

ESG Presentation Meeting

~ Towards Enhancing Corporate Value ~

March 28, 2023

Cautionary Notes

Forecasts and other forward-looking statements included in this document are based on information currently available and certain assumptions that the Company deems reasonable.

Actual performance and other results may differ significantly due to various factors. Such factors include, but are not limited to:

- (i) failures in new product development***
- (ii) changes in general economic conditions due to reform of medical insurance system***
- (iii) failures in obtaining the expected results due to effects of competing products or generic drugs***
- (iv) infringements of the Company's intellectual property rights by third parties***
- (v) stagnation of product supply from the delay in production due to natural disasters, fires and so on***
- (vi) onset of new side effect of post-licensure medical product***
and, (vii) currency exchange rate fluctuations and interest rate trend.

Information about pharmaceutical products (including products currently in development) included in this document is not intended to constitute an advertisement of medical advice.

Today's Agenda

- 1. Sustainable Management**
- 2. Corporate Governance**
- 3. Efforts to Strengthen the Compliance Management System**
- 4. Expansion of Human Capital**
- 5. Protection of the Global Environment**
- 6. Efforts to Improve Access to Healthcare**

Sustainable Management

Sustainable Management Policy



For more than 300 years since our founding, we have walked hand in hand with society. To save people who are suffering from disease, we have created a series of innovative new medicines that were thought to be impossible.

We will continue to contribute to people's health by practicing our Corporate Philosophy and taking on the challenge of realizing a sustainable society through responsible business activities.

Contributions to People's Health

- **In addition to our own drug discovery, we will take on the challenge of drug research and development in collaboration with the world's top scientists, and bring more hope to patients and their families around the world by providing them with original and innovative medicines that are safe, secure, and appropriate.**
- **We will contribute to the realization of a society in which people can live healthier lives through our evidence-based, next-generation healthcare business.**

Preserving a rich global environment for future generations

We are deeply aware of our social responsibility to the environment, and will actively adopt eco-friendly technologies and work together with our suppliers and partners to pass on a prosperous global environment to future generations.

Realization of a society where people can play active roles

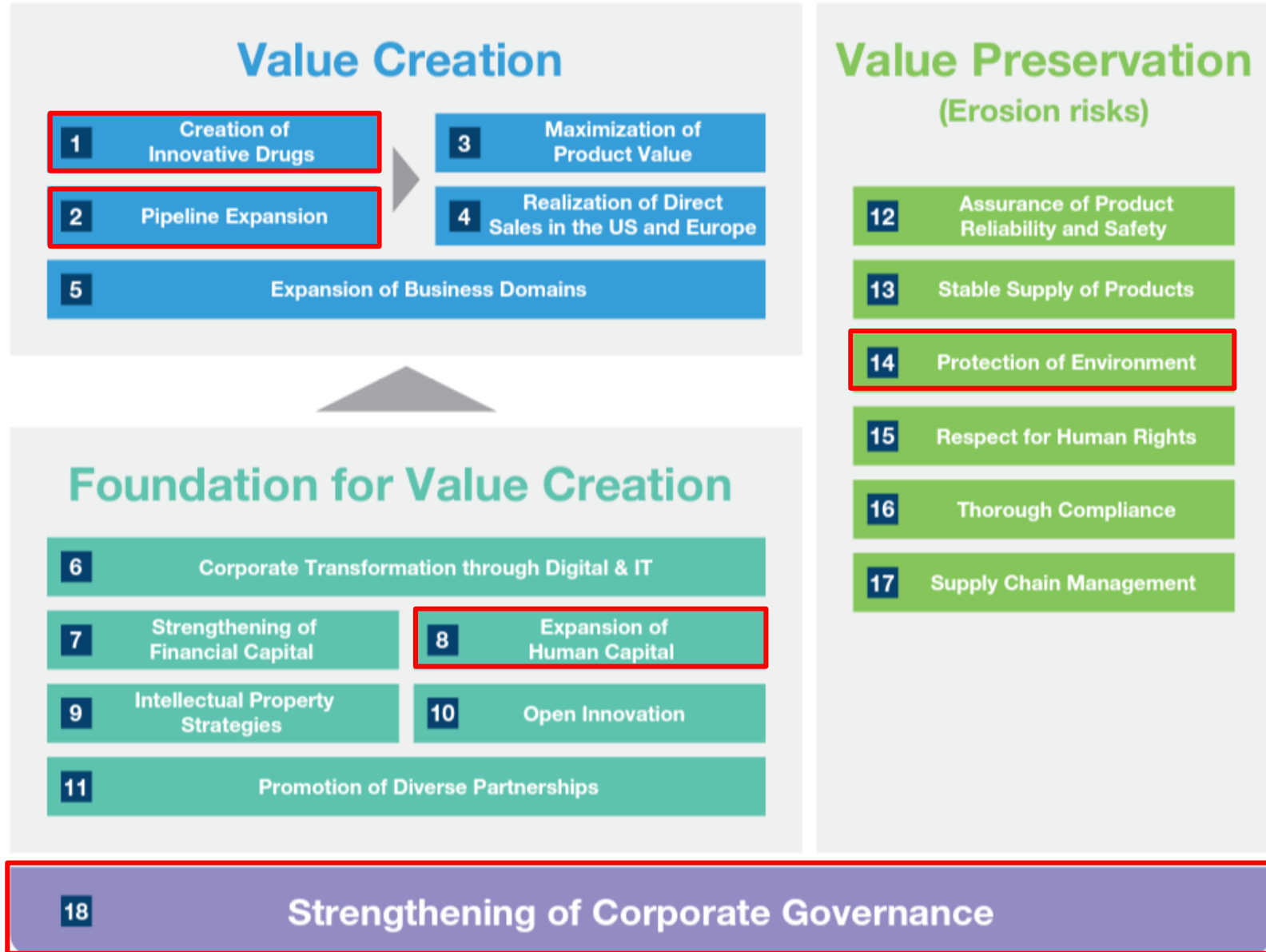
Through our business activities, we will contribute to the realization of a society where the human rights and diversity of all people are respected, playing an active role.

Establishment of highly transparent and robust management

We will build a strong foundation through corporate governance and conduct highly transparent business activities by strengthening compliance and risk management.

Materiality

New Material Issues (Priority Management Issues)



Creation of Innovative Drugs

Management of Priority Issues

Reason for being a priority issue	The creation of innovative drugs is the practice of our corporate philosophy, “Dedicated to the Fight against Disease and Pain,” and is the core value we provide to society. To sustainably create this value, drug discovery research using the latest scientific knowledge and cutting-edge technologies is crucial, and strengthening our competitiveness in drug discovery research will lead to our growth.
Vision over the medium to long term	Cooperate with top scientists and accelerate the creation of new drugs that can change the world.
Indicators	<ul style="list-style-type: none">● The number of new products going to clinical trials
Major initiatives	<ul style="list-style-type: none">● Explore unique breakthrough drug seeds and creation of new drug candidate compounds through open innovation● Improve the speed of creation of new drug candidate compounds by selecting optimal modalities, utilizing artificial intelligence (AI), etc.● Promote drug discovery research based on human disease biology using the latest technologies, such as AI and informatics, as well as patient-derived samples● Promote translational research by searching for biomarkers based on the mechanism of action

