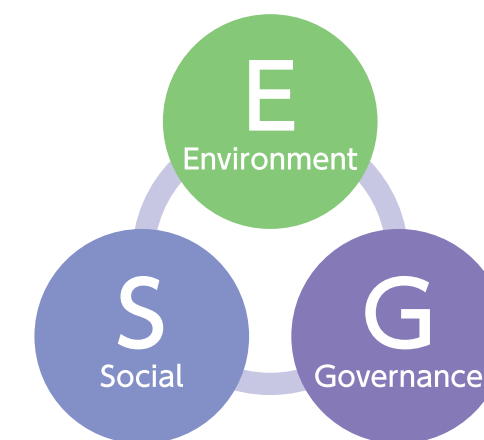
Shinsho: Literally translated as “gentlemanly business”

* Refers to the operation of a business with honesty, diligence, and passion; instilling an individual and a company with pride to fairly interact with society and consumers.

- 1 We will continue to remain honest and sincere with and strive to gain the trust of the consumers of Taisho products and services.
- 2 We handle all information gathered in the course of our business with the utmost care and take all possible measures to ensure the protection of personal information, customer data and confidential information.
- 3 We conduct business transactions on fair terms and conditions, and take a fair approach in the course of our dealings with our many business partners and customers to foster a sense of co-existence and co-prosperity.
- 4 We respect the human rights, personality, individuality and diversity of each of our employees; establish an appropriate evaluation system and strive to create a healthy and safe workplace, which employees find rewarding.
- 5 We comply with capital market rules; disclose accurate information in a fair and timely manner to and maintain healthy working relationships with shareholders and investors.
- 6 We compete in a fair, transparent and open manner and work as a “good corporate citizen” by engaging in an open dialogue with members of society.
- 7 We reject demands from antisocial influences or groups involved in activities that may threaten the order and safety of civil society.
- 8 We recognize environmental problems to be an issue shared by humanity and recognize that business activities have a major impact on the environment; we therefore work proactively in a voluntary fashion to pursue environmentally friendly business practices.
- 9 We respect the unique cultures and practices of each country where we operate our international business by adherence to international laws and applicable regulations, and manage our business to contribute to the development of each country.
- 10 All executives at Taisho Pharmaceutical, from the most senior levels down, are aware of their personal responsibility to implement this Declaration of Corporate Conduct; they will set an example for others to follow, and will work to ensure that this Declaration is fully understood by Taisho employees and Group companies.

ESG Initiatives

The Taisho Pharmaceutical Group is implementing initiatives aimed at sustainability in order to achieve sustainable growth for society and improve corporate value over the medium to long term. We identify and examine issues in ESG fields, and formulate pertinent policies. On top of this, related divisions undertake efforts to resolve specific issues, thereby fulfilling the social responsibility demanded by stakeholders.



SDGs Initiatives

The Sustainable Development Goals (SDGs) are 17 goals comprising 169 targets to be achieved by 2030 that were adopted by the 2015 UN Summit and seek resolution to problems confronting the world, such as poverty, the environment and social justice.

Our mission as a pharmaceutical company is to “contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people’s lives by improving health and beauty.” In particular, Goals 3 (Good health and well-being), 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure) and 12 (Responsible consumption and production) of the SDGs are closely related to our mission. In addition, our activities are linked to many of the goals of the SDGs, and by continuing to promote these activities, we can fulfill the responsibilities expected of us by all of our different stakeholders and contribute to the achievement of the SDGs.



Policies for Environmental Activities

The Taisho Pharmaceutical Group promotes environmental activities and establishes tasks and initiatives for each fiscal year based on its Fundamental Policy and Code of Conduct related to the environment and on its Fourth Fundamental Environmental Plan (fiscal 2016–2020), established in July 2016.

Fundamental Policy and Code of Conduct Related to the Environment

The Taisho Pharmaceutical Group considers environmental issues a key priority in its corporate activities, and has set targets for conserving resources, reducing CO₂ emissions and other environmental issues.

Fundamental Policy

The Company's mission is to contribute to society by creating and offering superior pharmaceuticals and health-related products as well as healthcare-related information and services in socially responsible ways that enrich people's lives by improving health and beauty. Based on this mission, we consider the environment and biodiversity in all corporate activities from product R&D, manufacturing and disposal to distribution and sales.

Code of Conduct

- 1 We shall comply with environmental laws and regulations and our agreements with stakeholders including government institutions, related industry groups, and local residents. We shall also set voluntary management standards and work to improve our level of environmental management.
- 2 We shall reduce our use of limited energy and resources to promote energy and resource conservation and help preserve the environment, and work to reduce CO₂ emissions.
- 3 We shall promote the three Rs of reduce, reuse and recycle to reduce waste and practice responsible waste treatment.
- 4 We shall work to create the conditions for effective environmental initiatives by providing environmental information to all employees to raise their awareness and broaden their perspective.
- 5 We shall participate in the environmental activities of related pharmaceutical manufacturing organizations, material recycling organizations and other organizations, and cooperate with them on environmental tasks.
- 6 We shall work to achieve harmony with local communities by energetically participating in the preservation and improvement of the local environment.
- 7 We shall proactively disclose information related to the environment and participate in various environmental events to promote communication outside the Company.
- 8 We shall prepare for environmental emergencies in ways such as preparing appropriate systems and manuals, and shall upgrade our crisis management system.

Please refer to the Company's website for details on initiatives.



Taisho Pharmaceutical Group's environmental initiatives:

<https://www.taisho.co.jp/global/sustainability/environment/>



TOPICS

Efforts to reduce the environmental impact from *Lipovitan D*

The Taisho Pharmaceutical Group takes into careful consideration the post-usage phase of the product lifecycle. We use materials that can be recycled as well as eco-friendly materials that have already been recycled and constantly look to reduce the weight of and simplify packaging to make sure our products are as kind to the earth as possible. We have been striving to reduce the environmental burden of one of our mainstay products, *Lipovitan D*. Here, we introduce past initiatives and those from 2019.



