

Material Issue 6

Corporate Transformation through Digital & IT

Management of Priority Issues

Reason for being a priority issue	We aim to grow into a company capable of accelerating our growth strategy, innovating business processes, and creating new value (digital transformation) by leveraging digital and IT cross functionally.
Vision over the medium to long term	A global IT infrastructure is being implemented to support corporate transformation.
Indicators	<ul style="list-style-type: none"> Completion of the IT blueprint of the (big picture for IT infrastructure and related systems) Implementation of a data utilization platform. Establishment of a cross-functional DX promotion system Number of participants in the Digital Talent Development Training Program: 500 Of these, the number capable of planning, managing and executing DX projects: 100
Major initiatives	<ul style="list-style-type: none"> Implement cross-functional IT infrastructure based on the IT blueprint Implement a data utilization platform including internal and external data for important decision-making Improve robust information security management capabilities Develop the talent to plan and lead DX

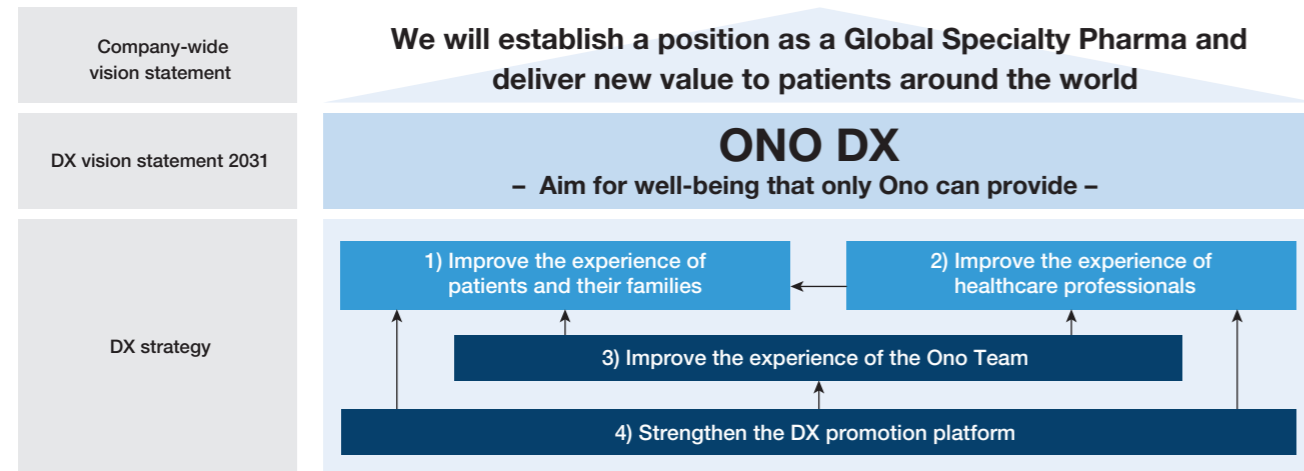
Overview of Corporate Transformation by leveraging Digital and IT

In the midst of a drastically changing business environment, we are transforming the company to have high dynamic capability by leveraging digital and IT. 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. All activities related to every value creation process with the foundation leads us to a global specialty pharma.

Global IT Infrastructure

IT infrastructure has two important roles which are supporting business efficiency and providing up-to-date data with consistency for digital transformation. Our approach is to implement an IT infrastructure based on the big picture that includes future Ono global business activities, which do not rely solely on a demand focused approach. We utilize systems and services that are widely used throughout the world, without company-specific customization. This allows us not only to enjoy the latest functionalities, but also maintain the flexibility for future changes including collaboration with other companies related to business innovation.