Material Issue 2

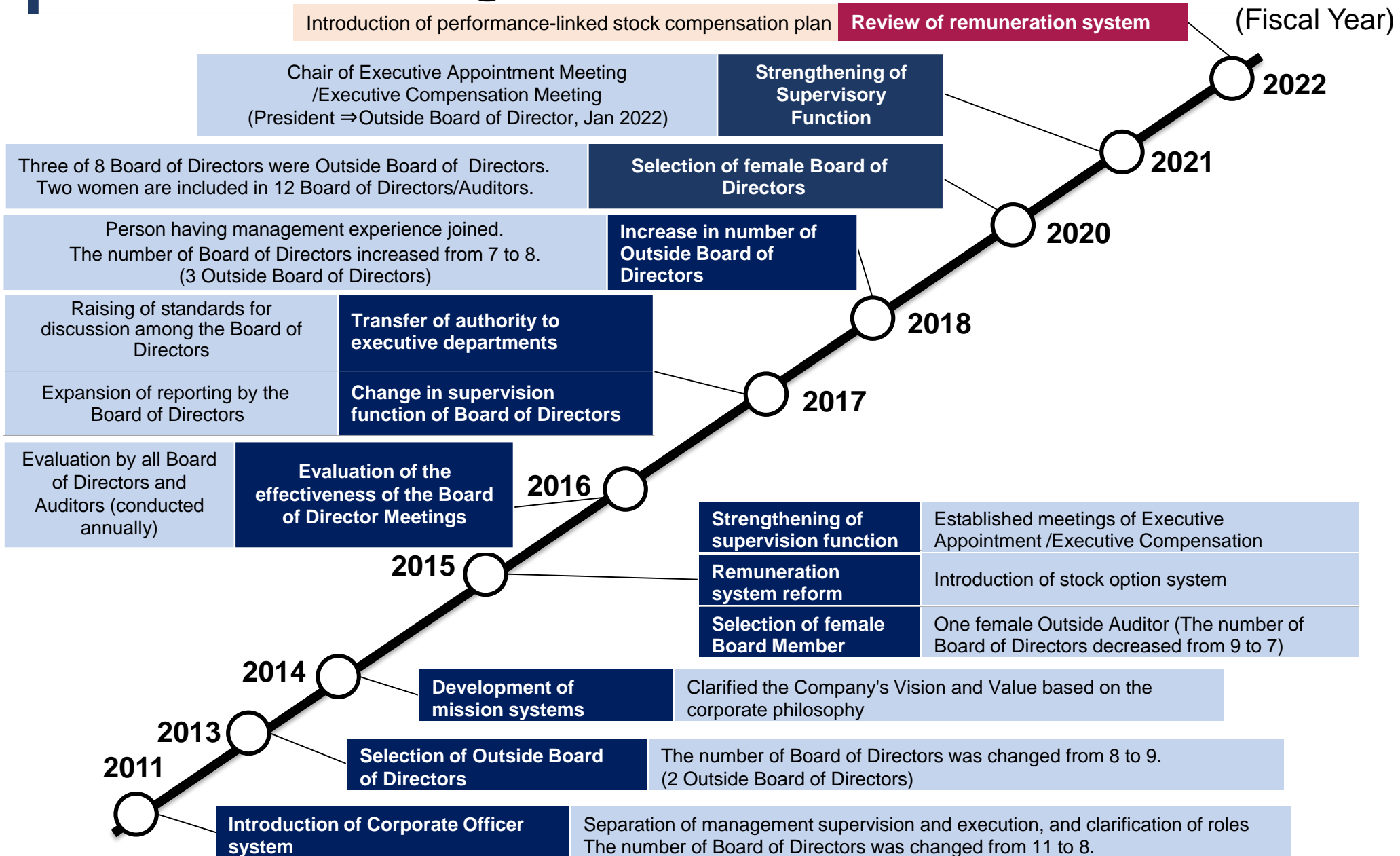
Pipeline Expansion

Management of Priority Issues

Reason for being a priority issue	Our pipeline is the source of our sustainable growth. We continue enriching our pipeline to constantly provide innovative drugs to patients.
Vision over the medium to long term	<p>The speed and accuracy of establishing PoC* for new drug candidates are improving, and the pipeline is enriched through licensing activities.</p> <p>* PoC (Proof of Concept): PoC studies are an early stage of clinical drug development to confirm whether the drug candidates demonstrate the clinical safety and efficacy expected during the drug discovery phase.</p>
Indicators	<ul style="list-style-type: none">● The number of products in the clinical development stage● The number of newly introduced products
Major initiatives	<ul style="list-style-type: none">● Establish PoC on multiple projects and conduct global clinical trials<ul style="list-style-type: none">• Continue system development for early establishment of PoC• Further enhance activities for translational research (TR) and reverse translational research (rTR)• Increase the speed and accuracy of establishing PoC by using state-of-the-art technologies and methodologies● Strengthen licensing activities to obtain global rights

Corporate Governance

Efforts to Strengthen Governance



Outside Board of Directors

Constitution

Three of eight board of directors are outside directors in order to strengthen the supervisory function and maintain and improve the transparency of management and the accuracy of business execution.



Masao NOMURA

Corporate Advisor
Iwatani Corporation

Serving since June 2018

He provides appropriate supervision of ONO's management based on his abundant experience of leading organizational operations and making numerous complex management decisions as a president of a listed company.

Chairperson of Executive Appointment Meeting and Executive Compensation Meeting



Akiko OKUNO

Prof., Faculty of Business Administration
Konan University

Serving since June 2020

She provides appropriate supervision of ONO's management from the perspective of a university professor for business administration specializing in women's labor and personnel appraisal systems.



Shusaku NAGAE

Special Corporate Advisor
Panasonic Holdings Corporation

Serving since June 2021

He provides appropriate supervision of ONO's management based on his abundant experience of leading corporate management and governance as a president and chairperson of a listed company.

Support for functioning of Outside Directors

Arrangement of an environment in which Outside Directors can fulfill their expected roles and functions

- Opinion-exchange meeting** : Opinion-exchange meetings on important business matters are held before submitting them to the Board of Directors Meeting
- Training session and site visit** : Training sessions and site visits are held in order for Outside Directors to understand pharmaceutical business deeply
- Dialogue session with employees** : Dialogue sessions with employees are held for better understanding of corporate culture
- Collaboration meeting with audit & supervisory board members** : Information sharing and exchange of opinions among non-executive Directors






Actual result in FY2022 (for reference)
Opinion-exchange meeting (5 times)
Training session (3 times)
Site visit (Minase and Tsukuba research institutes, Yamaguchi Plant)
Dialogue session with employees (Minase research institute)
Collaboration meeting with audit & supervisory board members (1 time + collaboration for site inspection 2 times)
Other information shared (as needed) <ul style="list-style-type: none"> • Industrial publications, analyst report, etc. • Company-wide meeting for mid-term management plan, talent development program, etc.



Site visit to Minase research institute
(Conversation with employees; July, 2022)

Executive Appointment / Executive Compensation Meetings

The executive appointment and executive compensation, both of which have governance-related importance are discussed at the meetings composed of highly independent Outside Board Director as key members in order to ensure management transparency and objectivity.

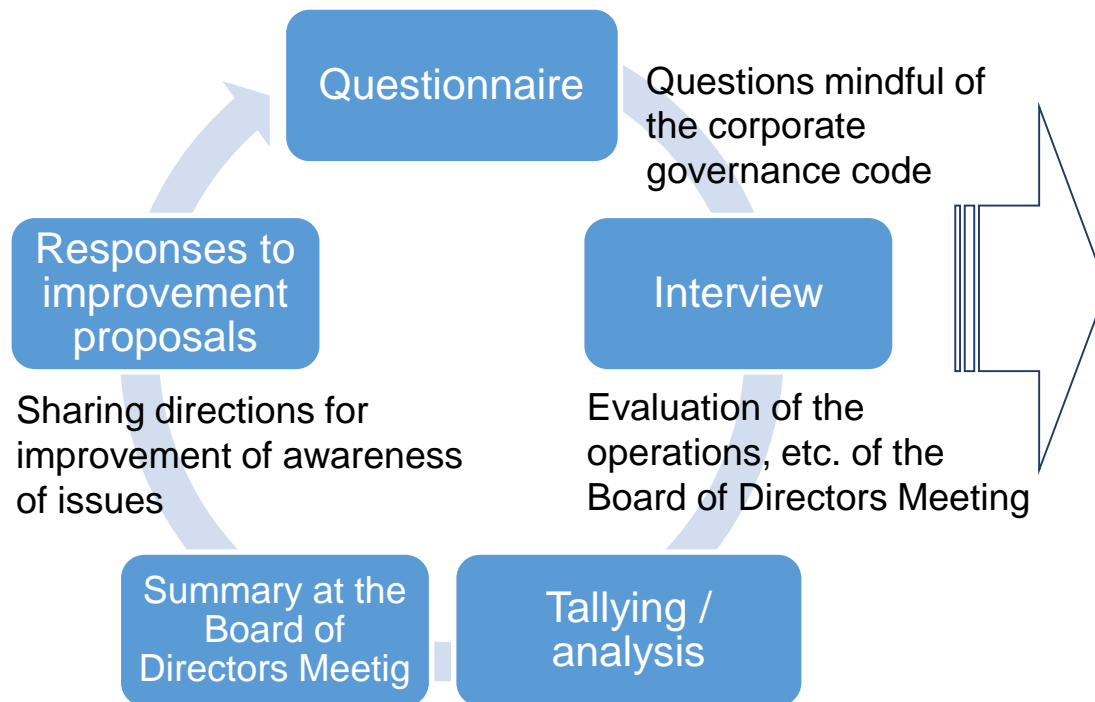
	Independent Outside Board Directors			Internal Board Directors	
					
	Masao NOMURA	Akiko OKUNO	Shusaku NAGAE	Gyo SAGARA	Toshihiro TSUJINAKA
Executive Appointment Meeting	Chairperson	○	○	○	○
Executive Compensation Meeting	Chairperson	○	○	○	—

Executive Appointment Meeting	Executive Compensation Meeting
<ul style="list-style-type: none"> ● Selection of candidates for Corporate Officers, Members of Board of Directors and Audit & Supervisory Board Members ● Deliberation on successor plans 	<ul style="list-style-type: none"> ● Evaluation regarding fixed and performance-linked compensation and deliberation of compensation amounts ● Supervision to ensure the compensation system function in a way that encourages sound growth ⇒ FY2022: deliberation on revision of compensation plan

Evaluation of Effectiveness in Board of Directors Meeting

Every year, an evaluation of the effectiveness of the Board of Directors is conducted by all members of the Board of Directors and audit & supervisory board members.

Self-assessments based on questionnaires and interviews are conducted and utilized to improve the Board of Directors Meeting.



Contribution to the enhancement of the effectiveness of Board of Directors Meeting

【Changes and improvements from last year】

- **Roles and functions of Outside Board Directors**
⇒ Deliberation on successor plans and compensation plans of Board of Directors
Improvement of effectiveness on Board of Directors meeting
- **Compensation governance**
⇒ Introduction of performance-linked stock compensation
(increase of stock compensation proportion)
- **Corporate governance of Board of Directors**
⇒ Expansion of Outside Directors' activities other than attendance at Board of Directors meeting
(site visit, training session, opinion-exchange, etc.)

