

Material Issue 5

# Expansion of Business Domains

## Management of Priority Issues

<b>Reason for being a priority issue</b>	To solve society's healthcare issues and realize a society where people can live healthier lives, we are expanding our business beyond the new drug business to new business domains. We believe that we can develop unique businesses by leveraging the knowledge and strengths we have cultivated in our history of drug discovery.
<b>Vision over the medium to long term</b>	Contributing to solving social issues and realizing next-generation healthcare by leveraging digital technologies and our strengths.
<b>Indicators</b>	<ul style="list-style-type: none"> <li>The number of new businesses started</li> <li>The number of new products and services provided</li> </ul>
<b>Major initiatives</b>	<ul style="list-style-type: none"> <li>Creating and promoting new businesses utilizing digital technology, starting from customers' unresolved issues (needs)</li> <li>Develop and commercialize evidence-based products and services to solve social issues in the healthcare sector (Ono Pharma Healthcare Co., Ltd.)</li> <li>Invest in and create business for venture companies engaged in businesses aimed at solving healthcare issues (Ono Digital health Investment, GK)</li> </ul>

## For Sustainable Growth

The business environment in the pharmaceutical industry is becoming increasingly severe, as the probability of success in new drug discovery is declining and drug prices are being lowered to curb social security costs. In order to achieve sustainable growth, we will continue to focus not only on the creation of innovative new drugs, but also on increasing the number of our business domains by developing new businesses and investing in the growth of venture companies. We aim to make our revenue base strong and at the same time become a company that is even more useful to society. In developing new businesses, we will focus on whether we can leverage our uniqueness and superiority as a company and

whether those new businesses are useful to society. The needs in the healthcare field are growing, and we will continue to search for businesses with solid evidence, starting from our assets, such as research results and know-how cultivated in the pharmaceutical business. In creating new businesses, it is essential for us to utilize the open innovation that is deeply rooted in our company. In particular, we will actively invest in venture companies that possess technologies and ideas that we do not have, such as in the fields of digital technology and new services, and form alliances with them. In the future, we intend to develop these businesses into pillars of business, comparable to the pharmaceutical business, and link them to human health, and innovation in next-generation healthcare.

## Discovery of New Businesses



## Expanding the Scope of Value Provided

The scope of our new businesses is not limited to pharmaceutical treatment, but also includes businesses that can contribute to disease prevention and post-treatment. Through this, we hope to contribute not only during the period from the creation of a pharmaceutical product until it reaches the patient and demonstrates its value, but also over an even longer period of time to the improvement of quality of life. By making more effective use of our assets and diversifying our business portfolio through the creation of new businesses, we will expand the scope of our contribution to people's health and lives. We are also looking to develop businesses other than the pharmaceutical business that will contribute to the stability of our operations.

## Major Initiatives

### Promoting Evidence-based X (EBX) Business

To address social issues in the healthcare field, such as the aging of society and the extension of healthy life expectancy, we are promoting the development and commercialization of products and services (=X) based on solid evidence, such as clinical trial results, by effectively utilizing knowledge obtained through pharmaceutical R&D. In March 2022, as the first product of our Evidence-based Supplement (EBS) business, our wholly owned subsidiary Ono Pharma Healthcare Co., Ltd. launched REMWELL, a functional food sleep supplement made from functional lipids. With the mission of "Getting closer to your health with the power of lipids," the EBS business launched the "Lipid-supply" brand of supplements that contribute to health by providing high-quality lipids, which are often lacking in the diets of modern people. We intend to continue to develop supplements that make the most of our research findings.

[Web Ono Pharma Healthcare Co., Ltd. https://www.ono-hc.co.jp/](https://www.ono-hc.co.jp/)

### Increasing Investment in Healthcare-related Venture Businesses

In March 2022, we established Ono Digital health Investment, GK, a corporate venture capital, to increase investments in venture healthcare businesses other than pharmaceuticals.\* Ono Digital

health Investment, GK invests in venture companies that work to solve healthcare issues. As of March 2022, our investments include Xenoma Inc. (healthcare services using smart apparel technology), Rehab for JAPAN Corporation (development and provision of rehabilitation support SaaS for caregiving office), and BMG Incorporated (medical biomaterial products). Going forward, we will work to increase our business domains and support entrepreneurs through collaboration with our investment partners, aiming to extend healthy life expectancy and realize a sustainable society.

\* A CVC (Ono Venture Investment Inc.) established in the US in 2020, invests in bio-venture companies related to drug discovery.

[Web Ono Digital health Investment, GK https://www.onodigitalhealth.com/en/](https://www.onodigitalhealth.com/en/)

### Business development that addresses unresolved issues of customers

In developing new business, we look at various healthcare issues surrounding patients, their families, and society. For example, alleviating pain is a major theme. Cancer patients suffer not only physically, but also mentally, socially such as with regard to work, and spiritually, as they struggle with the meaning of their lives. To alleviate various types of suffering that cannot be reached by pharmaceuticals, we aim to achieve this by utilizing digital technologies and external resources, as well as by promoting mid-career recruitment. In January 2022, we participated in the Osaka Smart Senior Life Demonstration Project Promotion Council, which aims to solve issues faced by senior citizens in Osaka Prefecture through the use of Information and Communication Technology, together with the venture company K-three Inc. K-three provides a personalized public notification service aiming to promote cancer screening and other medical examinations, and link this to various private services after the examinations. We also aim to contribute to the maintenance and promotion of health of cancer patients by providing value to them through digital products.

## TOPICS EBS Business: sleep supplement REMWELL goes on sale

REMWELL is Japan's first\* sleep supplement containing DHA, EPA, and DAGE (diacylglyceryl ether) and has been confirmed to improve sleep quality. This is the product of cooperative development between ONO, with our more than 50 years of lipid research and development of many prostaglandin formulations, and Maruha Nichiro Corporation, which excels in the research and development of functional materials derived from marine products. We have confirmed that it significantly increases the amount of deep sleep and REM sleep, and significantly improves negative mood state scores (depression, tension, and anxiety) and vitality/vigor scores based on clinical trials conducted during development of the product.

\* The first clinically tested functional food in Japan (as of April 2022, according to TPC Marketing Research Inc.)

Details about REMWELL are available here: [https://www.ono-hc.co.jp/remwell\\_lpc-03-0003/](https://www.ono-hc.co.jp/remwell_lpc-03-0003/)