

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>OTSUKA AMERICA 401(K) SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1985</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>04/01/1985</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>04/01/1985</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>OTSUKA AMERICA PHARMACEUTICAL INC.</u> <u>508 CARNEGIE CENTER</u> <u>PRINCETON, NJ 08540</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-1630683</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>609-853-2040</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541700</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-1630683</u>	2c Plan Sponsor's telephone number <u>609-853-2040</u>	2d Business code (see instructions) <u>541700</u>	
2b Employer Identification Number (EIN) <u>52-1630683</u>					
2c Plan Sponsor's telephone number <u>609-853-2040</u>					
2d Business code (see instructions) <u>541700</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2022	MARYANN DUSTAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	2949
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	1945
a(2) Total number of active participants at the end of the plan year		6a(2)	2185
b Retired or separated participants receiving benefits.....		6b	14
c Other retired or separated participants entitled to future benefits		6c	1318
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	3517
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	7
f Total. Add lines 6d and 6e		6f	3524
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	3425
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	142
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2G 2J 2K 2T 3H 3D 2F			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan OTSUKA AMERICA 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 OTSUKA AMERICA PHARMACEUTICAL INC.	D Employer Identification Number (EIN) 52-1630683	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

DELOITTE & TOUCHE LLP

13-3891517

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	52912	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

THE PFE GROUP

71-1036677

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	40000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ROCATON INVESTMENT ADVISORS, LLC

04-3638035

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	-956394	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AS EMRG MKTS EQ IS - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BARON GROWTH - DST SYSTEMS INC 43-1581814	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BARON GROWTH INST - DST SYSTEMS IN 43-1581814	0.15%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LOOMIS SM CAP VAL I - DST ASSET MA 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
METWEST TOT RTN BD I - BNY MELLON 301 BELLEVUE PARKWAY WILMINGTON, DE 19809	0.10%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIF REAL EST SEC IS - PRINCIPAL SH 620 COOLIDGE DR FOLSOM, CA 95630-3183	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	DELOITTE & TOUCHE LLP	b EIN:	13-3891517
c Position:	ACCOUNTANT/AUDITOR		
d Address:	500 COLLEGE ROAD EAST PRINCETON, NJ 08540-6635	e Telephone:	609-514-3600

Explanation: DELOITTE & TOUCHE LLP WAS TERMINATED SUBSEQUENT TO THE 12/31/2020 YEAR END AUDIT. THE PLAN ADMINISTRATOR SELECTED FORVIS, LLP AS THE PLAN'S AUDITOR FOR THE YEAR ENDED 12/31/2021.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan OTSUKA AMERICA 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 OTSUKA AMERICA PHARMACEUTICAL INC.	D Employer Identification Number (EIN) 52-1630683	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	1385166
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	62792	168206
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	3977467	3660725
(9) Value of interest in common/collective trusts	1c(9)	39871937	36091274
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	623508970	736103364
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 0	0
(2)	Employer real property.....	1d(2) 0	0
e	Buildings and other property used in plan operation	1e 0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f 667421166	777408735
Liabilities			
g	Benefit claims payable	1g 0	0
h	Operating payables	1h 0	0
i	Acquisition indebtedness.....	1i 0	0
j	Other liabilities.....	1j 0	0
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 667421166	777408735

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 26065852	
	(B) Participants	2a(1)(B) 33529025	
	(C) Others (including rollovers).....	2a(1)(C) 10295936	
(2)	Noncash contributions.....	2a(2) 0	69890813
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	
b	Earnings on investments:		
(1)	Interest:		191728
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 17	
	(B) U.S. Government securities	2b(1)(B) 0	
	(C) Corporate debt instruments	2b(1)(C) 0	
	(D) Loans (other than to participants)	2b(1)(D) 0	
	(E) Participant loans.....	2b(1)(E) 191711	
	(F) Other	2b(1)(F) 0	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	191728
(2)	Dividends: (A) Preferred stock.....	2b(2)(A) 0	62268271
	(B) Common stock	2b(2)(B) 0	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 62268271	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	62268271
(3)	Rents	2b(3)	0
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 0	0
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B) 0	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	0
	(B) Other	2b(5)(B) 0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		615496
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		40438255
c Other income.....	2c		843482
d Total income. Add all income amounts in column (b) and enter total.....	2d		174248045
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	99145666	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		99145666
f Corrective distributions (see instructions).....	2f		27300
g Certain deemed distributions of participant loans (see instructions).....	2g		-20804
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	-6496	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		-6496
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		99145666
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		75102379
l Transfers of assets:			
(1) To this plan.....	2l(1)		34885190
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: FORVIS, LLP

(2) EIN: 44-0160260

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>OTSUKA AMERICA 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>OTSUKA AMERICA PHARMACEUTICAL INC.</u>	D Employer Identification Number (EIN) <u>52-1630683</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Otsuka America 401(k) Savings Plan

Employer ID No: 52-1630683
Plan No. 001

Financial Statements as of December 31, 2021 and
2020 and for the year ended December 31, 2021,
Supplemental Schedule and Independent Auditor's
Report

OTSUKA AMERICA 401(K) SAVINGS PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Independent Auditor's Report

The Trustees
Otsuka America 401(k) Savings Plan
Princeton, NJ

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Otsuka America 401(k) Savings Plan (the Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 Financial Statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in *Note 3* to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 Financial Statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 Financial Statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

The 2020 Financial Statements of the Plan were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated October 14, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedules, and (b) the form and content of the information included in the financial statements and supplemental schedules other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

FORVIS,LLP

New York, New York
October 11, 2022

Federal Employer Identification Number: 44-0160260

OTSUKA AMERICA 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
Investments—at fair value	<u>\$ 772,362,844</u>	<u>\$ 663,443,699</u>
Total investments—at fair value	<u>772,362,844</u>	<u>663,443,699</u>
Employer contributions receivable	1,385,166	-
Receivables—notes receivable from participants	<u>3,660,725</u>	<u>3,977,467</u>
Total receivables	<u>5,045,891</u>	<u>3,977,467</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 777,408,735</u>	<u>\$ 667,421,166</u>

The accompanying notes are an integral part of these financial statements.

