Social Contribution and Environmental Preservation Activities

Starting from our immediate surroundings, OTSUKA CORPORATION is contributing to society and helping to preserve the environment in a diverse range of fields. Here are some highlights in 2006.

Cooperating in the preservation of rice terrace

Oyama Senmaida (Oyama Rice Terrace) in Kamogawa City, Chiba, has been designated by the Ministry of Agriculture, Forestry and Fisheries as one of "Japan's 100 Signature Rice Terraces," and is the closest rice terrace to Tokyo. Visitors can readily try their hand at rice planting and can visit as many times as they like, which is why it has received so much attention. OTSUKA CORPORATION is cooperating in the preservation of Oyama Senmaida through such activities as introducing a rice terrace owner system and through agricultural support on the part of employees.



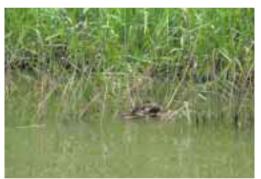
Rice planting at Oyama Senmaida



Weeding at Oyama Senmaida

■ Launch of Sales of "Lake Papyrus 20"

OTSUKA CORPORATION began marketing "Lake Papyrus 20," which uses pulp made from reeds from Lake Biwa. The reeds that cluster around the lakes, ponds and rivers of Japan have a high capacity to absorb phosphorous and nitrogen, which contribute to the pollution of water, and are used as both building materials and reed screens. One reed is said to have the ability to purify two tons of water, but their use has not made effective progress owing to recent changes in people's living environ-



Reeds growing in Lake Biwa

"Lake Papyrus 20" contains 20% reeds, and with an amount equivalent to one business card, it can purify roughly 20 liters of water. The degree of whiteness is roughly 80%, and can be used as pulp in such office paper supplies as business cards and company envelopes.

OTSUKA CORPORATION is gradually phasing in "Lake Papyrus 20" business cards as the paper source for all employee business cards.

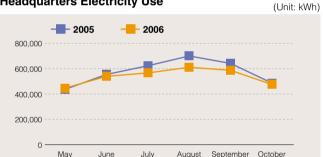
■ Implementing "Cool Biz" in All Offices

As a step in working to prevent global warming, OTSUKA CORPORATION, which participates in "Team Minus 6%," expanded "Cool Biz" campaign activities to all offices in 2006 after running a trial in offices in western Japan during summer 2005. Over roughly three months from June 19 to September 22, employees were no longer required to wear suit jackets and neckties and office thermostats were set at 28°C.

Consequently, the headquarters was able to decrease its electricity use for July and August by roughly 10%.



Headquarters Electricity Use



OTSUKA CORPORATION CSR Report 2006

The Company has published the CSR Report 2006 as a more content-rich version of the previous Social and Environmental Report. The report broadly communicates the Company's social contributions, environmental preservation activities and other activities to such stakeholders as customers, shareholders and investors, business partners, outside communities and employees. To reduce the use of paper resources, the report is posted on the Company's website instead of being printed.



http://www.otsuka-shokai.co.jp/eco/2006/index.html

Environmental Solutions

OTSUKA CORPORATION develops and offers customers a broad selection of environmental solutions based on its track record and expertise in applying them to its in-house environmental improvement efforts.

- Helped to reduce the amount of paper consumed by using "ODS21" to shift to a paperless environment
- Used "tanomail" to promote green procurement
- Used the "Web Learning" to help improve education about the environment
- Contributed to reduced use of resources by promoting the recycling of PCs and toner cartridges