Efforts to Strengthen the Compliance Management System

Efforts to Strengthen the Compliance Management System

- (1) Revision of rules on the donations**
- (2) Efforts to strengthen the compliance management system**
- (3) Efforts to maintain the lessons learned from the Mie University misconduct**
- (4) Training for employees**
- (5) Whistleblowing system**

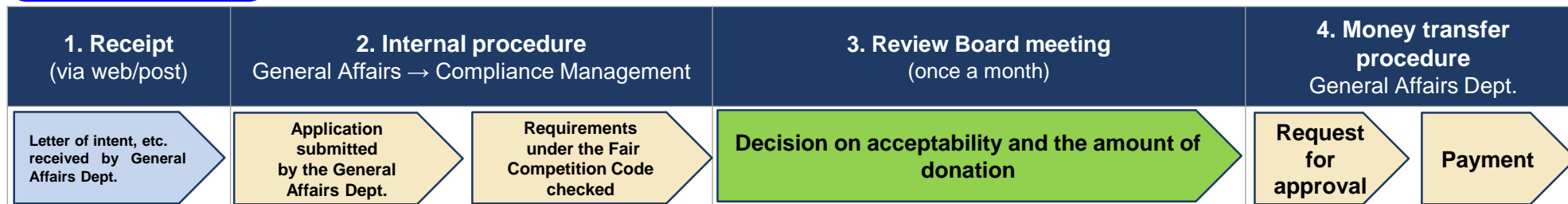
(1) Operation of the Review Board for Academic Society/General Donations and Supporting Membership Fees

Operational change

[Ideal state] While maintaining social contributions to the development of medications and pharmaceuticals, (i) have an independent department make donation decisions, (ii) prevent involvement of front-line employees in donations, and (iii) secure fairness and transparency

- In October 2021, we revised the operational flow for the decisions to pay [academic society/general donations and supporting membership fees, allowing the General Affairs Department to receive all donation proposals and the Review Board to make final approval.](#)
- In April 2022, we shifted the channel of receiving academic society/general donation proposals to an [open proposal system via a dedicated website](#) to further ensure fairness and independence, [preventing the front-line employees concerned from interacting with relevant healthcare professionals](#) in receiving letters of intent or other documents.
- [We are operating the donation system with enhanced fairness and independence based on objective criteria](#) by minimizing employees' interaction with healthcare professionals in the payment procedure.
- Specifically, [proposals are discussed and approved by a board consisting of the General Affairs, Compliance Management, and Legal Departments, along with an external expert \(lawyer\), with no involvement of Sales, R&D, etc.](#)

Operational flow



[Donations subject to review](#): General donations, donations to academic societies, donations to patient organizations, supporting membership fees

Note: No review contents/results are disclosed internally or externally.

Overview of the Review Board

Chairperson	Senior Director of Legal Department
Members	Senior Director of General Affairs Department, Senior Director of Compliance Management Department, etc.
External expert	Kentaro Kitagawa,* Lawyer, Chuo Sogo Law Office, P.C.
Observers	Senior Director of Business Audit Department, etc.

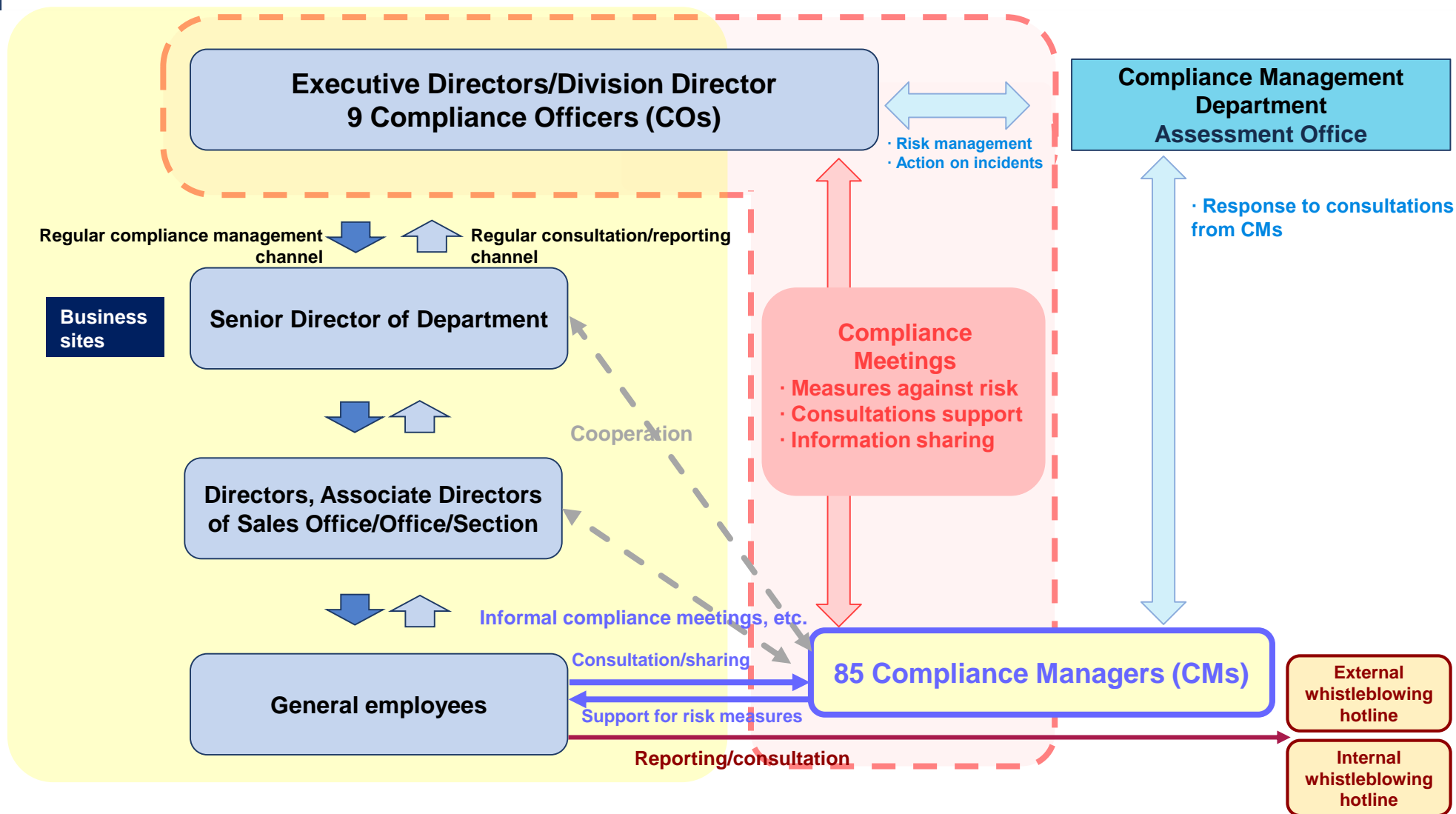
(Secretariat: General Affairs Dept.)

* Formerly Chief Public Prosecutor, Osaka District Public Prosecutors Office

	Proposals reviewed		Successful proposals	% ratio
	Total	Monthly average		
Total	707	64.3	402	56.9%
General donations	89	8.1	52	58.4%
Academic donations	401	36.5	147	36.7%
Supporting membership fees	217	19.7	203	93.5%

The Review Board meets once a month and keep documents their reviews. Activities: 11 meetings held between October 2021 and August 2022

(2) Efforts to Strengthen the Compliance Management System



The Compliance Manager **helps enhance employees' compliance awareness and supports compliance risk measures** by serving as a primary contact at each business site who gathers opinions from employees working there and who is consulted about issues that are not or cannot be raised through the regular reporting channel (via the superior).

(3) Efforts to Maintain the Lessons Learned from the Mie University Misconduct

Training focusing on the Mie University misconduct: Avoiding making the same mistake again

> Message from the President on the purpose of the training

[Lectures by instructors (senior partners, Compliance Management Department)]

1. Overview of the Mie University misconduct
2. Impact of the Mie University misconduct on our company
3. What we are expected to do as a company
4. Challenges for compliance of laws and regulations

[Discussion moderated by the chairperson]