OTSUKA AMERICA 401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021
ADDITIONS:	
Contributions:	
Participant contributions	\$ 33,529,025
Employer contributions	26,065,852
Rollover contributions from qualified plans	10,295,936
Total contributions	<u>69,890,813</u>
Investment income:	
Net appreciation in fair value of investments	40,438,255
Interest and dividends	62,883,784
Net investment income	<u>103,322,039</u>
Other income, net of administrative expenses	843,482
Interest income on notes receivable from participants	191,711
Total additions	<u>174,248,045</u>
DEDUCTIONS:	
Benefits paid directly to participants	<u>99,145,666</u>
Total deductions	<u>99,145,666</u>
Net increase	75,102,379
NET ASSETS AVAILABLE FOR BENEFITS:	
Transfers into the Plan	34,885,190
Beginning of year	<u>667,421,166</u>
End of year	<u>\$ 777,408,735</u>

The accompanying notes are an integral part of these financial statements.

OTSUKA AMERICA 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020 AND FOR THE YEAR ENDED DECEMBER 31, 2021

1. DESCRIPTION OF THE PLAN

The following is a brief description of the Otsuka America 401(k) Savings Plan (the "Plan" or "the Otsuka 401(k) Plan") and is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General—The Plan is a defined contribution plan covering all eligible employees of Otsuka America Pharmaceutical, Inc. ("OAPI" or "Plan Sponsor") and employees of certain affiliated companies. Employees become eligible to participate in the Plan on the first day of the month following the date on which the participant attains 21 years of age. The Plan was adopted by the Plan Sponsor and the following United States affiliates (the "Participating Companies"):

- Otsuka Pharmaceutical Development & Commercialization, Inc. ("OPDC")
- Crystal Geyser Water Company, Inc. ("Crystal Geyser")
- Otsuka America, Inc. ("OAI")
- Ridge Vineyards, Inc. ("Ridge")
- Otsuka Digital Health, Inc. ("ODH")
- A&P Inphatec, LLC ("A&P")
- ReCor Medical, Inc ("ReCor") - effective January 1, 2021

The Plan is managed, administered, and monitored by the Plan Sponsor. Recordkeeping, trust, and investment services are provided by Fidelity Workplace Services and Fidelity Management Trust Company, respectively (collectively referred to as "Fidelity"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Effective January 1, 2022, Veryan Medical, Inc. ("Veryan") and Visterra, Inc. ("Visterra"), became Participating Companies of the Plan. As of this effective date, Veryan employees became eligible for a 6% matching contribution, and Visterra employees became eligible for a 10% matching contribution. Visterra employees hired prior to January 1, 2020, will be 100% vested in the Plan.

Effective January 1, 2022, certain employees of Avanir Pharmaceuticals, Inc. ("Avanir") merged into OPDC and therefore, became participants of the Plan. As of this effective date, certain Avanir employees transferred into the Plan and became eligible for a 10% matching contribution.

During the year ended December 31, 2021, assets and account balances from the Veryan Medical Inc. 401(k) Profit Sharing Plan and Trust and Visterra, Inc. 401(k) Plan were transferred into the Plan (with the Otsuka America 401(k) Savings Plan being the only surviving Plan), and from the Avanir Pharmaceutical Employees Savings and Protection Plan and ReCor Medical Inc. 401(k) Profit Sharing Plan and Trust into the Plan totaling \$34,885,190.

Contributions—Participants may contribute between 1% and 60% of their pre-tax annual eligible compensation per annum, not to exceed the amount permitted pursuant to the Internal Revenue Code ("IRC") of \$19,500 for the year ended December 31, 2021.

The Plan allows for rollover contributions. The Plan also provides for catch-up contributions for participants who have attained age 50 before the end of the Plan year of up to an additional \$6,500, on a pre-tax basis, for the year ended December 31, 2021.

The Plan Sponsor, OPDC, ODH and ReCor contribute a matching amount equal to 100% of the first 10% while the other Participating Companies including Crystal Geyser, OAI, Ridge and A&P contribute a matching amount equal to 100% of the first 6% of eligible compensation that participants contribute to the Plan.

The Plan Sponsor makes a true-up contribution based on a formula defined by the Plan Document. The employer true-up contribution is made early in the subsequent year and therefore, appropriately recognized as a receivable at the applicable plan year-end.

Participant Accounts—Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contributions, matching contributions, allocations of selected investments' earnings or losses, deductions of applicable administrative expenses (i.e., loan initiation, account maintenance, or other Fidelity fees), and benefit payments. Allocations of plan earnings (losses) are based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting—Participants are immediately vested regarding their own contributions plus actual earnings and minus losses thereon. Employer matching contributions plus actual earnings and minus losses thereon vest based on years of service. The vested interest in the participant's employer matching contribution is determined by the following schedule:

Years of Service	Percent Vested
Less than 2	- %
2	25
3	50
4	75
5	100

Effective January 1, 2022, the Plan amended the vesting schedule from five years of service to four years of service at a rate of 25% for each year of service beginning after one year of service with 100% vesting after four years of service. However, a more favorable schedule may apply to certain participants depending on various factors such as the Participating Company and date of hire.

Investment Options—Participants direct their contributions into various investment options offered by the Plan.