(1) 2003

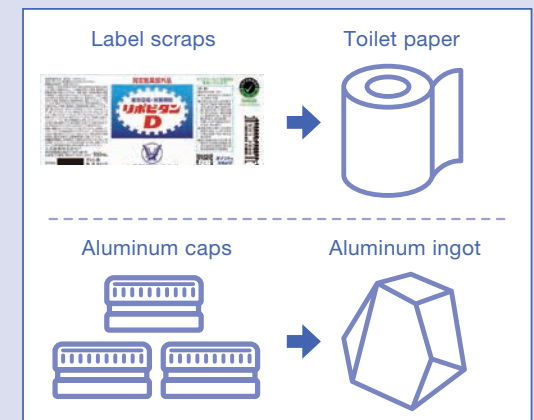
The weight of the *Lipovitan D* bottle was reduced by 10g through special processing that did not compromise overall strength.

(2) 2007

We eliminated the use of internal partitions in *Lipovitan* series 10-bottle boxes in an effort to simplify package design. This resulted in a saving of approximately 73kg in paper resources per 100,000 bottles of *Lipovitan D*.

(3) 2010

We started recycling flawed labels and aluminum caps.



(4) 2019

We changed the packaging material used for *Lipovitan* series 100ml 10-bottle boxes, thereby reducing weight while maintaining box strength. This resulted in a saving of 50.1921 tons of paper resources and a reduction of 62.7 tons of CO₂* in fiscal 2019.

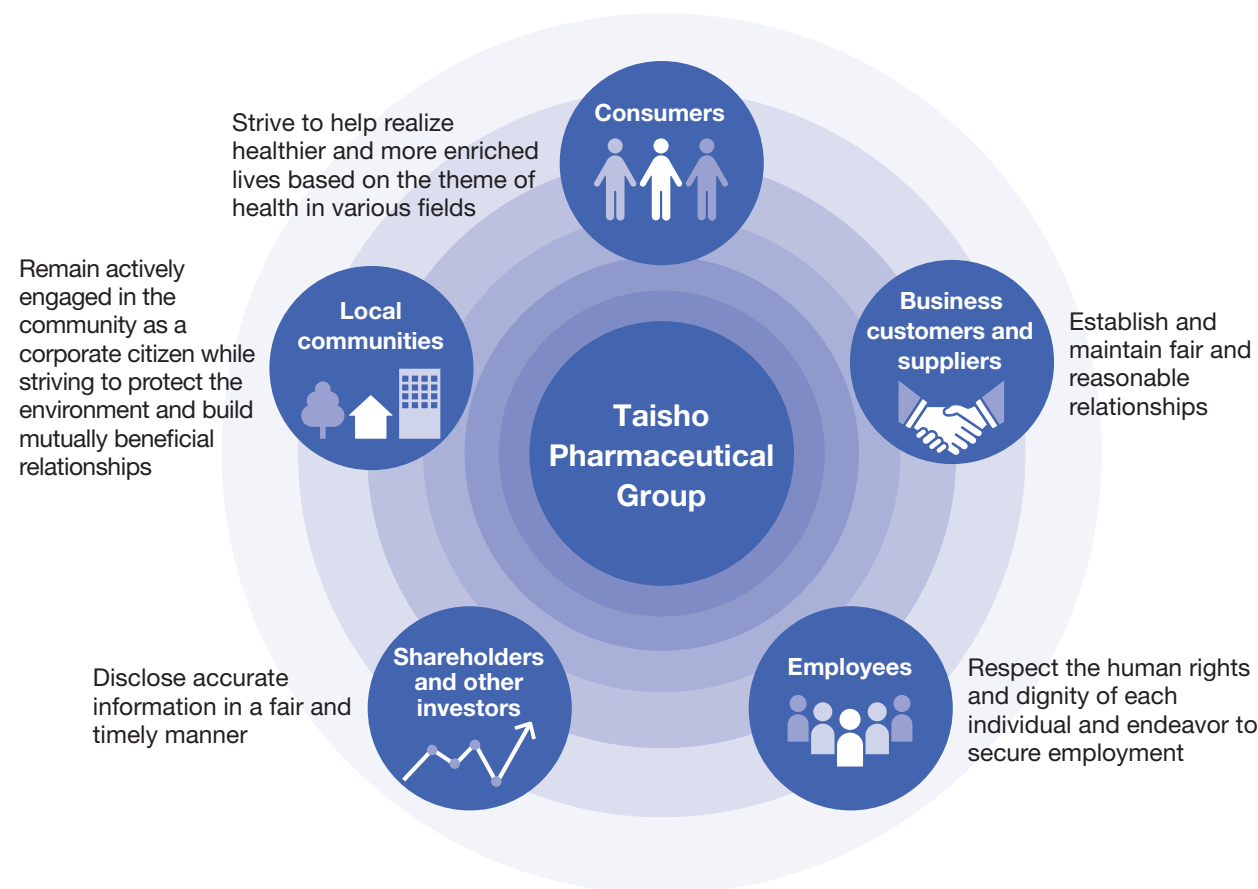
* Does not include transportation of materials or products.

Basic Approach

The Taisho Pharmaceutical Group continues to pursue sustainable growth in its business activities and aims to raise corporate value by fulfilling the responsibilities expected by the various stakeholders.

We value communication with consumers, business customers, suppliers, employees, shareholders, investors and all other stakeholders in order to identify their expectations and requirements of the Group and boost their knowledge of the initiatives we are undertaking. This also serves to deepen mutual understanding.

These expectations and requirements will continue to evolve as society changes. We strive to constantly strengthen communication through a variety of means so that we can respond to these needs as well as disclose information in an appropriate, fair and timely manner.



Please refer to the Company's website for details on initiatives.



Taisho Pharmaceutical Group's social initiatives:

<https://www.taisho.co.jp/global/sustainability/social/>



TOPICS

Relationships with local communities through sports promotion

Since 2001, Taisho Pharmaceutical Co., Ltd. has supported the men's 15-a-side Japan National Rugby Football Union team as an official sponsor. Taisho Pharmaceutical was also an official sponsor of the Rugby World Cup 2019™ held in Japan, thereby contributing to the promotion of the sport.