5. Future actions (thoughts, opinions, etc)

> Message from the Officer in charge of compliance at closing

Training conducted

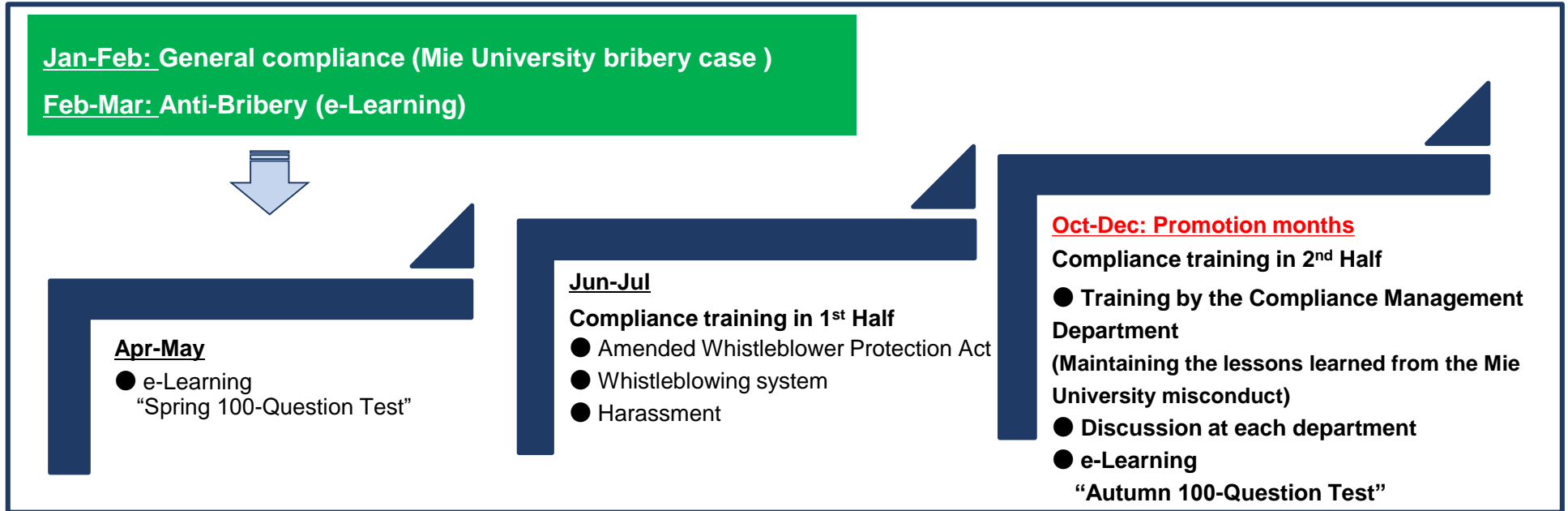
- ◆ January to February 2022
Company-wide training in groups (by business site) 63 groups (3,248 employees)
* Moderator: Senior Director/Director served as chairperson.
Instructors: Senior Partner Awata, Senior Partner Sano, Compliance Management Department
- ◆ March 8 and 23, 2022
Those absent from the above trainings 2 groups (12 employees)
65 groups, 3,260 employees
- ◆ June 28, 2022
Employees who returned to work from leave 1 group (10 employees)
66 groups, 3,270 employees

Note: Other employees who have returned to work from leave will be trained during the October-December promotion months.

(4) Expanding and Enhancing Compliance Training

Goal: “Become a company in which every employee can act by taking compliance as their own responsibility”

➤ Company-wide compliance training procedure



- ◆ Raising compliance awareness and fostering high ethical standards
- ◆ Preventing the occurrence/recurrence of violation, fraud, and harassment
- ◆ Creating a corporate culture of self-purification

(5) Key Points of the Amended Whistlebling Policy and Status in Reported Cases

[Key points of the Whistlebling Policy]

- (i) **Non-anonymous (i.e., with real names) reporting is required, in principle** (if there is a justifiable reason anonymous reporting is also possible).
- (ii) **Investigations are led by the Compliance Management Department.**
- (iii) **Those who have made a false statement or leaked information to a third party during an investigation may be subject to disciplinary action in accordance with the rules of employment, etc.**
- (iv) **Provide specific details about the content relating to confidentiality.**
- (v) **Detailed description of content that prohibits search for the whistleblower.**

[Number of whistleblowing] The number has been increasing, and so has the number of non-anonymous reports. (10% before → 30% in 1st Half 2022)

	Breakdown	FY2019	FY2020	FY2021	First half	Second half	1 st Half 2022	Non-anonymous
Number of whistleblowing	Discrimination/harassment issues	22	15	29	7	22	12	6
	Personnel and labor management issues	2	1	2	0	2	2	1
	Others	44	6	29	8	21	11	1
	Total	68	22	60	15	45	25	8
Number of compliance violations	Discrimination/harassment issues	3	1	0	0	0	0	0
	Personnel and labor management issues	0	0	1	0	1	0	0
	Bribery	0	1	1	1	0	0	0
	Others	6	0	9	2	7	6	4
	Total	9	2	11	3	8	7	4

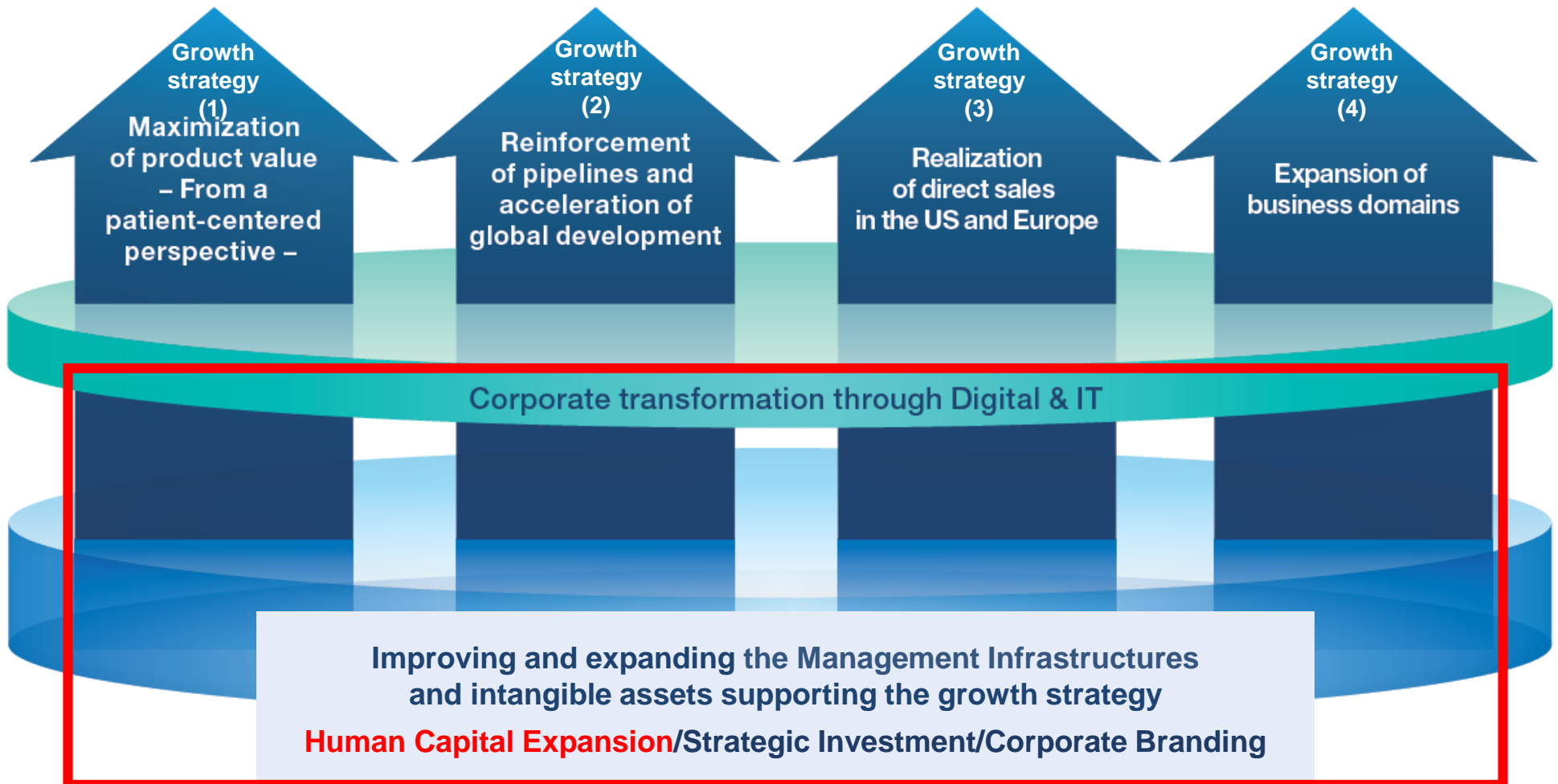
Notes: "Others" refer to violations of the rules of employment, internal policies/regulations, sales information provision activity guidelines, etc.
Number of compliance violations refers to the cases that led to disciplinary actions.

Expansion of Human Capital

Four Growth Strategies and the Management Infrastructures

Dedicated to the Fight against Disease and Pain

Aiming to be a global specialty pharma



Strengthening the Management Infrastructures



Enhancing the management infrastructures and supporting the growth strategies by expanding intangible assets

◆ Human capital expansion

- **Cross-functional talent development**
(Next Executive talent, Globally Competent talent, Digital talent, Core Innovation talent)
- **Specialized talent development**
(Talent suited to each growth strategy)
- **Development of organizational culture**
(Promoting Diversity [DE&I] and Working Style Reform)
- **Enhancing employee engagement**

◆ Digital and IT

◆ Strategic Investment

◆ Corporate branding

Training to Nurture the Next Executive Talent and Globally Competent Talent

Next executive talent

Purpose	Nurture future candidates for management			
Target	Future candidates for officers	Future candidates for business site heads	Future candidates for division heads and executives	
Training	Selected young employees (around 30 years old)	Selected talented employees around 35 years old	Selected young managers	Selected candidates for senior management positions
Duration	8 months	1 year	2 years	4 years

Globally competent talent

GSIP: Global Skill Improvement Program

1 year

GSIP* is a program aimed at developing talent who can exert an impact on the entire company by exercising leadership and adequately working with other members in a domestic and/or Global team in any situation.

*The purpose is not on improving foreign language skills.

