

Four Growth Strategies and Management Infrastructures

Although the environment surrounding the pharmaceutical industry is changing at a dizzying pace on a daily basis, there are still various opportunities for growth in the fields of new drug development and healthcare, such as the creation of new value through active open innovation and cross-industrial collaboration centered on digital technology, and the growing importance of self-medication. In order to become a world-class company that can flexibly and swiftly respond to any situation, we have established four growth

strategies: Maximization of product value - From a patient-centered perspective, Reinforcement of pipelines and acceleration of global development, Realization of direct sales in the US and Europe, and Expansion of business domains. In addition, we will strive to expand our intangible assets such as digital and IT infrastructure, human capital, and corporate brand, which are the management infrastructures supporting these growth strategies.

Management Targets (FY2022 -FY2026)

Revenue CAGR

High single digits

(Compared to FY2021)

R&D cost-to-revenue ratio

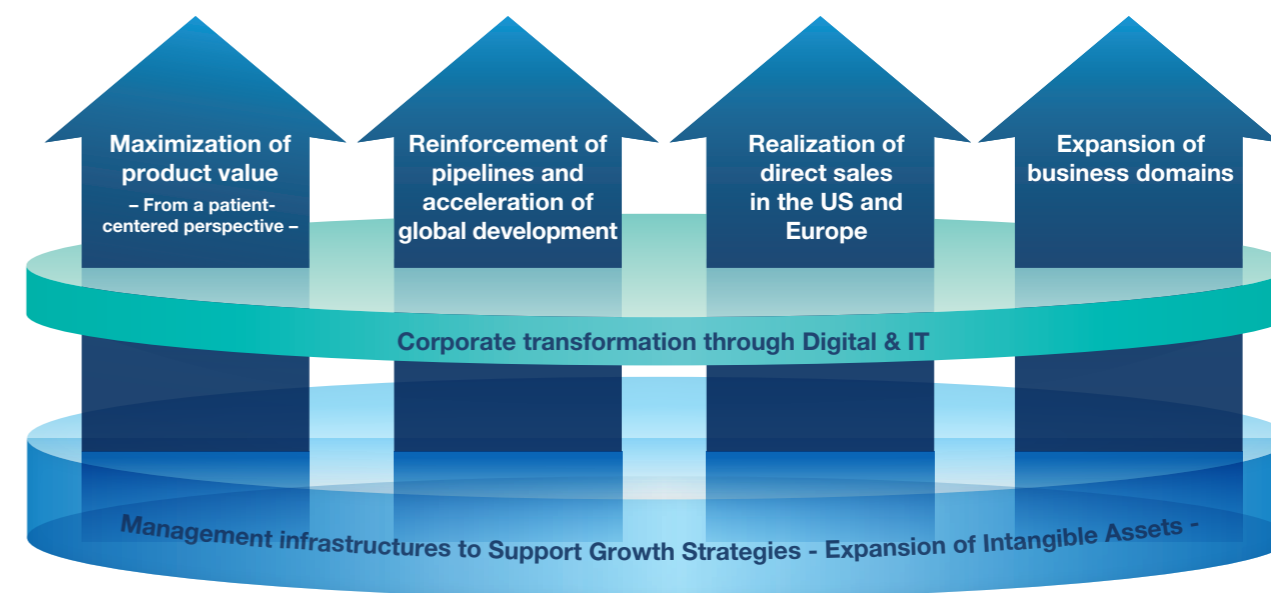
20-25%

Operating income to revenue ratio

Maintain at 25% or higher

The Four Growth Strategies and Our Management Foundation

Dedicated to the Fight against Disease and Pain
Aiming to be a global specialty pharma



Maximization of product value - From a patient-centered perspective -

We will work together with healthcare professionals to realize the wellbeing of patients and their families (a state of fulfillment in terms of physical, mental, social, and life satisfaction), and as a result, we will strive for speedy and effective development, competitive marketing, and the provision and collection of sophisticated information to achieve the rapid penetration of new drugs. In marketing and the provision and collection of information, we cultivate specialty human resources who engage in their activities from the patient's perspective with healthcare professionals in response to medical issues. We are also working to maximize the potential of our products by utilizing digital technology to provide and collect information effectively and efficiently. In development, we are currently working on numerous clinical trials, the number of which is almost 100, mainly in our key strategic area of oncology. With OPDIVO, one of our flagship product in the area of oncology, we will work with our partner Bristol-Myers Squibb Company of the U.S. to maximize product value by expanding the number of indicated tumors and treatment lines, and developing combination therapies. With FORXIGA, one of our main products in the primary area, we will work with our partner, AstraZeneca of the U.K., to quickly and surely deliver it not only to patients with diabetes, but also to patients with chronic heart failure and chronic kidney disease, for which the indication has been expanded, thereby taking on the challenge of extending healthy life expectancy. ▶ See p. 39