Notes Receivable from Participants—Participants may apply for one loan per calendar year against their vested account balance with only one loan outstanding at any given time, generally for periods not to exceed five years, except for a home purchase which may not exceed 10 years. Loan amounts are subject to a minimum of \$1,000 and a maximum of \$50,000 minus the highest outstanding loan balance over the last twelve months or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates equal to prime plus

1%, as determined by the Plan Sponsor. The interest rate is entered and maintained on the Fidelity Plan Sponsor Webstation and is the same for the duration of the loan. Principal and interest are paid ratably through payroll deductions. Participants may prepay the entire loan balance outstanding at any time. Terminated participants who take a full distribution from the Plan must repay any unpaid loan balance immediately or the amount will be deemed a distribution and will become taxable income to the participant.

Payment of Benefits—A distribution of a participant's vested account balance can be made due to disability, retirement, death or termination of employment. The distribution can be paid in a lump-sum amount, in installments (annual or more frequent installments), or directly rolled over into an Individual Retirement Account ("IRA"), or another qualified plan. If a distribution is issued in installments, an election can be made to receive a lump sum distribution after the start of receiving installment distributions.

The Plan Sponsor will direct Fidelity to distribute a lump sum to participants with account balances less than \$1,000 without the participant's consent. Prior to age 65, mandatory distributions for participants with accounts balances greater than \$1,000 but less than \$5,000 will be made in the form of a direct rollover to an IRA designated by the Plan Sponsor if the participant does not elect to have such distribution rolled over to an eligible retirement plan or IRA or to receive such distribution directly. Participants with balances in excess of \$5,000 in the Plan may elect to retain their account balance in the Plan until attainment of age 70½ at which time they must begin taking minimum required distributions. A written consent is required for any distribution if the vested account balance is greater than \$5,000.

If a participant dies, the vested account balance will be paid to the designated beneficiary or beneficiaries. If the participant was an employee at the time of death, the account balance will automatically become 100% vested. A participant's beneficiary or beneficiaries can request a distribution of the vested account balance in the event of a participant's death.

If a participant becomes disabled while employed by a company covered by the Plan and is eligible for social security disability benefits, the participant becomes 100% vested in their account balance. The participant can request a distribution of their account balance only if the participant terminates their employment.

In-Service Withdrawals—While still employed by a participating company, a participant may obtain a withdrawal from the Plan. The following types of in-service withdrawals are available under the Plan:

- **Hardship withdrawals**—A hardship withdrawal can be requested for immediate and heavy financial needs such as the following:
 - medical expenses,
 - purchase of principal residence,
 - prevention of eviction from, or foreclosure on, principal residence, or
 - payment for post-secondary education expenses

The participant may withdraw no less than \$500 and up to 100% of their vested account balance if the withdrawal is necessary due to an immediate and severe financial need. The amount of a hardship withdrawal cannot exceed the amount required to meet the immediate financial need created by the hardship and must meet certain other specific eligibility requirements as set forth by the Plan. After withdrawal, participants may not

make deferral contributions to the Plan for at least 6 months after receipt of the hardship distribution.

- **Withdrawals after age 59½**—A participant may elect to withdraw all or a portion of their entire vested account balance prior to the Plan's normal retirement age (age 65) while still employed by a participating company after attaining age 59½.
- **Withdrawals of rollover contributions**—A participant may elect to withdraw all or a portion of a balance in a rollover contribution account (funds which were rolled over from a qualified retirement plan into the Plan).

Minimum Required Distributions—Internal Revenue Service ("IRS") regulations generally require that participants begin withdrawing funds from their vested account balance by April 1 of the year following the year they turn 70½. The participant's age and account balance determine the minimum amounts required to be withdrawn.

Forfeitures—The nonvested portion of a terminated participant's account balance is forfeited and retained in the Plan. Forfeitures may be applied to pay administrative fees or for employer contributions as directed by the Plan Sponsor. Any remaining amounts are used to restore forfeitures for rehired individuals or to reduce the applicable participating company's required employer contributions. The balance of forfeited non-vested accounts was \$1,851,268 and \$1,782,840 as of December 31, 2021 and 2020, respectively. Forfeited amounts used to reduce employer contributions for the year ended December 31, 2021 was \$3,183,432.

Administrative Changes due to CARES Act – On March 27, 2020, The Coronavirus Aid, Relief, and Economics Security (CARES) Act was passed by Congress. The CARES Act provides immediate and temporary relief for retirement plan sponsors and their participants with respect to employer contributions, distributions and participant loans. The provisions of the CARES Act may be effective and operationalized immediately, prior to amending the Plan Document. Plan management has adopted certain relief provisions included in the CARES ACT and will amend the Plan as required by December 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk and Uncertainties—The Plan invests in various investment securities, such as mutual funds, money market funds and a common collective fund. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and could materially affect the amounts reported in the financial statements.

Included in investments at December 31, 2021 and 2020, are shares of the Fidelity Growth Co K Fund of \$153,812,466 and \$135,655,786, respectively. This investment

represents 20 percent of total investments at December 31, 2021 and 2020. No other investments represent more than 10 percent of net assets available for benefits.

Investment Valuation and Income Recognition—The Plan's investments are stated at fair value. Fair value of an investment security is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends declared are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for all plan investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Administrative Expenses—Plan administrative expenses are either paid directly by the Plan Sponsor and the Participating Companies or are passed through to the participants in the Plan. Expenses paid by the participants include management fees, other expenses associated with the particular investments they choose, loan initiation expenses, fees for expediting delivery of a withdrawal or loan payment, fees for minimum required distributions, and any other participant specific rather than plan specific fees.