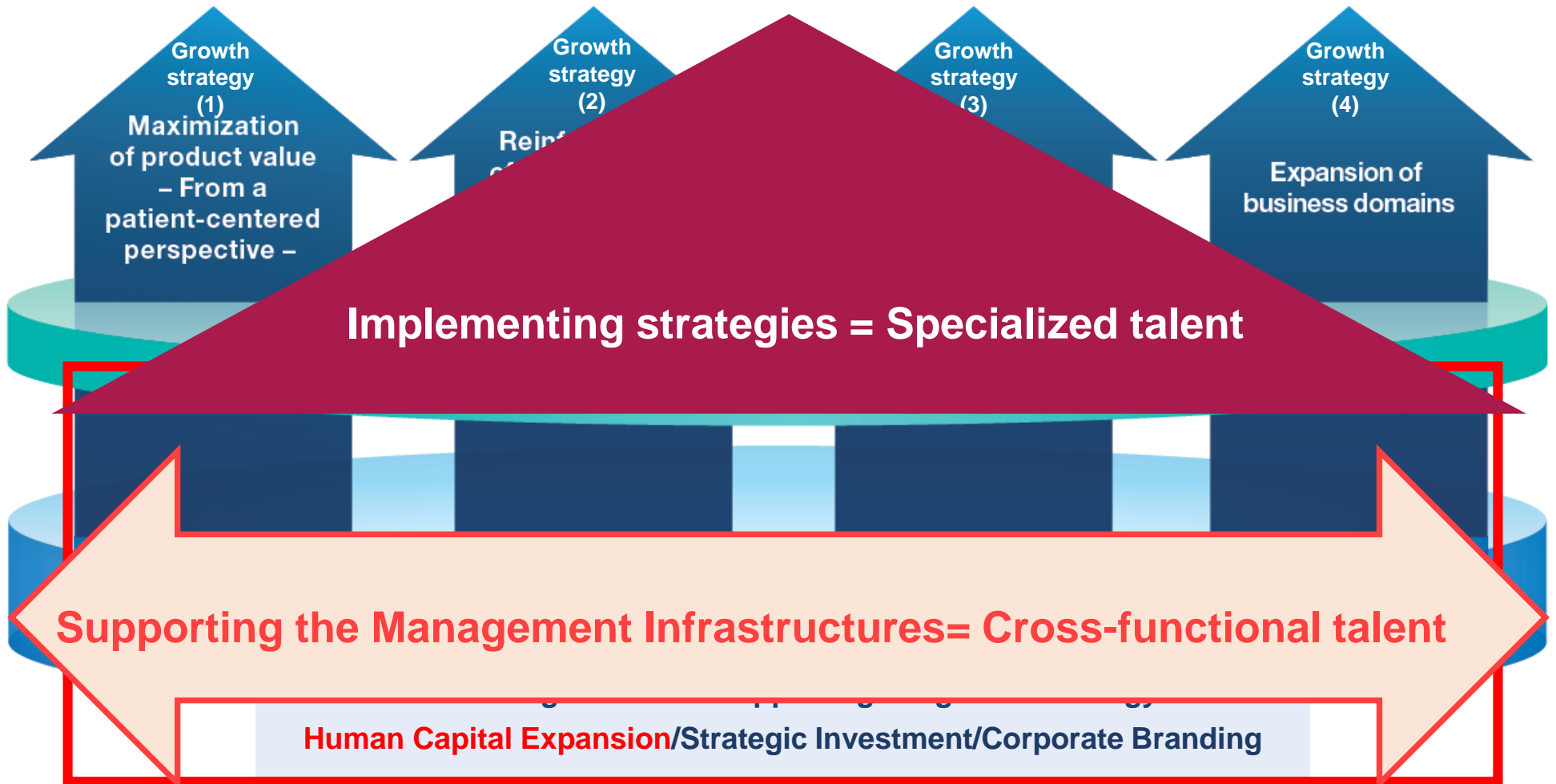
Cross-cultural communication

The ability to build relationships of trust with people with different values and cultural backgrounds

Four Growth Strategies and the Management Infrastructures

Dedicated to the Fight against Disease and Pain

Aiming to be a global specialty pharma



Strengthening the Management Infrastructures



Enhancing the management infrastructures and supporting the growth strategies by expanding intangible assets

◆ Human capital expansion

- **Cross-functional talent development**
(Next Executive talent, Globally Competent talent, Digital talent, Core Innovation talent)
- **Specialized talent development**
(Talent suited to each growth strategy)
- **Development of organizational culture**
(Promoting Diversity [DE&I] and Working Style Reform)
- **Enhancing employee engagement**

◆ Digital and IT

◆ Strategic Investment

◆ Corporate branding

Promotion of Female Participation

Plan Period: April 1, 2021 to March 31, 2023 (2 years)

(1) Low percentages of female managers and female candidates for managers

Target: Increase the percentage of women among candidates for managers to 15% or more

As of December 1, 2022: 15.5%

(2) Creation of a working environment conducive to work-life balance

Target: Increase the percentage of male employees taking child-care leave to 75% or more

As of the end-December 2022: 75.6%

Activities to promote Female Employee Participation

Foster a corporate culture that respects personal values and strives to create an organization that embraces diverse opinions

- KPIs set in light of the external and internal environments

KPIs (for 2031): **Women accounting for at least 20% of managers**

KPIs (for 2026): **Women accounting for at least 10% of managers**

Increase the percentage of female managers and make the transformation of our corporate culture visible in four years

Targets set and systems/structures established. Commitment made by senior and top management

2023
Introduction

Empowerment measures in place due to company-wide awareness of the need for more female managers, resulting from a focus on empowerment and cultural transformation

2024
Penetration

Percentage of female managers beginning to increase as a result of empowerment and a transformed culture

2025-2026
Establishment

Post-COVID Work Style (From May 2023 onward)

To foster a sense of unity and allow diverse working styles at the same time, telecommuting rules will be

Set by Each Division, in principle.

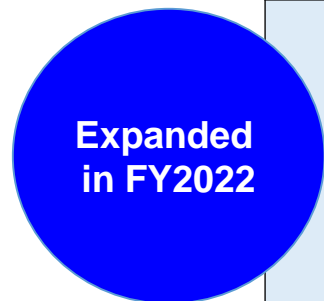
Optimal work styles are sought through periodical reflections and reviews.

- In principle, an opportunity for face-to-face communication should be provided at least twice a month, e.g., by holding a meeting attended in person by all members of the team.
- In principle, participants (except for voluntary participants) should keep the camera on during online communication.
- In principle, wearing appropriate attire is also required on the day of telecommuting.

In principle, there is no limit to the number of telecommuting days available to employees with special reasons (e.g., pregnancy, childcare, nursing care).

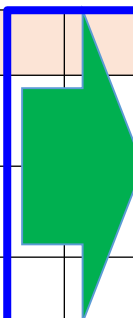
Individual Diversity Development Program 1: Expansion of the Open Recruitment System

For the purpose of promoting employees' career development and enhancing the organization's vitality and competitiveness through personnel exchanges, we will solicit job offers from each department and reassign personnel by matching those offers with applicants.



Eligibility	(1) At least 3 years since joining Ono (regardless of the number of years since joining the current team)
Limits to job offers	Removed (no limits)

	FY2020	FY2021	FY2022
No. of departments with job offers	13	14	34
No. of matching applicants (No. of applicants)	48 (100)	37 (79)	134
Successful applicants	8	6	25



- Eligibility relaxed and job offer limits removed
⇒ Expanded career opportunities
- Slides introducing recruiting departments made available
⇒ Encourage applications based on an understanding of the offered jobs
⇒ Help reduce mismatched assignments

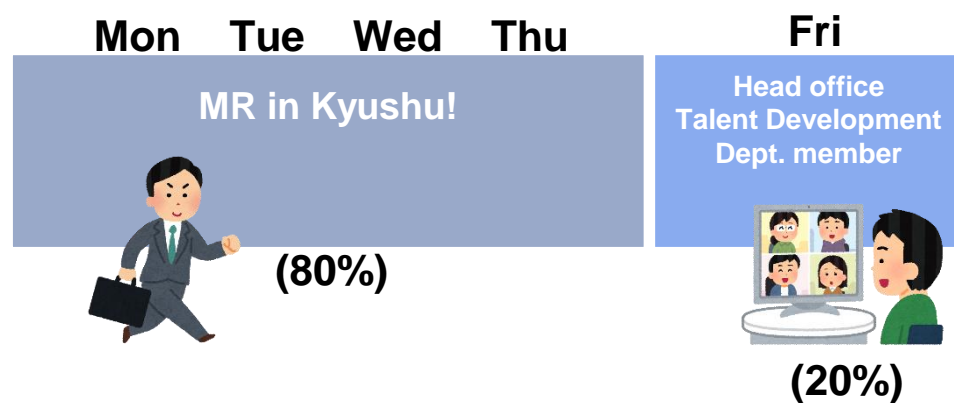
Evolving to a system that encourages employees' career development and voluntary challenges

Individual Diversity Development Program 2: (Expansion of the Open Recruitment System)

Introduction of an internal challenge job system

Trial implementation since April 2022

- Those who want to try a different role but are concerned about suitability
- Those who are not thinking about moving to another department right now but want to broaden their perspectives by learning more about other departments
- Those who want to know about the work in a specific department or deepen exchanges with people in other departments
- Teams that are looking for opinions from various points of view but cannot afford to increase the staff immediately



[Applicants]	87
[Participants]	20



Strengthening the Management Infrastructures



Enhancing the management infrastructures and supporting the growth strategies by expanding intangible assets

◆ Human capital expansion

- **Cross-functional talent development**
(Next Executive talent, Globally Competent talent, Digital talent, Core Innovation talent)
- **Specialized talent development**
(Talent suited to each growth strategy)
- **Development of organizational culture**
(Promoting Diversity [DE&I] and Working Style Reform)
- **Enhancing employee engagement**

