

# Topics

## Retirement of OTSUKA CORPORATION's Founder and Chairman

Mr. Minoru Otsuka, founder and Chairman of the Board for OTSUKA CORPORATION, stepped down from the Board of Directors at the 43rd annual general meeting on March 30, 2004 to help rejuvenate the management structure and energize the Board of Directors. On the same day, Mr. Minoru Otsuka assumed the post of Founder, Advisory and Honorary Chairman.

## Introduction of Executive Officer System

To augment corporate governance and further raise management efficiency, OTSUKA CORPORATION introduced an executive officer system on July 1, 2003. Consequently, the Board of Directors will henceforth augment functions to develop management policies and oversee business management. On the other hand, routine business management will be delegated to executive officers and their powers and responsibilities will be clarified.

OTSUKA CORPORATION will continue to develop a management structure that can provide quick decision-making as well as agilely adapt to changes in the management environment, while further improving transparency within management.

## Establishment of Otsuka System and Trading Corporation (Shanghai)—Operations Launched in October 2003

OTSUKA CORPORATION established the wholly owned subsidiary, Otsuka System and Trading Corporation (OSTC, Shanghai) in China, and has already launched business operations primarily handling the sale and support of CAD systems and related products. In the future, OSTC will provide the same level of one-stop support as currently available in Japan, including development of a network infrastructure and provision of Web-related solution services.

## Internet Data Center (iDC) Acquires ISMS Certification

In February 2003, the Internet Data Center (iDC) received certification in Information Security Management Systems (ISMS). ISMS publicly certifies that a business office is ensuring the security of information and adequately managing such data, and is the singular certification agency in Japan for information security management structures.

## Establishment of OTSUKA CORPORATION Heartful Fund Program

One of the goals of the OTSUKA Group's Mission Statement is: "To demonstrate harmonious coexistence and growth with nature and society." To achieve this goal, the Company established the OTSUKA CORPORATION Heartful Fund Program to help contribute to society, and has subsequently launched various activities that will be of service to society in numerous ways. Under this system, the monthly donations to the fund from interested employees will be combined with those of the Company and effectively used in environmental preservation, handicapped assistance and disaster relief.