The Plan has a revenue sharing arrangement with Fidelity. During the Plan year ended December 31, 2021, Fidelity funded approximately \$1,200,000 of revenue credits, which are included in Other Income, net of administrative expenses, in the Statement of Changes in Net Assets Available for Benefits.

Payment of Benefits—Benefit payments are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of December 31, 2021 and 2020.

Excess Contributions Payable—The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

Notes Receivable from Participants—Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan Document.

Adoption of New Accounting Standards – In August 2018, the FASB ("Financial Accounting Standards Board") issued ASU ("Accounting Standards Update") 2018-13, Fair Value Measurement (Topic 820) – Disclosure Framework – *Changes to the Disclosure Requirements for Fair Value Investment Measurement*, which amends certain disclosure requirements of ASC ("Accounting Standards Codification") 820, effective for fiscal years beginning after December 15, 2019. The ASU removed the requirement to disclose the amount of and reasons for transfers between level 1 and level 2 of the fair value hierarchy as well as the policy for timing of transfers between levels. The ASU also modified the disclosure for investment in certain entities that calculate NAV to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the Plan or announced the timing publicly. It also clarified the measurement uncertainty disclosure to communicate information about the uncertainty in measurement as of the reporting date. The guidance became effective for the Plan on January 1, 2020. The adoption of this ASU had no material impact on the Plan's financial statements.

3. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2021 and 2020 and for the year ended December 31, 2021, included in the Plan's financial statements and supplemental schedule that were prepared by or derived from information prepared by Fidelity, as trustee of the Plan, and furnished to the Plan administrator. The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)C pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The Plan administrator has obtained a certification from the trustee that such information is complete and accurate.

	2021	2020
Statements of Net Assets Available for Benefits		
Investments—at fair value	\$ 772,362,844	\$ 663,443,699
Notes receivable from participants	3,660,725	3,977,467

	2021
Statement of Changes in Net Assets Available for Benefits	
Net appreciation in fair value of investments:	\$ 40,438,255
Interest and dividends	62,883,784
Interest on notes receivable from participants	191,711

Supplemental schedule: All investment balances and information included in the supplemental schedule of assets (held at end of year).

Note 4: All investment balances and investment information, excluding the level of investments.

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Common Collective Fund: Valued at the NAV of shares held by the Plan in the TRP Stable Value A Fund at year end is used as a practical expedient to estimate fair value, which is considered by plan management to be the best approximation of fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. There are no unfunded commitments related to the Plan's investment in this

fund. The fund allows for daily liquidity with no additional days-notice required for redemption.

Mutual Funds (including a Money Market Fund): Valued at the Net Asset Value ("NAV") of the shares held by the Plan at year end based upon quoted market prices and are classified within Level 1 in the fair value hierarchy.

The following table sets forth, by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2021.

	Fair Value Measurements at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Common Collective Fund	(a)	(a)	(a)	\$ 36,091,274
Mutual funds	<u>736,271,570</u>	<u>-</u>	<u>-</u>	<u>736,271,570</u>
Total investments—at fair value	<u>\$ 736,271,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,362,844</u>

The following table sets forth, by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2020.

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Common Collective Fund	(a)	(a)	(a)	\$ 39,871,937
Mutual funds	<u>623,571,762</u>	<u>-</u>	<u>-</u>	<u>623,571,762</u>
Total investments—at fair value	<u>\$ 623,571,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,443,699</u>

^(a) In accordance with ASU No. 2015-07, certain investments in common collective funds that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the respective Statements of Net Assets Available for Benefits.

The valuation methods as described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association or relatives of such persons.

Certain plan investments are shares of mutual funds and a money market fund managed by Fidelity, which is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund, as they are paid through revenue sharing, rather than a direct payment. Administrative fees paid to Fidelity

for the year ended December 31, 2021, was approximately \$400,000. The Plan Sponsor provides certain administrative services at no cost to the Plan.

6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions, amend the Plan, or terminate the Plan at any time subject to the provisions of ERISA. In the event of plan termination, the participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner determined by the Plan Sponsor.

7. FEDERAL INCOME TAX STATUS

The Plan uses a prototype plan document sponsored by Fidelity. Fidelity received an opinion letter from the IRS, dated June 30, 2020, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. The Plan's administrator and the Plan's tax counsel believe that the Plan is qualified and is in compliance with the applicable requirements of the IRC. The Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. Plan's management believes that the Plan has maintained its tax-qualified status and believes that the Plan is qualified and the related trust is tax exempt. Therefore, no provision for income taxes has been included in the accompanying financial statements.

8. SUBSEQUENT EVENTS

The Plan has evaluated all events or transactions that occurred after December 31, 2021 through October 11, 2022, the date the financial statements were available for issuance.

In addition to the disclosure in Note 1, the amendment effective January 1, 2022 also included the below changes in the Plan Document:

- Addition of partial withdrawals as a form of benefit payment available to those participants that are employees of Veryan and Avanir
- Addition of automatic enrollment provisions for newly eligible employees (other than those employees of ReCor that merged into the Plan on January 1, 2021) with an initial pre-tax deferral contribution of 6%

In addition, an amendment effective March 21, 2022 changed the entry date to the Plan to be immediately upon meeting the eligibility requirements.

No additional events occurred that require additional disclosure or adjustments to the Plan's financial statements.