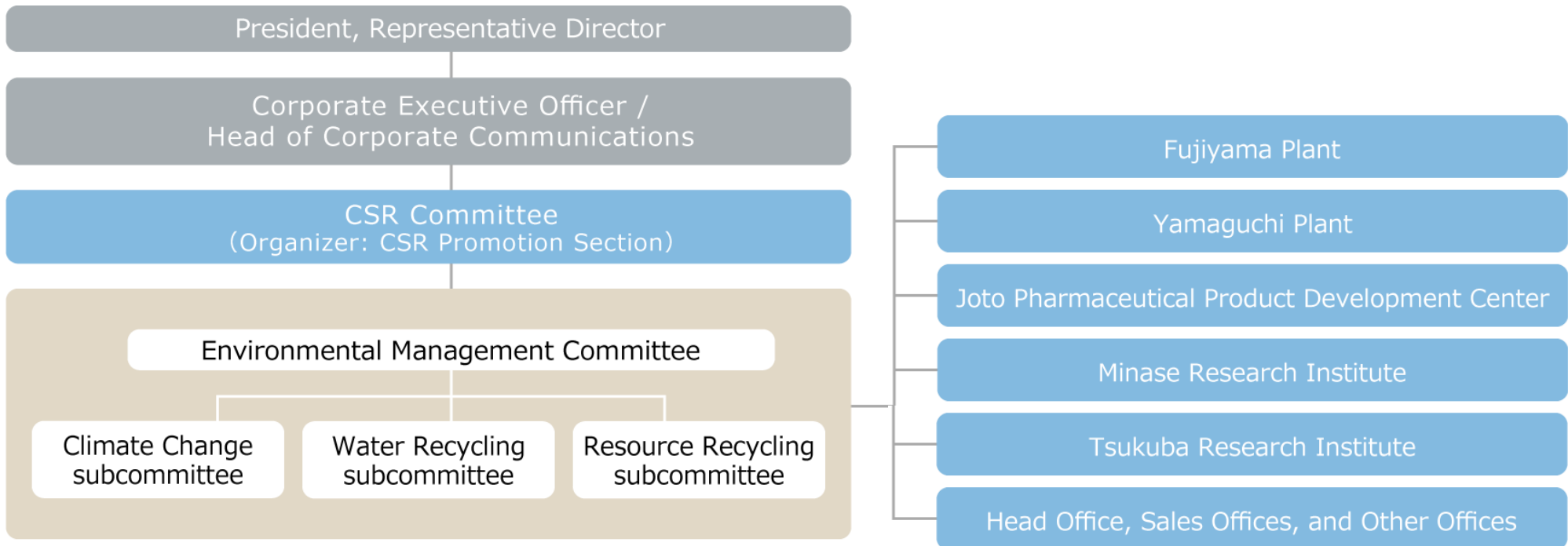
◆ Digital and IT

◆ Strategic Investment

◆ Corporate branding

Protection of the Global Environment

Environmental Promotion Structure



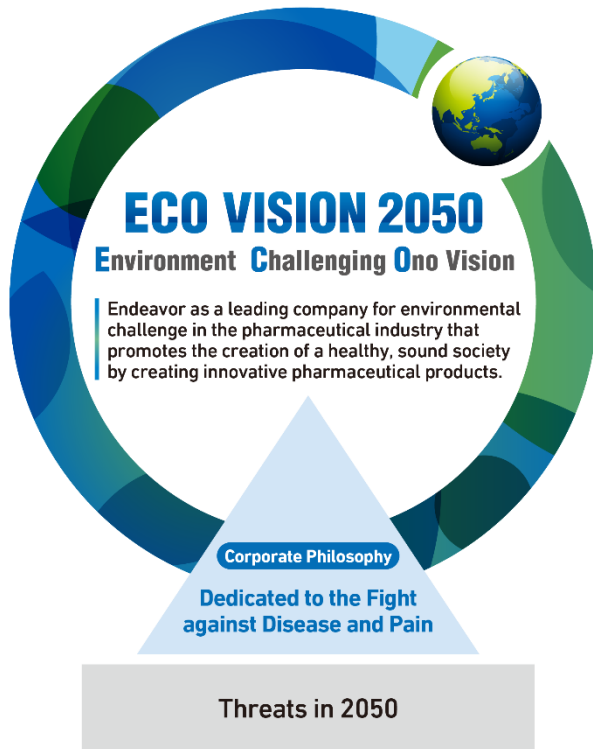
■ Environmental management system compliant with ISO 14001 (production sites)

Production site name	Certification status
Fujiyama Plant	Certified
Yamaguchi Plant	Certified

Environmental Vision (established in 2019)

Recognizing that our business activities benefit from the environment and aiming to realize a sustainable and affluent society, we have adopted the environmental vision, “Environment Challenging Ono Vision (ECO VISION 2050)” and are striving to resolve environmental issues in view of the future in 2050.

■ Environment Challenging Ono Vision (ECO VISION 2050)



■ Three Priorities

Medium- to long-term targets and annual targets set to pursue them

Realization of a decarbonized society

Realization of a water recycling society

Realization of a resource recycling society

New Medium- to Long-Term Environmental Targets



Targets for realization of a decarbonized society

· **2050**: Zero greenhouse gas emissions from internal sources

New

· **2035**: Zero greenhouse gas emissions from internal sources

· **2025**: Carbon neutrality* within Ono

* Net zero emissions after carbon offsetting

H₂O

Targets for realization of a water recycling society

· **2030**: 15% reduction of water intake per production volume unit*

(FY2017 as the base year)

* Unit of production = Water intake / Number of boxes produced × 100

New

· **2030**: Sales growth rate ≥ Water consumption increase rate

(FY2017 as the base year) (Applicable to Ono business sites)

· Strengthen water pollution risk management and business partners risk management



Targets for realization of a resource recycling society

· **2030**: 15% reduction of industrial waste per unit of production*

(FY2017 as the base year)

· Work to reduce the environmental impact of our business activities

* Unit of production = Total industrial waste / Number of boxes produced × 100

New

· **2030**: Recycling rate of all unneeded materials ≥80%

(Applicable to Ono plants, research institutes, logistics centers)

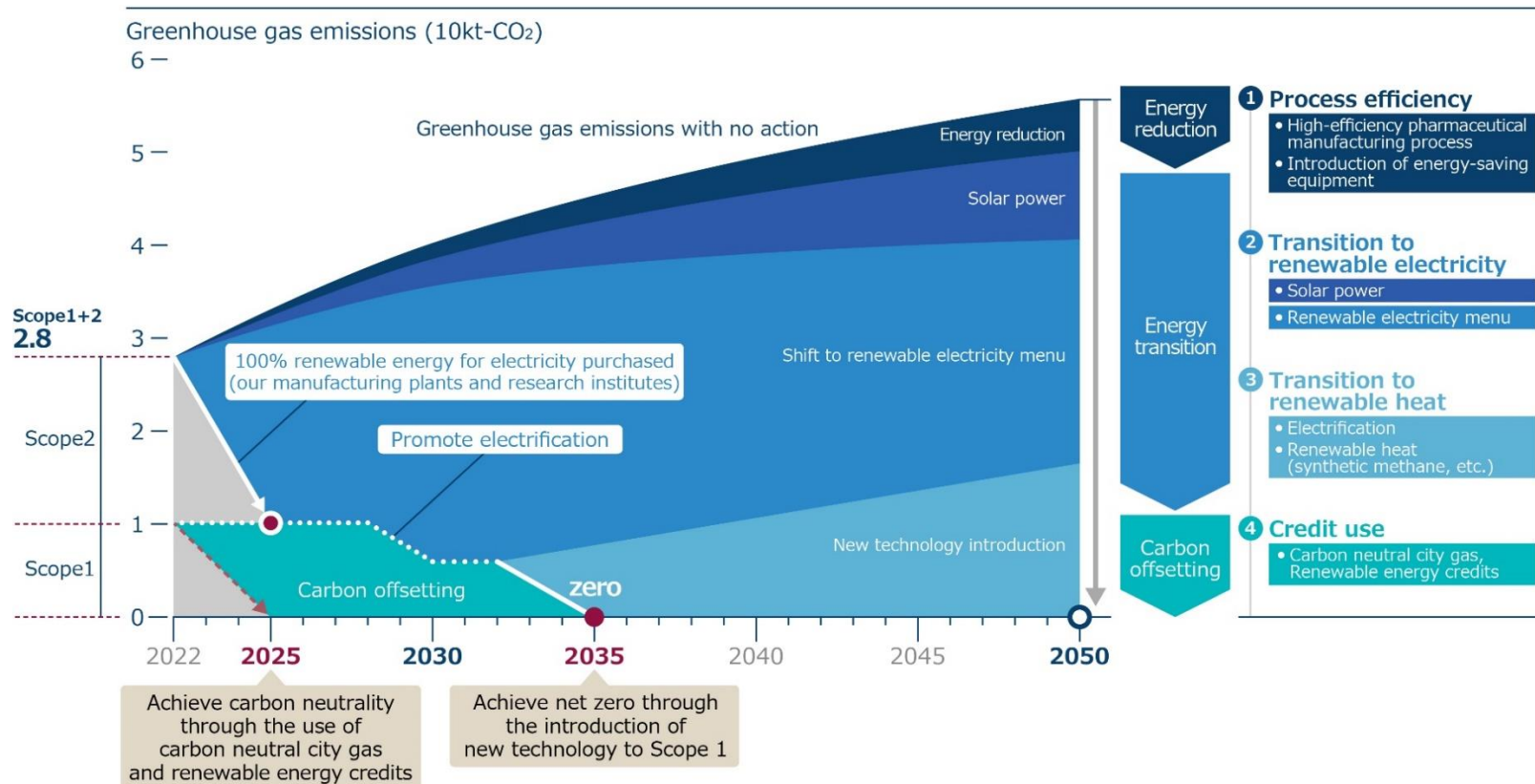
· By 2030: 100% of paper used for individual packaging boxes for our marketed products to be made from eco-friendly materials