Reinforcement of pipelines and acceleration of global development

There are many people in the world suffering from diseases for which there is no cure even today. We aim to become a Global Specialty Pharma that can respond to unmet medical needs. We have designated oncology, immunological diseases, central nervous system diseases, and specialty areas with high medical needs as priority research areas, and we will accumulate disease know-how in each area to create new drugs that will bring innovation to medicine on-site. We will strengthen and expand research and drug discovery alliances with world-leading universities, research institutions, and biotech startups, and aim to enhance a highly original pipeline that can aim for first-in-class status. In addition, we will continue to take on the challenge of creating highly original in-house drugs by utilizing a variety of drug discovery modalities according to the theme of drug discovery, and strive to improve the certainty of R&D by actively using nonclinical data from human-derived samples and data from clinical trials to verify drug targets and strengthen translational research. Additionally, we will actively pursue the in-licensing of innovative compounds and the acquisition of new technologies in areas of high medical need. As for global development, we will not only strengthen the system with an eye toward conducting our own sales in Europe and the U.S. and accelerate the development of numerous projects, including the Bruton's tyrosine kinase inhibitor ONO-4059 (Japanese name: VELEXBRU Tablets) in the US. ▶ See p. 35

Realization of direct sales in the US and Europe

In order to provide new drugs throughout the world, we are promoting efforts for our own sales organizations overseas. We have already established local subsidiaries in South Korea and Taiwan to begin marketing our own products. In Europe and the U.S., we are working to develop a sales structure for our own sales with an eye on launching several projects, such as ONO-4059. ONO Pharma USA, Inc. is taking the opportunity of its office relocation to Cambridge, Massachusetts in April 2021 to acquire talented human resources with extensive experience in the pharmaceutical industry and create a competitive organizational structure. In addition, in light of the status of ongoing clinical trials, we are also moving forward with an examination of the establishment of our own sales organization, including medical affairs, marketing, sales, etc., in Europe. ▶ See p. 41

Expansion of business domains

We are working to expand our business domains to meet the needs of the expanding healthcare sector and continue to provide new value. In addition to developing and commercializing products and services that take full advantage of the assets we have accumulated through research and development of prescription drugs, we launched REMWELL, which is a sleep supplement that has been approved in Japan as foods with function claims, in 2022. As a pioneer in lipid research, we will further work to solve various health issues in the future through Lipid-supply business. We established michiteku Co., Ltd., in 2022 to take on the challenge of creating new value by utilizing digital technology to address unresolved issues faced by our customers. In parallel with these activities, we aim to create and expand new businesses through investment in startups in the healthcare field by establishing Ono Digital health Investment, GK. ▶ See p. 43

Corporate transformation through Digital & IT

In the midst of a drastically changing business environment, we are transforming the company to have high dynamic capability by leveraging digital and IT throughout the Group. This requires a flexible IT infrastructure supported by the latest technologies, a data utilization platform including internal and external data, and the capability of data analysis from company-specific perspectives. This foundation enables us to detect and assess business issues and new opportunities accurately and timely, and turn them into business transformation initiatives. ▶ See p. 47

Management infrastructures to Support Growth Strategies - Expansion of Intangible Assets -

To support our four growth strategies and achieve dramatic growth, we will work to improve and expand our intangible assets: human capital, corporate brand, digital and IT infrastructure, etc. By increasing the human capital, we will work to develop talent to promote each element of the growth strategy while fostering talent throughout the Group. In addition, with respect to raising corporate recognition, which is a major issue, especially when expanding into Europe and the U.S., we will strive to enhance corporate value by working to spread the corporate brand of "innovative drugs," "Pharma," and "a corporation required by society." ▶ See p. 53