SUPPLEMENTAL SCHEDULE

OTSUKA AMERICA 401(K) SAVINGS PLAN
Schedule H, Line 4i- Schedule Of Assets (Held at End of Year)
As of December 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value
	TRP STABLE VALUE A	Common Collective Fund	\$ 36,091,274
	AS EMRG MKTS EQ IS	Mutual fund	3,872,920
	PIM TOTAL RT INST	Mutual fund	12,669,359
	INVS DIVRS DIVD R5	Mutual fund	10,457,569
	METWEST TOT RTN BD I	Mutual fund	3,396,283
	PIM GNMA & GS I	Mutual fund	3,295,221
	LOOMIS SM CAP VAL I	Mutual fund	13,710,178
	AM CENT MD CP VAL R6	Mutual fund	32,123,814
	BARON GROWTH INST	Mutual fund	31,337,318
	INVS INTL BOND R6	Mutual fund	582,641
	PIF REAL EST SEC IS	Mutual fund	3,910,697
*	FID GOVT MMKT	Money market fund	168,206
*	FID GROWTH CO K	Mutual fund	153,812,466
*	FID PURITAN K	Mutual fund	22,546,690
*	FID US BOND IDX	Mutual fund	7,142,588
*	FID 500 INDEX	Mutual fund	74,810,642
*	FID INTL INDEX	Mutual fund	22,588,194
*	FID EXTD MKT IDX	Mutual fund	17,510,545
*	FID INFL PR BD IDX	Mutual fund	3,292,002
*	FID FREEDOM INC K	Mutual fund	1,929,684
*	FID FREEDOM 2005 K	Mutual fund	510,937
*	FID FREEDOM 2010 K	Mutual fund	1,168,965
*	FID FREEDOM 2015 K	Mutual fund	1,706,693
*	FID FREEDOM 2020 K	Mutual fund	12,731,744
*	FID FREEDOM 2025 K	Mutual fund	38,665,114
*	FID FREEDOM 2030 K	Mutual fund	52,327,562
*	FID FREEDOM 2035 K	Mutual fund	62,394,906
*	FID FREEDOM 2040 K	Mutual fund	65,061,262
*	FID FREEDOM 2045 K	Mutual fund	39,489,392
*	FID FREEDOM 2050 K	Mutual fund	21,102,454
*	FID FREEDOM 2055 K	Mutual fund	11,986,262
*	FID FREEDOM 2060 K	Mutual fund	5,102,112
*	FID FREEDOM 2065 K	Mutual fund	714,521
*	FID STRATEGIC INCOME	Mutual fund	4,152,629
			772,362,844
*	Notes Receivable from Participants	Maturing 2022 to 2050 at interest rates ranging from 4.25% to 7.25%	3,660,725
	Total assets		\$ <u><u>776,023,569</u></u>

* Denotes party-in-interest

Note: Column "d" has been omitted as these are participant-directed accounts

See accompanying independent auditor's report

Otsuka America 401(k) Savings Plan

Employer ID No: 52-1630683
Plan No. 001

Financial Statements as of December 31, 2021 and
2020 and for the year ended December 31, 2021,
Supplemental Schedule and Independent Auditor's
Report

OTSUKA AMERICA 401(K) SAVINGS PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Independent Auditor's Report

The Trustees
Otsuka America 401(k) Savings Plan
Princeton, NJ

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Otsuka America 401(k) Savings Plan (the Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974* (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 Financial Statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in *Note 3* to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 Financial Statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 Financial Statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

The 2020 Financial Statements of the Plan were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated October 14, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedules, and (b) the form and content of the information included in the financial statements and supplemental schedules other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

FORVIS,LLP

New York, New York
October 11, 2022

Federal Employer Identification Number: 44-0160260

OTSUKA AMERICA 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
Investments—at fair value	<u>\$ 772,362,844</u>	<u>\$ 663,443,699</u>
Total investments—at fair value	<u>772,362,844</u>	<u>663,443,699</u>
Employer contributions receivable	1,385,166	-
Receivables—notes receivable from participants	<u>3,660,725</u>	<u>3,977,467</u>
Total receivables	<u>5,045,891</u>	<u>3,977,467</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 777,408,735</u>	<u>\$ 667,421,166</u>

The accompanying notes are an integral part of these financial statements.

OTSUKA AMERICA 401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021
ADDITIONS:	
Contributions:	
Participant contributions	\$ 33,529,025
Employer contributions	26,065,852
Rollover contributions from qualified plans	10,295,936
Total contributions	<u>69,890,813</u>
Investment income:	
Net appreciation in fair value of investments	40,438,255
Interest and dividends	62,883,784
Net investment income	<u>103,322,039</u>
Other income, net of administrative expenses	843,482
Interest income on notes receivable from participants	191,711
Total additions	<u>174,248,045</u>
DEDUCTIONS:	
Benefits paid directly to participants	<u>99,145,666</u>
Total deductions	<u>99,145,666</u>
Net increase	75,102,379
NET ASSETS AVAILABLE FOR BENEFITS:	
Transfers into the Plan	34,885,190
Beginning of year	<u>667,421,166</u>
End of year	<u>\$ 777,408,735</u>

The accompanying notes are an integral part of these financial statements.

OTSUKA AMERICA 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020 AND FOR THE YEAR ENDED DECEMBER 31, 2021

1. DESCRIPTION OF THE PLAN

The following is a brief description of the Otsuka America 401(k) Savings Plan (the "Plan" or "the Otsuka 401(k) Plan") and is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

General—The Plan is a defined contribution plan covering all eligible employees of Otsuka America Pharmaceutical, Inc. ("OAPI" or "Plan Sponsor") and employees of certain affiliated companies. Employees become eligible to participate in the Plan on the first day of the month following the date on which the participant attains 21 years of age. The Plan was adopted by the Plan Sponsor and the following United States affiliates (the "Participating Companies"):

- Otsuka Pharmaceutical Development & Commercialization, Inc. ("OPDC")
- Crystal Geyser Water Company, Inc. ("Crystal Geyser")
- Otsuka America, Inc. ("OAI")
- Ridge Vineyards, Inc. ("Ridge")
- Otsuka Digital Health, Inc. ("ODH")
- A&P Inphatec, LLC ("A&P")
- ReCor Medical, Inc ("ReCor") - effective January 1, 2021

The Plan is managed, administered, and monitored by the Plan Sponsor. Recordkeeping, trust, and investment services are provided by Fidelity Workplace Services and Fidelity Management Trust Company, respectively (collectively referred to as "Fidelity"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Effective January 1, 2022, Veryan Medical, Inc. ("Veryan") and Visterra, Inc. ("Visterra"), became Participating Companies of the Plan. As of this effective date, Veryan employees became eligible for a 6% matching contribution, and Visterra employees became eligible for a 10% matching contribution. Visterra employees hired prior to January 1, 2020, will be 100% vested in the Plan.

