

Financial Strategy and Medium- to Long-Term Investment Policy

Advancing R&D and Strategic Investments to Create Corporate Value with a Robust Financial Capital Base

ONO grew significantly with the launch of OPDIVO, which has been recognized as a groundbreaking anti-cancer drug. However, with OPDIVO's patent expiration approaching in 2031, we have been executing a medium-term management plan since FY2017 to ensure sustained growth beyond this period. This medium-term management plan divides the 15 years from FY2017 to FY2031 into three five-year phases and outlines strategies for global growth as we aim to become a Global Specialty Pharma that delivers innovative drugs to the world.



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Material Issues	7 Strengthening of Financial Capital		FY2023 Evaluation
Vision over the medium- to long-term <ul style="list-style-type: none"> Based on our corporate philosophy, "Dedicated to the Fight against Disease and Pain," we strive to maintain and expand a robust financial base that leads to drug discovery, with the aim of becoming a Global Specialty Pharma that creates innovative new drugs that truly benefit patients, and responds to unmet medical needs. 		Indicators (FY2022 to FY2026) <ul style="list-style-type: none"> Revenue CAGR: In the high single digits: 39.1% for FY2021 Operating profit to revenue ratio: Maintain 25% or higher: 31.8% 	<ul style="list-style-type: none"> ○ ○

Financial Policy

Currently, we are in the second medium-term management plan and our four growth strategies are "Maximization of product value – from a patient-centered perspective –" "Reinforcement of pipelines and acceleration of global development," "Realization of direct sales in the U.S. and Europe," and "Expansion of business domains." In addition to these, we are engaged in both the financial and non-financial activities of "corporate transformation through Digital & IT" and "expansion of intangible assets," the management infrastructures to support growth strategies. We invest the funds generated from our business activities in these growth strategies. [Long-term vision and four growth strategies → See p. 18](#)

As a pharmaceutical company centered on drug discovery, it is important to have a growth strategy that takes a medium- to

long-term perspective, rather than a short-term perspective, in order to continuously create new drugs. Financial strategy, therefore, requires maintaining a stable financial foundation and a sound and strong balance sheet to support this growth. Additionally, stable shareholder returns must be provided to investors. Therefore, in order to provide stable shareholder returns, we announced a progressive dividend policy and a target payout ratio of 40% from FY2024. We have also been conducting share buybacks as needed, and will continue our financial activities by balancing investment, shareholder returns, and a stable financial foundation.

Growth strategy targets (FY2022–2026)

	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Forecast	FY2026 Target
Revenue (¥ billion)	361.4	447.2	502.7	450.0	Revenue CAGR High single-digit
Operating profit margin (% of revenue)	28.6	31.7	31.8	27.1	Maintain 25% or higher
R&D expenses (¥ billion)	75.9	95.3	112.2	112.0	—
R&D expense ratio (% of revenue)	21.0	21.3	22.3	24.9	20~25%

*Compared to FY2021