The maximum instantaneous TV rating during a World Cup game featuring the Japan team stood at 53.7%*. The World Cup tournament was a great success, partly due to the excellent showing of the Japanese side, and the whole country got caught up in a wave of excitement.

*Rugby World Cup 2019™ match held on October 13, 2019

Japan versus Scotland broadcast on Nippon Television; Share of viewer households in the Kanto region according to Video Research

Initiatives with local communities

More than a year prior to the Rugby World Cup 2019™, we visited prefectural offices and city halls in the 12 venue cities and in cooperation with local governments began raising awareness of the tournament to increase the enthusiasm in each region.

Special events were held in each region 100 days before the event got underway that were sponsored by *Lipovitan D* in support of local governments and residents. In addition, we showed our support for the Japanese national team via "rice paddy art" where different colored rice was planted to depict several players. The huge art piece was created in Gyoda City, Saitama Prefecture and the event was sponsored by *Lipovitan D*. Around 1,000 people took part over the two days. Photos of the completed rice paddy art also served as a good advertisement for *Lipovitan D* as it was included in the image.

We worked with drug stores, convenience stores and sports goods stores around each tournament venue to carry out events and other projects based around *Lipovitan D*, which succeeded in bringing people together and getting them into the spirit of the global event.



Preparing the rice paddy art event in Gyoda City, Saitama Prefecture

Supporting the supporters

Many people were involved in the Rugby World Cup 2019™ making preparations to ensure the success of the event.

To support these supporters, we videoed stadium staff and administrative officials from Kumagaya City in Saitama Prefecture and Kamaishi City in Iwate Prefecture, both tournament venue cities, and then used the footage as part of our TV commercial for *Lipovitan D*. This demonstrated how we were backing all the people behind the scenes doing their utmost for the tournament in addition to the players themselves. The commercial also portrayed the worldview espoused by the *Lipovitan* brand of communities coming together to accomplish such an incredible event.

We will continue to undertake initiatives for the promotion of sports by building on the connections we made with people and the relationships we built with local communities through Rugby World Cup 2019™.



Lipovitan D TV commercial aimed at "supporting the supporters"

Basic Approach

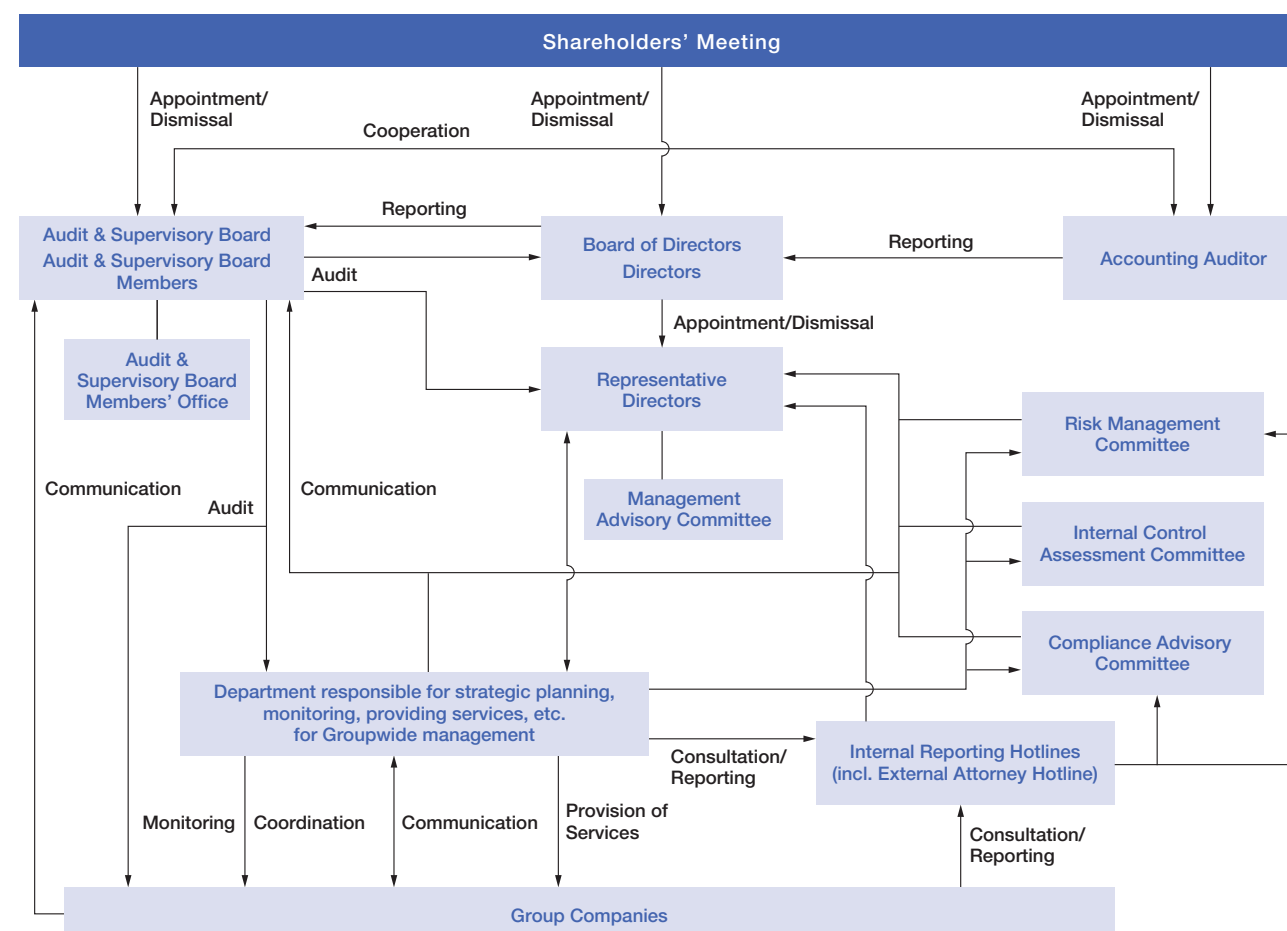
The Taisho Pharmaceutical Group (the “Group”) aims to establish even stronger management foundations to ensure that it fulfills its corporate mission in accordance with its Management Policy and continues to achieve steady growth and development amid global competition.