Effective January 1, 2022, certain employees of Avanir Pharmaceuticals, Inc. ("Avanir") merged into OPDC and therefore, became participants of the Plan. As of this effective date, certain Avanir employees transferred into the Plan and became eligible for a 10% matching contribution.

During the year ended December 31, 2021, assets and account balances from the Veryan Medical Inc. 401(k) Profit Sharing Plan and Trust and Visterra, Inc. 401(k) Plan were transferred into the Plan (with the Otsuka America 401(k) Savings Plan being the only surviving Plan), and from the Avanir Pharmaceutical Employees Savings and Protection Plan and ReCor Medical Inc. 401(k) Profit Sharing Plan and Trust into the Plan totaling \$34,885,190.

Contributions—Participants may contribute between 1% and 60% of their pre-tax annual eligible compensation per annum, not to exceed the amount permitted pursuant to the Internal Revenue Code ("IRC") of \$19,500 for the year ended December 31, 2021.

The Plan allows for rollover contributions. The Plan also provides for catch-up contributions for participants who have attained age 50 before the end of the Plan year of up to an additional \$6,500, on a pre-tax basis, for the year ended December 31, 2021.

The Plan Sponsor, OPDC, ODH and ReCor contribute a matching amount equal to 100% of the first 10% while the other Participating Companies including Crystal Geyser, OAI, Ridge and A&P contribute a matching amount equal to 100% of the first 6% of eligible compensation that participants contribute to the Plan.

The Plan Sponsor makes a true-up contribution based on a formula defined by the Plan Document. The employer true-up contribution is made early in the subsequent year and therefore, appropriately recognized as a receivable at the applicable plan year-end.

Participant Accounts—Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contributions, matching contributions, allocations of selected investments' earnings or losses, deductions of applicable administrative expenses (i.e., loan initiation, account maintenance, or other Fidelity fees), and benefit payments. Allocations of plan earnings (losses) are based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Vesting—Participants are immediately vested regarding their own contributions plus actual earnings and minus losses thereon. Employer matching contributions plus actual earnings and minus losses thereon vest based on years of service. The vested interest in the participant's employer matching contribution is determined by the following schedule:

Years of Service	Percent Vested
Less than 2	- %
2	25
3	50
4	75
5	100

Effective January 1, 2022, the Plan amended the vesting schedule from five years of service to four years of service at a rate of 25% for each year of service beginning after one year of service with 100% vesting after four years of service. However, a more favorable schedule may apply to certain participants depending on various factors such as the Participating Company and date of hire.

Investment Options—Participants direct their contributions into various investment options offered by the Plan.

Notes Receivable from Participants—Participants may apply for one loan per calendar year against their vested account balance with only one loan outstanding at any given time, generally for periods not to exceed five years, except for a home purchase which may not exceed 10 years. Loan amounts are subject to a minimum of \$1,000 and a maximum of \$50,000 minus the highest outstanding loan balance over the last twelve months or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates equal to prime plus

1%, as determined by the Plan Sponsor. The interest rate is entered and maintained on the Fidelity Plan Sponsor Webstation and is the same for the duration of the loan. Principal and interest are paid ratably through payroll deductions. Participants may prepay the entire loan balance outstanding at any time. Terminated participants who take a full distribution from the Plan must repay any unpaid loan balance immediately or the amount will be deemed a distribution and will become taxable income to the participant.

Payment of Benefits—A distribution of a participant's vested account balance can be made due to disability, retirement, death or termination of employment. The distribution can be paid in a lump-sum amount, in installments (annual or more frequent installments), or directly rolled over into an Individual Retirement Account ("IRA"), or another qualified plan. If a distribution is issued in installments, an election can be made to receive a lump sum distribution after the start of receiving installment distributions.

The Plan Sponsor will direct Fidelity to distribute a lump sum to participants with account balances less than \$1,000 without the participant's consent. Prior to age 65, mandatory distributions for participants with accounts balances greater than \$1,000 but less than \$5,000 will be made in the form of a direct rollover to an IRA designated by the Plan Sponsor if the participant does not elect to have such distribution rolled over to an eligible retirement plan or IRA or to receive such distribution directly. Participants with balances in excess of \$5,000 in the Plan may elect to retain their account balance in the Plan until attainment of age 70½ at which time they must begin taking minimum required distributions. A written consent is required for any distribution if the vested account balance is greater than \$5,000.

If a participant dies, the vested account balance will be paid to the designated beneficiary or beneficiaries. If the participant was an employee at the time of death, the account balance will automatically become 100% vested. A participant's beneficiary or beneficiaries can request a distribution of the vested account balance in the event of a participant's death.

If a participant becomes disabled while employed by a company covered by the Plan and is eligible for social security disability benefits, the participant becomes 100% vested in their account balance. The participant can request a distribution of their account balance only if the participant terminates their employment.