Realization of a Decarbonized Society (Updated)

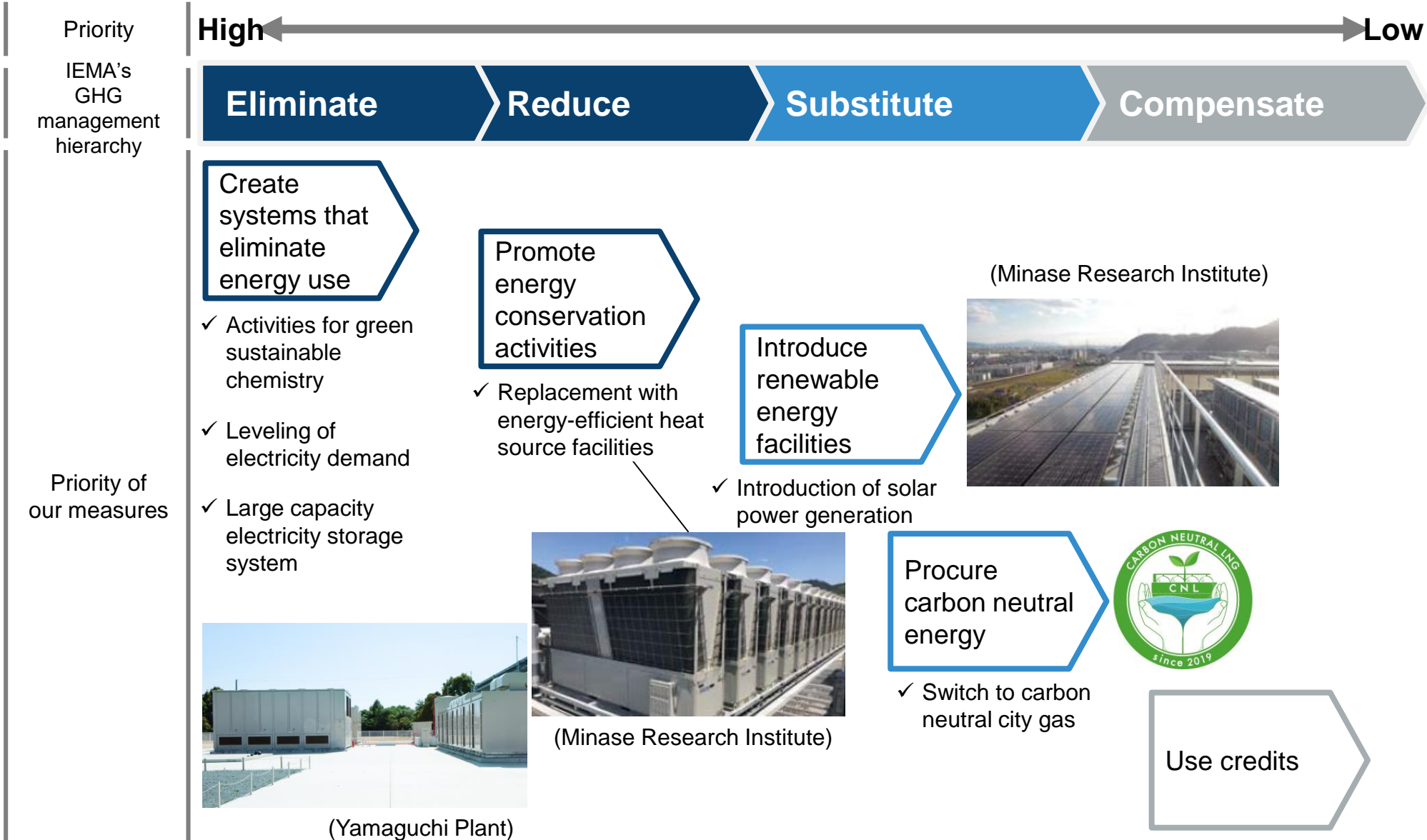
- Our medium- to long-term targets for greenhouse gas emission reductions (our own emissions) have been approved by SBTi as science-based targets.
- To accelerate our efforts toward a decarbonized society, the target year to achieve **zero** Scope 1+2 emissions has been moved up from 2050 to **2035**.
- We will further increase the use of renewable energy (we joined RE100* in 2020).

* An international initiative aimed at sourcing 100% renewable electricity for business activities

◆ Roadmap to zero Greenhouse Gas emissions (Scope 1+2)



Priority of Greenhouse Gas Reduction Measures



Climate-related Financial Disclosures (Risks)

- Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019
- Disclosed actions in the categories of governance, strategy, risk and opportunity management, and indicators and targets, as recommended by the TCFD
- Working to integrate the risks into Enterprise Risk Management System and updating the risks annually

Risks Related to Climate Change and the Effect on Finance and Business

Factor		Value chain	Risk and impact	Financial impact*	Management approach
Society aiming for below 1.5°C	Regulatory risk	ONO	Increased carbon tax burden Our burden of carbon tax levied on greenhouse gas emissions may increase due to the possible tightening of climate change-related regulations.	¥1.9 billion	Mitigation <ul style="list-style-type: none"> • Achieve the greenhouse gas emissions reduction target (Scope 1+2) in line with the 1.5°C target • Implement energy saving and green energy investment plans to achieve the target
		Suppliers	Carbon tax passed on to procurement prices Suppliers' burden of the carbon tax levied on greenhouse gas emissions may increase due to the possible tightening of climate change-related regulations, and suppliers may pass on the carbon tax burden to us through higher procurement prices, potentially resulting in an increase in our materials costs.	¥0.6 billion	Mitigation <ul style="list-style-type: none"> • Achieve greenhouse gas emissions reduction target (Scope 3) • Strengthen engagement with suppliers to achieve the target
If the temperature rises by 4°C	Physical risk	ONO, manufacturing contractors, suppliers	Flood risk (acute) Acute damage (flood) risk from typhoons, etc. may increase, and an interruption of operations caused by damage to production facilities or damage to storage facilities may potentially result in a decrease in revenue.	¥2 billion	Adaptation <ul style="list-style-type: none"> • Introduce emergency power generators at main bases and conduct periodic maintenance • Integrate climate risks into enterprise risk management (ERM) • Ensure cooperation with suppliers (e.g., consider floodproofing measures at product storage locations and at suppliers. Elevated storage in recognized flood risk areas will be addressed during 2022). • Secure multiple suppliers • Consider the impact of flood due to climate change in the business partner selection process
			Water shortage risk (chronic) Since sufficient inventory is maintained, it is not likely at present that water-use restrictions due to long-term depletion of water resources will cause an interruption of our operations, resulting in a decrease in revenue.	¥0 billion	Adaptation <ul style="list-style-type: none"> • Secure proper inventory to avoid loss of opportunities • Maintain a cooperation system with business partners

* Financial impact: The maximum value during the period from 2020 to 2030 in the 1.5°C or 4°C scenario (showing cumulative value to regulatory risk)

Mitigation Measures to reduce emissions of greenhouse gases that cause climate change

Adaptation Measures to prevent or mitigate damage caused by the effects of climate change that have already occurred (or are expected to occur in the future)

- Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019
- Disclosed actions in the categories of governance, strategy, risk and opportunity management, and indicators and targets, as recommended by the TCFD
- Working to integrate the risks into Enterprise Risk Management System and updating the risks annually

Opportunities Related to Climate Change and the Effect on Finance and Business

Factor		Value chain	Risk and impact		Financial impact ¹	Management approach
Society aiming for below 1.5°C	Opportunity from resource efficiency	ONO	High-efficiency pharmaceutical manufacturing process	The introduction of process design that takes green and sustainable chemistry ² into account, and high-efficiency pharmaceutical process technologies, such as continuous manufacturing, can provide opportunities to reduce energy and raw material costs.	¥2.3 billion	<ul style="list-style-type: none"> • Define indicators for assessing resource efficiency • Develop systems
If the temperature rises by 4°C	Business opportunity	Customers	Preventive/treatment products	If disease trends change due to global warming, demand for existing drugs (for melanoma, etc.) may increase, or the development and sales of new drugs may have a favorable impact on revenue.	¥0.5 billion	<ul style="list-style-type: none"> • Additional indications for existing pharmaceuticals • Enhance the new compound library • Make use of open innovation, etc.
Society aiming for below 1.5°C	Reputation opportunity	Investors, customers, recruitment market	Corporate value improvement	It is possible that our efforts to tackle climate change will help us earn customer trust, retain employees, improve our reputation in the recruitment market, and improve ESG investors' evaluation of our performance, thus contributing to the creation of corporate value.	(Contributing to the creation of corporate value)	<ul style="list-style-type: none"> • Appropriately disclose the results of activities undertaken to the public