Guided by this philosophy, Taisho Pharmaceutical Holdings Co., Ltd. (the “Company”) was established as a pure holding company on October 3, 2011 to manage the Group as a whole. The Company is responsible for formulating Group management strategy and effectively allocating resources to businesses and operations in Japan and overseas with the objective of increasing corporate value by generating sustainable, balanced growth and strengthening competitiveness in the Self-Medication Operation Group and Prescription Pharmaceutical Operation

Group, and by achieving synergetic effects between these two businesses.

Accordingly, the Company has established an appropriate Groupwide management framework for properly monitoring and supervising the status of business and operational execution at the Company and Group companies. Specifically, the Group establishes a corporate governance structure and properly implements this structure, with the aim of achieving its overall business objectives and fulfilling its social responsibilities. The basic principle behind these efforts is for the Board of Directors and the Audit & Supervisory Board or its members to work in close collaboration, while properly managing the entire Group by exchanging information with the business management bodies of the Company and Group companies.

Corporate Governance Structure



TOPICS

Spreading Awareness of Compliance at Overseas Group Companies

Following acquisition of shares in BMSI, making it a consolidated subsidiary, in 2009, we have built business foundations primarily through M&A, with a focus on Southeast Asia, notably Indonesia, the Philippines, Thailand and Malaysia. Vietnam-based DHG was made a consolidated subsidiary in May 2019, as was France-based UPSA in July 2019, which has helped create new business foundations. This has led to an increase in the number of Non-Japanese employees, who now make up more than half of total employees.

Against this backdrop, we believe it is critical that all new employees accurately comprehend our management philosophy and values, and to this end, we formulated the TAISHO WAY to provide a broad overview of our founding spirit, management philosophy and strategic thinking.

We encourage each employee to take on new challenges to change their way of thinking and behavior to drive continuous growth by making the Company's philosophy their own.

In addition, all employees are strongly required to adhere to our policy on responsible behavior in each of the countries and regions we operate in, particularly as expectations are rising for us to expand business activities. It is necessary to respect cultural diversity in terms of language, religion, society, systems, values and other factors and to take advantage of their unique attributes by viewing them as strengths. For that reason, we formulated our Global Compliance Guideline expressing the kind of behavior that should be taken in the course of daily operations and the philosophy that such behavior is derived from. This enables us to meet societal expectations in all of the countries and regions we operate in, which is particularly pertinent since pharmaceutical companies are required to maintain a highly ethical approach.

Both the TAISHO WAY and Global Compliance Guideline have been prepared in all the local languages of our overseas Group companies in addition to the Japanese versions, and distributed in booklets or posted on the intranet. Employees therefore have the opportunity to peruse the materials at any time, with the aim being to ensure that everyone in both Japan and overseas operates to the same high standards based on common awareness.



UPSA SAS



Duoc Hau Giang Pharmaceutical JSC



Hoepharm Holdings, Sdn. Bhd.

Please refer to the Company's website for details on initiatives.



Taisho Pharmaceutical Group's governance-related initiatives:

<https://www.taisho.co.jp/global/sustainability/governance/>



Consolidated Financial Highlights

Figures for the fiscal year ended March 31, 2011 are for Taisho Pharmaceutical.

(Millions of yen)

Fiscal years ended March 31	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Sales	268,632	271,230	285,168	295,957	290,498	290,135	279,773	280,092	261,551	288,527
Self-Medication Operation Group	167,195	166,467	171,271	181,753	176,295	180,722	179,992	183,996	180,123	220,027
Prescription Pharmaceutical Operation Group	101,436	104,763	113,896	114,204	114,202	109,413	99,781	96,096	81,428	68,500
Overseas Sales	12,166	13,387	17,574	25,393	27,949	29,901	27,529	30,936	30,978	69,500
Operating profit	44,082	38,412	35,337	41,683	31,974	28,878	31,966	36,977	31,211	21,137* ¹
Self-Medication Operation Group	38,385	35,565	33,510	36,865	31,060	28,393	30,106	30,162	30,287	18,694* ¹
Prescription Pharmaceutical Operation Group	5,696	3,557	3,027	6,000	2,078	1,755	3,352	8,207	2,685	4,144
Ordinary profit	54,077	46,201	44,173	51,244	39,576	36,775	38,036	42,140	40,851	24,474* ¹
Profit attributable to owners of parent	34,892	24,357	26,320	32,692	24,528	22,473	28,781	31,679	48,593	20,172* ¹
R&D expenses	23,677	24,231	23,331	21,874	21,554	21,768	21,260	21,150	20,801	22,876
Capital expenditures	7,870	12,868	12,287	10,401	5,253	8,967	7,011	4,857	5,259	9,469
Depreciation and amortization	11,725	11,242	10,951	11,042	11,561	11,117	10,423	10,154	10,073	12,610* ¹
Total assets	618,434	629,506	676,388	728,442	768,092	758,904	770,685	799,616	821,782	864,974* ¹
Current assets	233,170	234,782	254,326	281,045	289,081	319,670	308,946	356,161	469,781	355,623
Total net assets	535,231	538,666	578,158	611,933	653,242	643,127	665,088	691,318	724,137	739,778* ¹
Free cash flow	45,701	-15,616	31,933	38,235	15,552	31,396	38,705	19,944	85,266	-65,089
Return on equity (ROE) (%) ^{*2}	6.7	4.6	4.8	5.6	4.0	3.5	4.5	4.8	7.0	2.8* ¹
Return on assets (ROA) (%) ^{*3}	5.7	3.9	4.0	4.7	3.3	2.9	3.8	4.0	6.0	2.4* ¹

Per share data (Yen)

Profit attributable to owners of parent	124.90	296.20	325.26	403.18	302.57	277.75	360.18	396.54	608.80	252.74* ¹
Total net assets (Total shareholders' equity)	1,901.74	6,560.67	6,975.94	7,401.61	7,892.19	7,870.04	8,127.87	8,452.12	8,924.23	8,887.84* ¹
Cash flows ^{*4}	234.32	669.69	682.92	785.62	655.00	596.73	671.09	744.16	949.33	588.94
Dividends	27.00	90.00* ⁵	120.00* ⁶	110.00	110.00	100.00	110.00	110.00	120.00* ⁷	110.00

*¹ Figures for the fiscal year ended March 31, 2020 have been revised retrospectively to reflect determination of allocation of acquisition-related costs in business combinations.