In-Service Withdrawals—While still employed by a participating company, a participant may obtain a withdrawal from the Plan. The following types of in-service withdrawals are available under the Plan:

- **Hardship withdrawals**—A hardship withdrawal can be requested for immediate and heavy financial needs such as the following:
 - medical expenses,
 - purchase of principal residence,
 - prevention of eviction from, or foreclosure on, principal residence, or
 - payment for post-secondary education expenses

The participant may withdraw no less than \$500 and up to 100% of their vested account balance if the withdrawal is necessary due to an immediate and severe financial need. The amount of a hardship withdrawal cannot exceed the amount required to meet the immediate financial need created by the hardship and must meet certain other specific eligibility requirements as set forth by the Plan. After withdrawal, participants may not

make deferral contributions to the Plan for at least 6 months after receipt of the hardship distribution.

- **Withdrawals after age 59½**—A participant may elect to withdraw all or a portion of their entire vested account balance prior to the Plan's normal retirement age (age 65) while still employed by a participating company after attaining age 59½.
- **Withdrawals of rollover contributions**—A participant may elect to withdraw all or a portion of a balance in a rollover contribution account (funds which were rolled over from a qualified retirement plan into the Plan).

Minimum Required Distributions—Internal Revenue Service ("IRS") regulations generally require that participants begin withdrawing funds from their vested account balance by April 1 of the year following the year they turn 70½. The participant's age and account balance determine the minimum amounts required to be withdrawn.

Forfeitures—The nonvested portion of a terminated participant's account balance is forfeited and retained in the Plan. Forfeitures may be applied to pay administrative fees or for employer contributions as directed by the Plan Sponsor. Any remaining amounts are used to restore forfeitures for rehired individuals or to reduce the applicable participating company's required employer contributions. The balance of forfeited non-vested accounts was \$1,851,268 and \$1,782,840 as of December 31, 2021 and 2020, respectively. Forfeited amounts used to reduce employer contributions for the year ended December 31, 2021 was \$3,183,432.

Administrative Changes due to CARES Act – On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. The CARES Act provides immediate and temporary relief for retirement plan sponsors and their participants with respect to employer contributions, distributions and participant loans. The provisions of the CARES Act may be effective and operationalized immediately, prior to amending the Plan Document. Plan management has adopted certain relief provisions included in the CARES ACT and will amend the Plan as required by December 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk and Uncertainties—The Plan invests in various investment securities, such as mutual funds, money market funds and a common collective fund. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and could materially affect the amounts reported in the financial statements.

Included in investments at December 31, 2021 and 2020, are shares of the Fidelity Growth Co K Fund of \$153,812,466 and \$135,655,786, respectively. This investment

represents 20 percent of total investments at December 31, 2021 and 2020. No other investments represent more than 10 percent of net assets available for benefits.

Investment Valuation and Income Recognition—The Plan's investments are stated at fair value. Fair value of an investment security is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends declared are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for all plan investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Administrative Expenses—Plan administrative expenses are either paid directly by the Plan Sponsor and the Participating Companies or are passed through to the participants in the Plan. Expenses paid by the participants include management fees, other expenses associated with the particular investments they choose, loan initiation expenses, fees for expediting delivery of a withdrawal or loan payment, fees for minimum required distributions, and any other participant specific rather than plan specific fees.

The Plan has a revenue sharing arrangement with Fidelity. During the Plan year ended December 31, 2021, Fidelity funded approximately \$1,200,000 of revenue credits, which are included in Other Income, net of administrative expenses, in the Statement of Changes in Net Assets Available for Benefits.

Payment of Benefits—Benefit payments are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of December 31, 2021 and 2020.

Excess Contributions Payable—The Plan is required to return contributions received during the Plan year in excess of the IRC limits.

Notes Receivable from Participants—Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan Document.

Adoption of New Accounting Standards – In August 2018, the FASB ("Financial Accounting Standards Board") issued ASU ("Accounting Standards Update") 2018-13, Fair Value Measurement (Topic 820) – Disclosure Framework – *Changes to the Disclosure Requirements for Fair Value Investment Measurement*, which amends certain disclosure requirements of ASC ("Accounting Standards Codification") 820, effective for fiscal years beginning after December 15, 2019. The ASU removed the requirement to disclose the amount of and reasons for transfers between level 1 and level 2 of the fair value hierarchy as well as the policy for timing of transfers between levels. The ASU also modified the disclosure for investment in certain entities that calculate NAV to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the Plan or announced the timing publicly. It also clarified the measurement uncertainty disclosure to communicate information about the uncertainty in measurement as of the reporting date. The guidance became effective for the Plan on January 1, 2020. The adoption of this ASU had no material impact on the Plan's financial statements.

3. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2021 and 2020 and for the year ended December 31, 2021, included in the Plan's financial statements and supplemental schedule that were prepared by or derived from information prepared by Fidelity, as trustee of the Plan, and furnished to the Plan administrator. The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)C pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The Plan administrator has obtained a certification from the trustee that such information is complete and accurate.

	2021	2020
Statements of Net Assets Available for Benefits		
Investments—at fair value	\$ 772,362,844	\$ 663,443,699
Notes receivable from participants	3,660,725	3,977,467

	2021
Statement of Changes in Net Assets Available for Benefits	
Net appreciation in fair value of investments:	\$ 40,438,255
Interest and dividends	62,883,784
Interest on notes receivable from participants	191,711

Supplemental schedule: All investment balances and information included in the supplemental schedule of assets (held at end of year).

Note 4: All investment balances and investment information, excluding the level of investments.

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Common Collective Fund: Valued at the NAV of shares held by the Plan in the TRP Stable Value A Fund at year end is used as a practical expedient to estimate fair value, which is considered by plan management to be the best approximation of fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. There are no unfunded commitments related to the Plan's investment in this

fund. The fund allows for daily liquidity with no additional days-notice required for redemption.