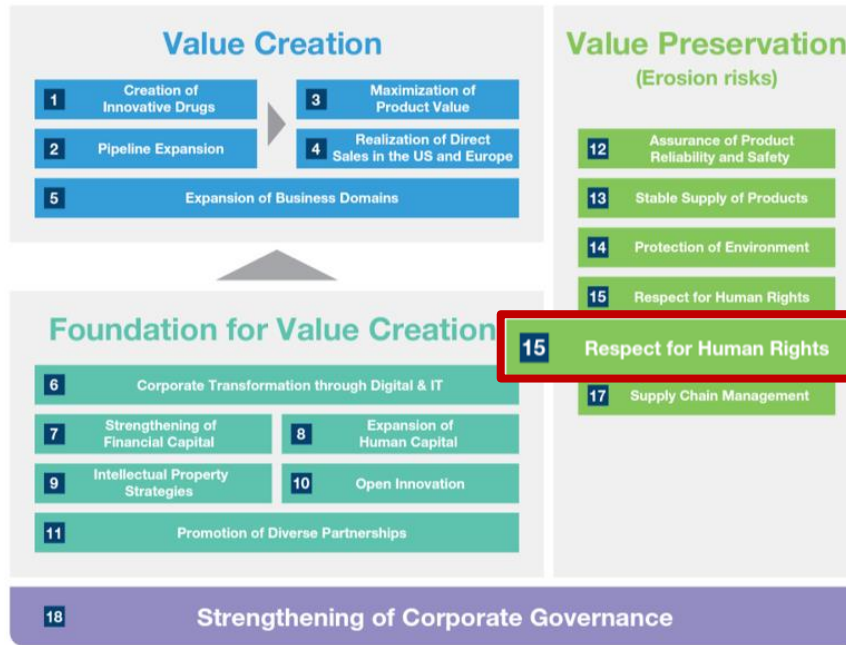
¹ Financial impact: The maximum value during the period from 2020 to 2030 in the 1.5°C or 4°C scenario (opportunities from resource efficiency are cumulative values)

² Green Sustainable Chemistry: A concept that aims to reduce environmental impacts throughout the life cycle of chemical substances in order to realize a sustainable society

•For more information on the TCFD, access the English website of the Task Force on Climate-related Financial Disclosures (TCFD) at <https://www.fsb-tcfd.org/>.

Efforts to Improve Access to Healthcare

Efforts to Improve Access to Healthcare



Material issue: Respect for human rights

- ✓ Human rights risk management
- ✓ **Improving access to healthcare**

Drug shortage

- Drugs not approved
- Drugs not supplied



Insufficient medical Infrastructure

- Lack of medical professionals, institutions, or equipment
- Distrust of medical institutions



Weak finances

- Unable to pay for treatment
- No health insurance system



Deliver innovative new medicines, by obtaining approvals for rare diseases and pediatric use

(including provision via partners)

Build medical infrastructure through partnership with NPOs

Efforts to Improve Access to Healthcare

Drug shortage



Insufficient medical Infrastructure



Weak finances



◆ Obtain approval for rare diseases and pediatric use

	Approved indications for rare diseases	Approved indications for pediatric use
OPDIVO intravenous infusion	Malignant melanoma, Hodgkin lymphoma, Malignant pleural mesothelioma, Cancer of unknown primary	Relapsed or refractory classical Hodgkin lymphoma
Kyprolis for intravenous infusion	Relapsed or refractory multiple myeloma	—
Demser Capsules	Improvement of catecholamine excess and various symptoms in pheochromocytoma	Improvement of status of catecholamine excess secretion in patients with pheochromocytoma
Braftovi Capsules	BRAF ^{V600} mutation-positive malignant melanoma	—
Mektovi Tablets	NRAS or BRAF ^{V600} mutation-positive malignant melanoma	—
Velexbru Tablets	Primary central nervous system lymphoma, Waldenström's macroglobulinemia, Lymphoplasmacytic lymphoma	—
Onoact for intravenous infusion	Life-threatening refractory and emergent cardiac arrhythmias: ventricular fibrillation and hemodynamically unstable ventricular tachycardia	Tachyarrhythmia (supraventricular tachycardia, atrial fibrillation and atrial flutter) in patients with low cardiac function
Orencia for intravenous infusion	—	Active polyarticular juvenile idiopathic arthritis

Efforts to Improve Access to Healthcare

Drug shortage



Insufficient medical Infrastructure



Weak finances



◆ Build medical infrastructure through partnership with NPOs

ONO Bridge Project

Helping regions with poor medical infrastructure overcome challenges on their own not only by making donations but also by contributing to improving their access to healthcare over the medium to long term through unified efforts of employees

<2022-2026>



Cambodia

Partner: Japan Heart

Program to improve access to healthcare for pediatric patients

- Develop skills of Cambodian medical professionals
- Set up medical equipment required for advanced medical care
- Offer free medical services through mobile clinics



Myanmar

Partner: People's Hope Japan

Program to improve access to healthcare for pregnant/postpartum women

- Develop human resources and conduct regional healthcare activities to improve maternal and child healthcare







2018-2021

ONO SWITCH Project

- Switch the funds obtained through working style reform to donation
- Support improvement of access to healthcare in Cambodia, Myanmar, Bangladesh, Bhutan, etc.

External ESG Evaluations

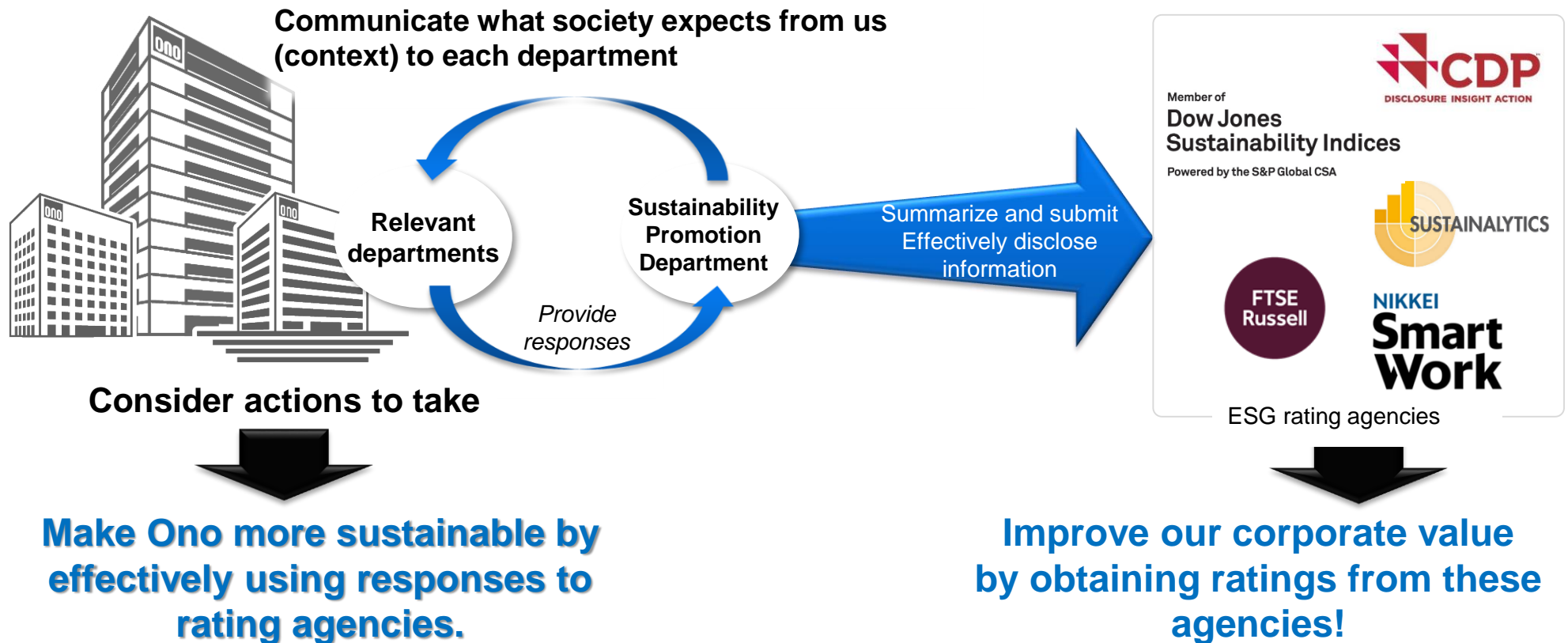
		FY2018	FY2019	FY2020	FY2021	FY2022
DJSI	Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small>	—	—	World Index Industry Mover	World Index Bronze Class	World Index
	Climate Change	A	A	A	A	A
	Water	B	A-	A-	A	A
FTSE	 FTSE4Good	Included	Included	Included	Included	Included
	  FTSE Blossom Japan FTSE Blossom Japan Sector Relative Index	Score:3.2	Score:3.4	Score:4.1	Score:4.2	Score: 4.3/5.0
MSCI Japan ESG Select Leaders Index		Score:BBB	Score:A	Score:A	Score:A	Score: AA
Nikkei Smart Work Management SDGs Management		★3.5 —	★4.0 ★4.5	★4.0 ★4.0	★4.0 ★4.0	★4.0 ★4.0
Survey on Health and Productivity Management		White 500	Health & Productivity Stock White 500	White 500 (among top 50)	White 500 (among top 50)	White 500 (among top 50)

Effectively Using External ESG Evaluations

Questions asked by ESG rating agencies

≈ What a sustainable management company should think and do

The level of sustainability they demand is increasing year by year.





ONO PHARMACEUTICAL CO.,LTD.

Dedicated to the Fight against Disease and Pain