*² ROE = Profit attributable to owners of parent/Average total net assets × 100

*³ ROA = Profit attributable to owners of parent/Average total assets × 100

*⁴ Cash flows per share = (Profit before income taxes + Depreciation and amortization + Amortization of goodwill) / Average number of issued shares for the period

*⁵ The annual dividend of ¥90 per share for the fiscal year ended March 31, 2012 comprises the sum of ¥40 per share derived from the conversion of Taisho Pharmaceutical's interim dividend of ¥12 per share and the year-end dividend of Taisho Pharmaceutical Holdings of ¥50 per share.

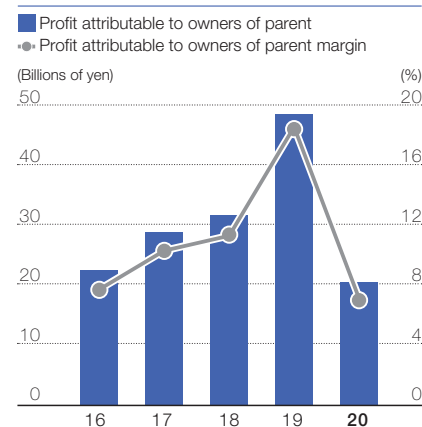
*⁶ Includes the special dividend for the 100th anniversary of the founding of Taisho Pharmaceutical.

*⁷ The Company paid a special dividend upon booking extraordinary income in the course of operational and investment restructuring.

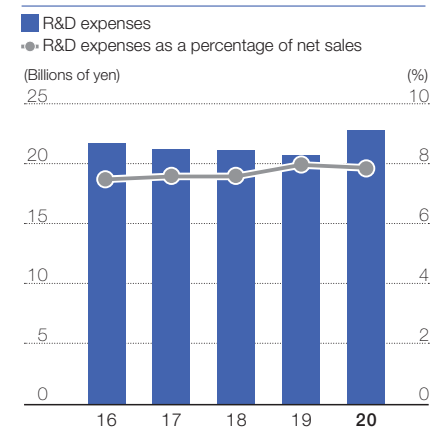
Operating profit/Operating profit margin



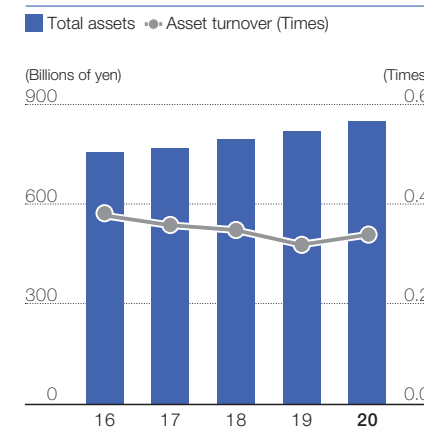
Profit attributable to owners of parent/Profit attributable to owners of parent margin (%)



R&D expenses/R&D expenses as a percentage of net sales

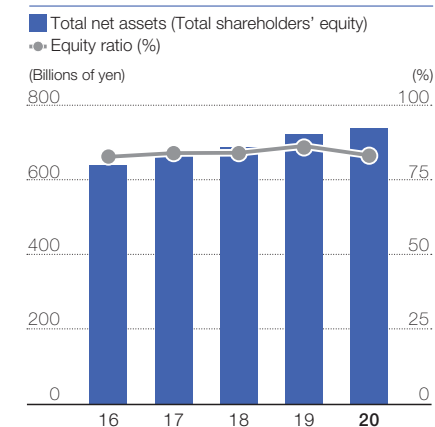


Total assets/Asset turnover* (Times)

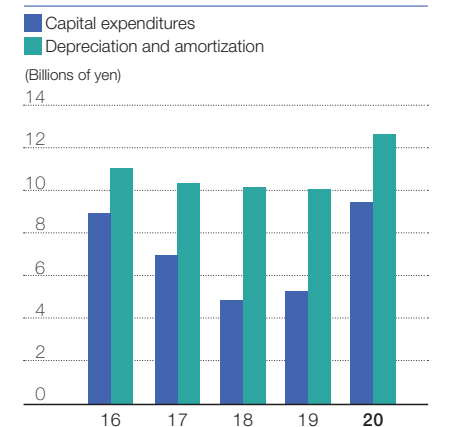


*Asset turnover = Net sales/Average total assets

Total net assets (Total shareholders' equity)/Equity ratio (%)



Capital expenditures/Depreciation and amortization



Members of the Board (As of June 30, 2020)



Akira Uehara
Chief Executive Officer
(Representative)

Apr. 1977 Joined Taisho Pharmaceutical Co., Ltd.
Jun. 1977 Member of the Board
Jun. 1978 Senior Member of the Board
Jun. 1980 Executive Vice President
Jun. 1981 Executive Vice President (Representative)
Jun. 1982 Chief Executive Officer
Oct. 2002 Chief Executive Officer (Representative) of Taisho Toyama Pharmaceutical Co., Ltd.
Apr. 2006 Emeritus Chairman, Member of the Board
Jun. 2007 Corporate Adviser
Apr. 2009 Chairman and CEO (Representative) of Taisho Pharmaceutical Co., Ltd.
Oct. 2011 Chairman and CEO (Representative) of the Company
Jun. 2012 Chairman (Representative) of Taisho Pharmaceutical Co., Ltd.
Jun. 2013 Chief Executive Officer of the Company (present)
Jun. 2015 Chairman of Taisho Pharmaceutical Co., Ltd. (present)