Mutual Funds (including a Money Market Fund): Valued at the Net Asset Value ("NAV") of the shares held by the Plan at year end based upon quoted market prices and are classified within Level 1 in the fair value hierarchy.

The following table sets forth, by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2021.

	Fair Value Measurements at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Common Collective Fund	(a)	(a)	(a)	\$ 36,091,274
Mutual funds	<u>736,271,570</u>	<u>-</u>	<u>-</u>	<u>736,271,570</u>
Total investments—at fair value	<u>\$ 736,271,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,362,844</u>

The following table sets forth, by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2020.

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Common Collective Fund	(a)	(a)	(a)	\$ 39,871,937
Mutual funds	<u>623,571,762</u>	<u>-</u>	<u>-</u>	<u>623,571,762</u>
Total investments—at fair value	<u>\$ 623,571,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,443,699</u>

^(a) In accordance with ASU No. 2015-07, certain investments in common collective funds that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the respective Statements of Net Assets Available for Benefits.

The valuation methods as described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association or relatives of such persons.

Certain plan investments are shares of mutual funds and a money market fund managed by Fidelity, which is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund, as they are paid through revenue sharing, rather than a direct payment. Administrative fees paid to Fidelity

for the year ended December 31, 2021, was approximately \$400,000. The Plan Sponsor provides certain administrative services at no cost to the Plan.

6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions, amend the Plan, or terminate the Plan at any time subject to the provisions of ERISA. In the event of plan termination, the participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner determined by the Plan Sponsor.

7. FEDERAL INCOME TAX STATUS

The Plan uses a prototype plan document sponsored by Fidelity. Fidelity received an opinion letter from the IRS, dated June 30, 2020, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. The Plan's administrator and the Plan's tax counsel believe that the Plan is qualified and is in compliance with the applicable requirements of the IRC. The Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. Plan's management believes that the Plan has maintained its tax-qualified status and believes that the Plan is qualified and the related trust is tax exempt. Therefore, no provision for income taxes has been included in the accompanying financial statements.

8. SUBSEQUENT EVENTS

The Plan has evaluated all events or transactions that occurred after December 31, 2021 through October 11, 2022, the date the financial statements were available for issuance.

In addition to the disclosure in Note 1, the amendment effective January 1, 2022 also included the below changes in the Plan Document:

- Addition of partial withdrawals as a form of benefit payment available to those participants that are employees of Veryan and Avanir
- Addition of automatic enrollment provisions for newly eligible employees (other than those employees of ReCor that merged into the Plan on January 1, 2021) with an initial pre-tax deferral contribution of 6%

In addition, an amendment effective March 21, 2022 changed the entry date to the Plan to be immediately upon meeting the eligibility requirements.

No additional events occurred that require additional disclosure or adjustments to the Plan's financial statements.

SUPPLEMENTAL SCHEDULE

OTSUKA AMERICA 401(K) SAVINGS PLAN
Schedule H, Line 4i- Schedule Of Assets (Held at End of Year)
As of December 31, 2021

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(e) Current Value
	TRP STABLE VALUE A	Common Collective Fund	\$ 36,091,274
	AS EMRG MKTS EQ IS	Mutual fund	3,872,920
	PIM TOTAL RT INST	Mutual fund	12,669,359
	INVS DIVRS DIVD R5	Mutual fund	10,457,569
	METWEST TOT RTN BD I	Mutual fund	3,396,283
	PIM GNMA & GS I	Mutual fund	3,295,221
	LOOMIS SM CAP VAL I	Mutual fund	13,710,178
	AM CENT MD CP VAL R6	Mutual fund	32,123,814
	BARON GROWTH INST	Mutual fund	31,337,318
	INVS INTL BOND R6	Mutual fund	582,641
	PIF REAL EST SEC IS	Mutual fund	3,910,697
*	FID GOVT MMKT	Money market fund	168,206
*	FID GROWTH CO K	Mutual fund	153,812,466
*	FID PURITAN K	Mutual fund	22,546,690
*	FID US BOND IDX	Mutual fund	7,142,588
*	FID 500 INDEX	Mutual fund	74,810,642
*	FID INTL INDEX	Mutual fund	22,588,194
*	FID EXT D MKT IDX	Mutual fund	17,510,545
*	FID INFL PR BD IDX	Mutual fund	3,292,002
*	FID FREEDOM INC K	Mutual fund	1,929,684
*	FID FREEDOM 2005 K	Mutual fund	510,937
*	FID FREEDOM 2010 K	Mutual fund	1,168,965
*	FID FREEDOM 2015 K	Mutual fund	1,706,693
*	FID FREEDOM 2020 K	Mutual fund	12,731,744
*	FID FREEDOM 2025 K	Mutual fund	38,665,114
*	FID FREEDOM 2030 K	Mutual fund	52,327,562
*	FID FREEDOM 2035 K	Mutual fund	62,394,906
*	FID FREEDOM 2040 K	Mutual fund	65,061,262
*	FID FREEDOM 2045 K	Mutual fund	39,489,392
*	FID FREEDOM 2050 K	Mutual fund	21,102,454
*	FID FREEDOM 2055 K	Mutual fund	11,986,262
*	FID FREEDOM 2060 K	Mutual fund	5,102,112
*	FID FREEDOM 2065 K	Mutual fund	714,521
*	FID STRATEGIC INCOME	Mutual fund	4,152,629
			<u>772,362,844</u>
*	Notes Receivable from Participants	Maturing 2022 to 2050 at interest rates ranging from 4.25% to 7.25%	<u>3,660,725</u>
	Total assets		\$ <u><u>776,023,569</u></u>

* Denotes party-in-interest

Note: Column "d" has been omitted as these are participant-directed accounts

See accompanying independent auditor's report