

# Growth Strategy for Continual Growth of the Company and Society

## For Sustainable Development of the Company and Society

As a pharmaceutical company oriented to the development of new drugs, we clarify management issues and focus management resources on research and development to bring about sustainable development of the company and society, and promote business activities to create economic value as well as to provide value that

only we can offer to patients and society. In addition, this fiscal year, we integrated management issues and CSR material issues and re-identified them as material issues for management.

## Growth Strategy Aimed at Becoming a World-Class Company

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 new drug development, 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 improve and expand our intangible assets such as human resources, corporate brand, and digital and IT infrastructure, which are the management foundation supporting these growth strategies.

### ■ The Four Growth Strategies and Our Management Foundation



## Growth Strategy

### ■ 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 approximately 100 clinical trials in our key strategic area of oncology.

With OPDIVO, 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 diabetes area, we will work with our partner, AstraZeneca of the U.K., to 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.

### ■ Reinforcement of pipelines and acceleration of global development

Because 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 areas, and we will accumulate disease know-how in each area to create new drugs that will bring innovation to medicine on-site.

To this end, we will strengthen and expand research and drug discovery alliances with world-leading universities, research institutions, and biopharmaceutical companies, 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 data from patients-

derived samples 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.

### ■ Realization of direct sales in the US and Europe

In order to provide new drugs to patients all over 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 also working on the development of several projects, most notably the development of ONO-4059 (VELEXBRU tablets), a Bruton's tyrosine kinase inhibitor, in the U.S., and we are working to develop a sales structure with an eye on doing our own sales.

### ■ 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 2021, we established Ono Pharma Healthcare Co., Ltd. to focus on the development of foods with function claims. In March 2022, we launched REMWELL, which is a sleep supplement that has been approved in Japan as foods with function claims, that takes full advantage of the assets we have accumulated through research and development of prescription drugs. As a pioneer in lipid research, we will further work to solve various health issues in the future.

We will also 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 biopharmaceutical companies in the healthcare field.

## Improvement and Expansion of the Management Foundation and Intangible Assets that Support the Growth Strategy

To support our four growth strategies and achieve dramatic growth, we will work to improve and expand our intangible assets: talent, corporate brand, and digital and IT infrastructure. In the area of talent development, we will focus on nurturing the next generation of management personnel, globally competent employees capable of doing business on the world stage, digitally competent employees to drive corporate transformation, and innovative employees to drive the next level of growth.

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 in order to be recognized as a company that is needed by society as a pharmaceutical company that creates innovative drugs. In addition, the entire company will work on corporate transformation through digital and IT, and will renew its IT infrastructure to be simply structured with an eye toward globalization, and promote digital transformation, including the transformation of the drug discovery value chain.

## Creating Economic Value

In order to grow sustainably for the Company and society, it is important to provide patients and society with the value that only the Company can provide, while also creating economic value, and the Company aims to expand its revenue over the five-year period from 2022 to 2026 at a compound annual growth rate in the high single digits. In addition, we aim to maintain an operating margin of 25% or higher while investing about 20-25% of revenue in R&D.

### ■ Creation of Economic Value from FY2022 to FY2026

Indicator	Target
CAGR for revenue	High single digits
R&D cost-to-revenue ratio	20-25%
Operating income to revenue ratio	Maintain at least 25%