Overview of DX vision and strategy



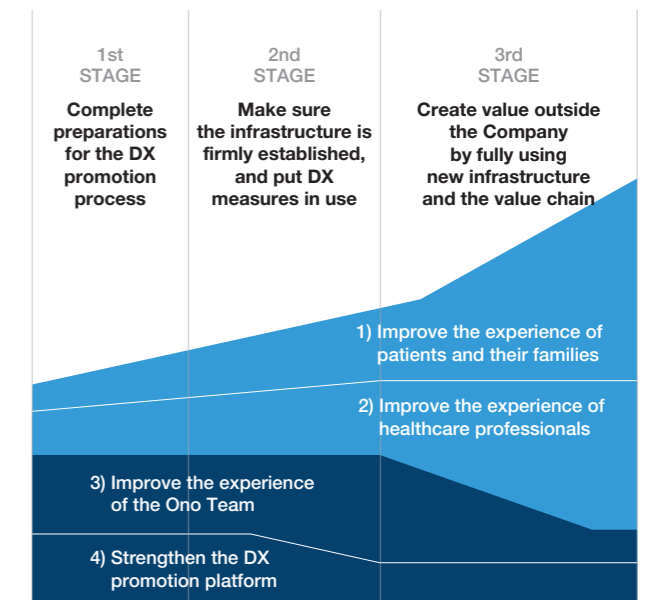
ONO's DX Promotion Strategy

While DX is generally viewed as technology-centric, at ONO we think it is people-centric. To realize our corporate philosophy and accelerate the work that is unique to our company, it is important to deliver value not only to patients and their families, but also to healthcare professionals, employees, and our diverse partners. We believe that this will enhance the vitality of people and improve the productivity and creativity of the company. The environment surrounding the pharmaceutical industry has two completely different aspects. On the one hand, it is a heavy industry with large companies requiring huge amounts of time and funds for research and development, and on the other hand, it is an innovation-oriented industry with a forest of startups and a high degree of uncertainty where new modalities are born one after another. To address both of these aspects, we are implementing a DX strategy that focuses on the human experience by rethinking our company from the perspective of providing value, rather than from the conventional perspective of positioning and competence, which is based on the stability of the environment. Specifically, while maintaining the efficient operational value chain organization that we have refined over the years, we will work to promote DX in a horizontal manner centered on people, the people to whom value is delivered. With digital technology, DX will bring about business transformation, it will cover a very wide range of areas, from existing businesses to new ones, and from operational efficiency to new business models.

Development of DX talent

Talent development is at the core of DX activities. Our goal is to be a company that continues to transform itself on a daily basis, rather than to make one-off major changes with the help of external forces. To achieve this, each and every employee, from the management team to the front lines of the workplace, must be able to direct and execute change as needed. We then clarified the DX promotion process and the DX talent needed to implement it. Based on this, we considered which human resources should be external and which should be developed internally, and formulated an internal talent development program, defining three layers: talent who plans and drives DX, talent who can participate in projects and play an active role, and employees who have a DX background.

DX promotion process



Status of Data Use

The use of real-world data (RWD), which began three years ago, has spread throughout the company. Simple analysis is performed by each division using tools, while detailed analysis is performed by specialists in statistical analysis using programming, allowing for both speed and quality. RWD is now used on a daily basis by everyone from R&D to sales. To cite one example, in the cost-effectiveness evaluation system introduced in April 2019 by the Ministry of Health, Labour and Welfare, our chronic heart failure drug Coralan was judged to be very cost-effective after being evaluated using RWD and other methods. OASIS, which was built as an integrated data utilization platform, started operation in August 2022, enabling cross-divisional analysis on a single platform of data owned by each department, commercial RWD, and open data. OASIS has enabled us to manage data centrally and realize a stronger data governance system better than before. OASIS is also a platform that can handle pseudonymized information as defined in the revised Act on the Protection of Personal Information, can do advanced AI analysis while protecting personal information and contributes to the creation of new evidence.

Message from the Officer in Charge

Digital transformation to improve the experience of all people involved in our company

What do you imagine when you hear the term "digital transformation"? Generally speaking, it is the use of digital and IT technologies to improve operational efficiency and transform business models, but the definition is ambiguous. We have placed the wellbeing of all people involved in our company at the center of our digital transformation and the enhancement of their experience. First, through the development of IT and digital infrastructure and talent development, we will foster an environment in which employees can think about and implement change on a daily basis toward the realization of the future they envision. Beyond that, we will improve the experience for patients and their families, healthcare professionals, employees, and partners. We are not interested in technology itself, but rather how we can bring our company closer to the future envisioned by all of the people involved. From this perspective, we will continue to leverage the latest digital and IT technologies.



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