Shigeru Uehara
Executive Vice
President

Apr. 2000 Joined Taisho Pharmaceutical Co., Ltd.
May 2000 Joined Abbott Laboratories
Aug. 2006 Corporate Planning Division of Taisho Pharmaceutical Co., Ltd.
Oct. 2006 Director, Assistant to Officer in charge of Prescription Pharmaceutical Operation Group of Taisho Pharmaceutical Co., Ltd. and Deputy Head of Sales Headquarters of Taisho Toyama Pharmaceutical Co., Ltd.
Jun. 2007 Member of the Board of Taisho Toyama Pharmaceutical Co., Ltd.
Member of the Board of Taisho Pharmaceutical Co., Ltd.
Jun. 2008 Managing Member of the Board
Apr. 2009 Executive Vice President
Oct. 2011 Executive Vice President of the Company
Jun. 2012 Chief Executive Officer (Representative) of Taisho Pharmaceutical Co., Ltd. (present)
Jun. 2013 Member of the Board of the Company
Jun. 2015 Executive Vice President of the Company (present)



Kyuji Kobayashi
Audit & Supervisory
Board Member

Dec. 1997 Joined Taisho Pharmaceutical Co., Ltd.
Apr. 1998 President of Taisho Foods Deutschland GmbH
Apr. 2002 General Manager of Financial Management Division and General Manager of Overseas Sales Management Division, Taisho Pharmaceutical Co., Ltd.
Oct. 2004 General Manager of Accounting Division
Jun. 2011 Full-time Audit & Supervisory Board Member (present)
Oct. 2011 Full-time Audit & Supervisory Board Member of the Company (present)



Kazuya Kameo
Audit & Supervisory
Board Member

Apr. 1976 Joined Taisho Pharmaceutical Co., Ltd.
Nov. 2000 Manager of First Research Office for Pharmaceutical Development
Apr. 2001 Manager of Research Office for Medicinal Chemistry
Feb. 2003 Manager of Pharmaceutical Quality Assurance Promotion Office
Apr. 2004 Director and Head of Quality Assurance Headquarters
Apr. 2008 Corporate Officer and Head of Pharmaceutical and Chemicals Research Center
Jul. 2008 Deputy Head of Research Headquarters
Apr. 2010 Head of Quality Assurance Headquarters
Apr. 2015 Corporate Officer of the Company
Jun. 2015 Member of the Board of the Company
Member of the Board of Taisho Pharmaceutical Co., Ltd.
Apr. 2016 Member of the Board, Executive Officer of Taisho Pharmaceutical Co., Ltd.
Jun. 2019 Full-time Audit & Supervisory Board Member of the Company (present)
Full-time Audit & Supervisory Board Member of Taisho Pharmaceutical Co., Ltd. (present)



Akira Ohira
Corporate Adviser,
Member of the Board

May 1982 Joined Taisho Pharmaceutical Co., Ltd.
Jun. 1982 Member of the Board
Jun. 1983 Managing Member of the Board
Jun. 1985 Senior Member of the Board
Jun. 1994 Executive Vice President
Jun. 1996 Executive Vice President (Representative)
Apr. 2006 Chief Executive Officer (Representative) of Taisho Toyama Pharmaceutical Co., Ltd.
Apr. 2009 Vice Chairman of Taisho Pharmaceutical Co., Ltd.
Oct. 2011 Vice Chairman of the Company
Jun. 2012 Corporate Adviser of Taisho Pharmaceutical Co., Ltd. (present)
Jun. 2013 Member of the Board of the Company
Apr. 2015 Corporate Adviser, Member of the Board of Taisho Toyama Pharmaceutical Co., Ltd.
Jun. 2015 Corporate Adviser, Member of the Board of the Company (present)



Ken Uehara
Member of the Board

Jan. 2004 Joined Taisho Pharmaceutical Co., Ltd.
Oct. 2006 Director and Assistant to Officer in charge of Self-medication Operation Group
Apr. 2007 Deputy Head of Sales Marketing Headquarters and Deputy Head of Product Planning and Development Headquarters General Manager and Deputy General Manager
Apr. 2008 Head of Research & Development Headquarters (Self-medication), Deputy Head of Sales Marketing Headquarters and Deputy Head of Product Planning and Development Headquarters
Jun. 2008 Member of the Board
Apr. 2009 Managing Member of the Board
Oct. 2011 Managing Member of the Board of the Company
Jun. 2012 Senior Member of the Board of Taisho Pharmaceutical Co., Ltd.
Jun. 2013 Member of the Board of the Company (present)
Jun. 2014 Executive Vice President (Representative) of Taisho Pharmaceutical Co., Ltd. (present)
Jun. 2015 Member of the Board of Taisho Toyama Pharmaceutical Co., Ltd.
Jun. 2017 Chairman and Director of Biofermin Pharmaceutical Co., Ltd. (present)



Chushiro Aoi
Audit & Supervisory
Board Member
Outside

Mar. 1974 Executive Director and General Manager of Products Division at Marui Co., Ltd.
Jan. 1982 Managing Director and Head of Products Headquarters
Oct. 1984 Managing Director and Head of Central Sales Headquarters
Jan. 1994 President (Representative) of AIM CREATE Co., Ltd.
Apr. 1997 President (Representative) of MOVING CO., LTD.
Apr. 2006 Adviser
Jan. 2010 President (Representative) of Toshima Kogyo Co., Ltd. (current: A-TOM Co., Ltd.)
Jun. 2015 Audit & Supervisory Board Member (Outside) of the Company (present)
May 2019 Chairman (Representative) of A-TOM Co., Ltd. (present)



