

# Status of Cross-shareholdings & Future Growth Investment

# 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.***

# Status of Reduction of Cross-shareholdings

➤ Reduction plan

The number and amount (market value basis) of cross-shareholdings held by the company as of the end of March 2018 will be reduced by 30% over the three-year period from November 2018.

	End of March 2018	End of March 2021	Reduction	Reduction rate
<b>Number of listed brands</b>	111	70	41	- 36.9 %
<b>Balance sheet accounting amount</b>	¥ 167.1 bil	¥ 137.0 bil	¥ 30.1bil	-18.0 %
<b>Market price at the end of March 2018</b>	¥ 167.1 bil	¥ 119.2 bil	¥ 47.9 bil	-28.7 %

# Future Plan for reduction of Cross-shareholdings

- Medium to long-term plan  
Aiming at less than 10% of net assets
- The next reduction plan (three-year plan) will be presented at the financial results announcement scheduled for November 2021.  
\* Reduced to less than 20% of net assets by the end of March 2022

	End of March 2018	End of March 2021	End of March 2022
<b>Net assets amount</b>	¥ 529.6 bil	¥ 641.2 bil	¥ 650 - 700 bil
<b>Cross-shareholdings (BS accounting base)</b>	¥ 167.1 bil	¥ 137.0 bil	¥ 127.0 bil
<b>Ratio</b>	32%	21%	<b>18 – 20%</b>

# Ono's Growth Strategy and Investment Policy

① Maximization of product value ⇒ **Acquisition of resources** for growth

② Reform of R&D organization

③ Challenge to overseas

⇒ **Expansion to business areas**

⇒ **Investment for future growth**

④ Enforcement of corporate foundation

⇒ **Foundation** to support growth

# Future Growth Investment

Invest **¥200 to 250 billion** over the next **five years** for sustainable growth with cash generated by the liquidation of cross-shareholdings (**¥100 billion**) and cash on hand.

## <Items of growth investment>

- **Enforcement of drug discovery business (¥150 – 200 bil)**

- Acquisition of global rights for POC-established pipelines
- Strategic alliance and incorporation with research platform
- Investment in drug discovery ventures (CVC)

- **Expansion of business areas**

- Expansion of overseas development bases and sales network
- New healthcare business
- DX fund

- **Enforcement of corporate foundation**

- Digital infrastructure development, IT / digital, capital investment

- **Several M & A against drug discovery and technology ventures**

¥30 to 50 bil

¥\* \* \* bil





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