Makoto Matsuo
Audit & Supervisory
Board Member
Outside

Apr. 1975 Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association)
Joined Ozaki & Momo-o
May 1978 Graduated from Columbia University, Law School in the United States (Master of Laws (L.L.M.))
Aug. 1978 Joined Weil, Gotshal & Manges LLP in New York
Mar. 1979 Admitted to New York Bar
Apr. 1989 Founded Momo-o, Matsuo & Namba
Partner of Momo-o, Matsuo & Namba (present)
Apr. 1997 Lecturer at Nihon University, Faculty of Law: International Transaction Law
Apr. 2005 Lecturer at Hitotsubashi University, Faculty and Graduate School of Law: World Business Law
Jun. 2007 External Director of CAPCOM CO., LTD.
Mar. 2014 External Corporate Auditor of Solasia Pharma K.K. (present)
Jun. 2016 External Director (Member of the Audit and Supervisory Committee) of CAPCOM CO., LTD. (present)
Jun. 2018 Outside Statutory Auditor of Sumitomo Forestry Co., Ltd. (present)
Apr. 2020 Provisional Audit & Supervisory Board Member of the Company
Jun. 2020 Audit & Supervisory Board Member (Outside) of the Company (present)



Tetsu Watanabe
Member of the Board

Apr. 1978 Joined Taisho Pharmaceutical Co., Ltd.
Oct. 2001 General Manager of Personnel and Labor Division
Jul. 2005 Director and General Manager of Personnel Division
Oct. 2008 Corporate Officer
Apr. 2013 Corporate Officer of the Company
Senior Corporate Officer of Taisho Pharmaceutical Co., Ltd.
Jun. 2015 Member of the Board of the Company (present)
Member of the Board of Taisho Pharmaceutical Co., Ltd.
Apr. 2016 Member of the Board, Executive Officer of Taisho Pharmaceutical Co., Ltd. (present)



Katsuichi Ohsawa
Member of the Board

Apr. 1984 Joined Taisho Pharmaceutical Co., Ltd.
Apr. 2007 General Manager of Pharmaceutical Business Strategic Planning Office
Oct. 2011 Head of Marketing Headquarters of Taisho Toyama Pharmaceutical Co., Ltd.
Apr. 2013 Deputy Head of Production Headquarters of Taisho Pharmaceutical Co., Ltd.
Apr. 2014 Director
Apr. 2017 Head of Quality Assurance Headquarters
Apr. 2019 Corporate Officer
Jun. 2019 Member of the Board of the Company (present)
Member of the Board, Corporate Officer of Taisho Pharmaceutical Co., Ltd. (present)



Takeshi Kunibe
Member of the Board
Outside

Apr. 1976 Joined The Sumitomo Bank, Limited
Jun. 2003 Executive Officer of Sumitomo Mitsui Banking Corporation
Oct. 2006 Managing Executive Officer
Jun. 2007 Director of Sumitomo Mitsui Financial Group, Inc.
Apr. 2009 Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation
Apr. 2011 President and Chief Executive Officer
Jun. 2011 Outside Director of NEC Corporation
Apr. 2017 President of Sumitomo Mitsui Financial Group, Inc.
Jun. 2017 Director President
Apr. 2019 Chairman of the Board (present)
Jun. 2019 Member of the Board (Outside) of the Company (present)



Hiroyuki Uemura
Member of the Board
Outside

Jun. 1991 Member of the Board of Sumitomo Marine & Fire Insurance Co., Ltd.
Jun. 1998 Chief Executive Officer (Representative)
Oct. 2001 Chief Executive Officer (Representative) of Mitsui Sumitomo Insurance Company, Limited
Jun. 2006 External Director of HOCHIKI CORPORATION (present)
Jul. 2007 Standing Adviser of Mitsui Sumitomo Insurance Company, Limited
Jun. 2011 Audit & Supervisory Board Member (Outside) of Taisho Pharmaceutical Co., Ltd.
Oct. 2011 Audit & Supervisory Board Member (Outside) of the Company
Apr. 2013 Senior Adviser of Mitsui Sumitomo Insurance Company, Limited
Jun. 2015 Member of the Board (Outside) of the Company (present)
Apr. 2017 Emeritus Advisor (meiyō komon) of Mitsui Sumitomo Insurance Company, Limited (present)

	Category	Attendance at Board of Directors meetings*	Attendance at Audit & Supervisory Board meetings*	Reasons for appointment
Takeshi Kunibe	Member of the Board (Outside)	9/10	—	Mr. Takeshi Kunibe has played an active role as a central figure in financial institutions over many years. He is well-versed in many industries due to this position, and has abundant experience and insight as well as a wide range of connections through providing advice on corporate management in a diverse selection of fields. He has been appointed with the expectation that he will provide beneficial supervision and advice on the Company's development into new business domains and the enhancement of corporate value from an independent and objective position.
Hiroyuki Uemura	Member of the Board (Outside)	14/14	—	Mr. Hiroyuki Uemura has played an active role as an executive and has deep insight based on his abundant experience in corporate management. He has been providing guidance on the promotion of solid and effective management of the Company. Therefore, we have appointed him as an Outside Director of the Company.
Chushiro Aoi	Audit & Supervisory Board Member (Outside)	14/14	10/10	Mr. Chushiro Aoi has extensive experience and diverse knowledge accumulated as a corporate manager. He has been offering beneficial opinions and guidance on the Company's management from an outside perspective. Therefore, we have appointed him as an Audit & Supervisory Board Member (Outside).
Makoto Matsuo	Audit & Supervisory Board Member (Outside)	—	—	Mr. Makoto Matsuo has extensive experience and diverse knowledge as a lawyer and is highly committed to compliance with laws and regulations. Therefore, we have appointed him as a legal expert that can help enhance our audit system.

* The period covered by the aggregate figures for attendance at Board of Directors and Audit & Supervisory Board meetings is one year from April 1, 2019 to March 31, 2020.

Group Companies (As of June 30, 2020)

Japan

Taisho Pharmaceutical Co., Ltd. Tokyo
Research, development, manufacture and sales of OTC drugs, quasi-drugs, foods, prescription pharmaceuticals and other products

Taisho Pharma Co., Ltd. Tokyo
Promotion of prescription pharmaceuticals

Biofermin Pharmaceutical Co., Ltd. Hyogo
Development, manufacture and sales of OTC drugs, prescription pharmaceuticals and other products

TOKUHON Corporation Tokyo
Development, manufacture and sales of OTC drugs, prescription pharmaceuticals and other products

Dr. Program Co., Ltd. Tokyo
Production and sales of skincare products, pharmaceuticals and cosmetic materials

Taisho Pharmaceutical Logistics Co., Ltd. Saitama
Management and operation of transport services for Taisho Pharmaceutical Group

Taisho M.T.C. Co., Ltd. Tokyo
Manufacture and sales of raw materials for medicines and quasi-drugs

MEJIRO KOSAN Co., Ltd. Tokyo
Leasing, management, possession and operation of real estate, provision of employee welfare and benefit services, etc.

TAISHO ACTIVE HEALTH Co., LTD. Tokyo
Supply of health foods, quasi-drugs and skin care products

Taisho Okinawa Co., Ltd. Okinawa
Sales of OTC drugs and other products in Okinawa Prefecture

Equity-method affiliate

Yomeishu Seizo Co., Ltd. Tokyo
Manufacture and sales of herbal liqueurs and other products

Two other companies

Overseas

UPSA SAS France
Development, manufacture and sales of OTC drugs and prescription pharmaceuticals

Duoc Hau Giang Pharmaceutical JSC Vietnam
Manufacture and sales of OTC drugs and other products

Osotspa Taisho Pharmaceutical Co., Ltd. Thailand
Sales of OTC drugs, energy drinks and other products

PT. Taisho Pharmaceutical Indonesia Tbk Indonesia
Manufacture and sales of OTC drugs and other products

Taisho Pharmaceutical Singapore Private Limited Singapore
Sales of OTC drugs

Hoepharm Holdings Sdn. Bhd. Malaysia
Management of a subsidiary that conducts pharmaceutical business, mainly in Malaysia

Taisho Co., Ltd. Shanghai China
Manufacture and sales of energy drinks and other products

Taisho Vietnam Co., Ltd. Vietnam
Manufacture and sales of energy drinks and other products

Taisho Pharmaceutical (Taiwan) Co., Ltd. Taiwan
Manufacture (commissioned) and sales of OTC drugs, energy drinks and other products

Taisho Pharmaceuticals (Philippines), Inc. Philippines
Manufacture (commissioned) and sales of OTC drugs, energy drinks and other products

Taisho Pharmaceutical (H.K.) Ltd. China
Sales of OTC drugs

Taisho Pharmaceutical California Inc. U.S.A.
Sales of OTC drugs, energy drinks and other products

Taisho Pharmaceutical R&D Inc. U.S.A.
Development of prescription pharmaceuticals

Compañía Internacional de Comercio, S.A.P.I. de C.V. Mexico
Manufacture and sales of OTC drugs and other products

13 other companies

Corporate Data/Investor Information (As of March 31, 2020)

Company Name Taisho Pharmaceutical Holdings Co., Ltd.
Date of Foundation October 3, 2011
Paid-in Capital ¥30,000 million
Number of Employees ... 9,354 (consolidated, as of March 31, 2020)
URL https://www.taisho.co.jp/global/

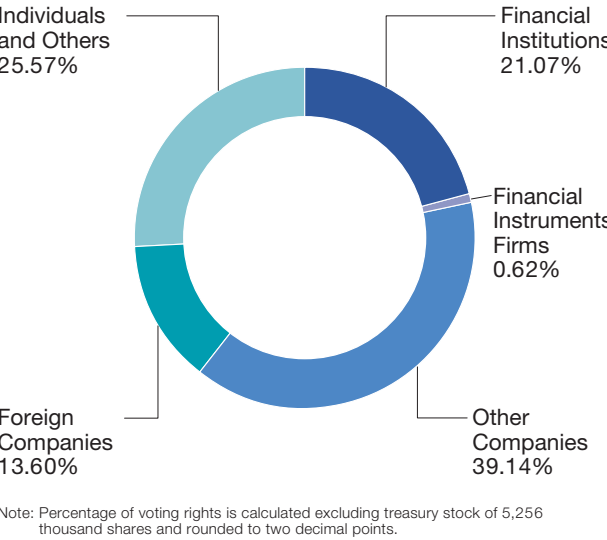
Number of Shares Authorized 360,000,000 common shares
Number of Shares Issued 85,139,653 common shares
Stock Trading Unit 100 shares
General Meeting of Shareholders Held annually in June
Listing Tokyo Stock Exchange
Ticker Symbol Number 4581
Shareholder Registry Administrator and Special Account Management Mitsubishi UFJ Trust and Banking Corporation Institution
Contact Address Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division P.O. Box 29, Shin-Tokyo Post Office, Tokyo 137-8081, Japan Telephone: 0120-232-711 (Toll-free in Japan)

Major Shareholders

Shareholders	Number of Voting Rights (Thousands)	Percentage of Voting Rights (%)
The Uehara Memorial Foundation	15,000	18.78%
Shoji Uehara	7,774	9.73%
Uehara Museum	3,900	4.88%
Sumitomo Mitsui Banking Corp.	3,000	3.76%
MUFG Bank, Ltd.	3,000	3.76%
The Master Trust Bank of Japan, Ltd. (Trust account)	2,406	3.01%
Akira Uehara	2,143	2.68%
Japan Trustee Services Bank, Ltd. (Trust account)	1,782	2.23%
Kajima Corporation	1,650	2.07%
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Re trust Account/Sumitomo Chemical Company, Limited Employee Pension Trust Account)	1,530	1.92%

Notes: 1. Number of voting rights (shares) is stated after having been rounded down to the nearest thousand.
2. Percentage of voting rights is calculated excluding treasury stock of 5,256 thousand shares and rounded to two decimal points.

Distribution of Shareholders



Stock Data (TSE) (April 2019–June 2020)

