

ESG Briefing

~ Towards Enhancing Corporate Value ~

March 28, 2022

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:

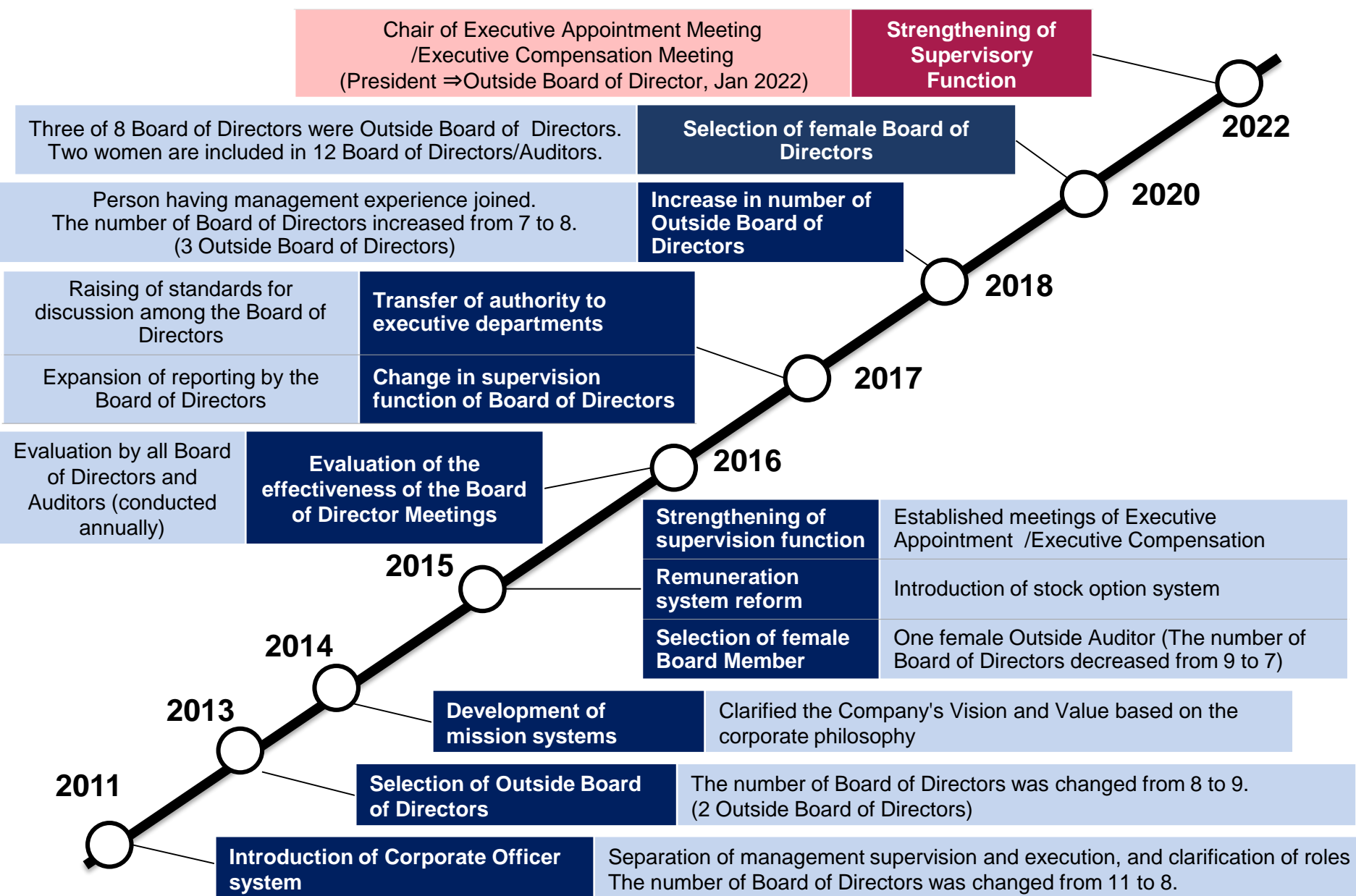
- (i) failures in new product development***
- (ii) changes in general economic conditions due to reform of medical insurance system***
- (iii) failures in obtaining the expected results due to effects of competing products or generic drugs***
- (iv) infringements of the Company's intellectual property 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.

- 1. Corporate Governance**
- 2. Reduction in Strategic Cross-Shareholdings**
- 3. Review of Materiality**
 - Global Environmental Protection**
 - Human Resource Development**

Corporate Governance

Efforts to Strengthen Governance



Outside Board of Directors

Three out of 8 Board of Directors are Outside Board of Directors with the aim of strengthening the supervising function of the Board of Director Meetings, maintaining and improving management transparency and the accuracy of business execution.



Masao Nomura

Senior Adviser to the Board, Iwatani Corporation

As an experienced president of a listed company, he supervises the company's management based on his experience of making many complex business decisions.



Akiko Okuno

Professor, Faculty of Business Administration, Konan University

She supervises the management of our company from the perspective of a business scholar with expertise in female labor and personnel evaluation systems.



Shusaku Nagae

Special Corporate Advisor, Panasonic Corporation

As an experienced president and a chair of board of director meetings of a listed company, he supervises the company's management based on his experience leading corporate management and governance.

Skills Matrix for Board of Directors and Auditors

▶ Major Fields of Expertise and Experience of Members of the Board of Directors and Audit & Supervisory Board Members

- Subject persons Members of the Board of Directors and Audit & Supervisory Board Members who are required to attend the Board of Directors' meetings
- Skill recognition criteria In-house Members of the Board of Directors: Experiences in operations and management positions; Outside Members of the Board of Directors/Audit & Supervisory Board Members: Fields where supervision, auditing, and advice are expected.

	Name	Major fields of expertise and experience							
		Corporate management	Finance/Accounting	Legal/Risk management	Research and development	Corporate Development & Strategy/Marketing	Human resources/Human capital development	ESG/Sustainability	Global experience
Members of the Board of Directors	Gyo Sagara	●	●			●		●	
	Toshihiro Tsujinaka		●			●	●		
	Toichi Takino				●	●			●
	Isao Ono					●	●	●	
	Kiyoaki Idemitsu				●	●			●
	Masao Nomura	●	●	●		●	●	●	
	Akiko Okuno						●	●	●
	Shusaku Nagae	●			●	●		●	●
Audit & Supervisory Board Members	Katsuyoshi Nishimura			●		●		●	
	Hironobu Tanisaka			●				●	
	Yasuo Hishiyama			●				●	
	Akiko Tanabe		●					●	

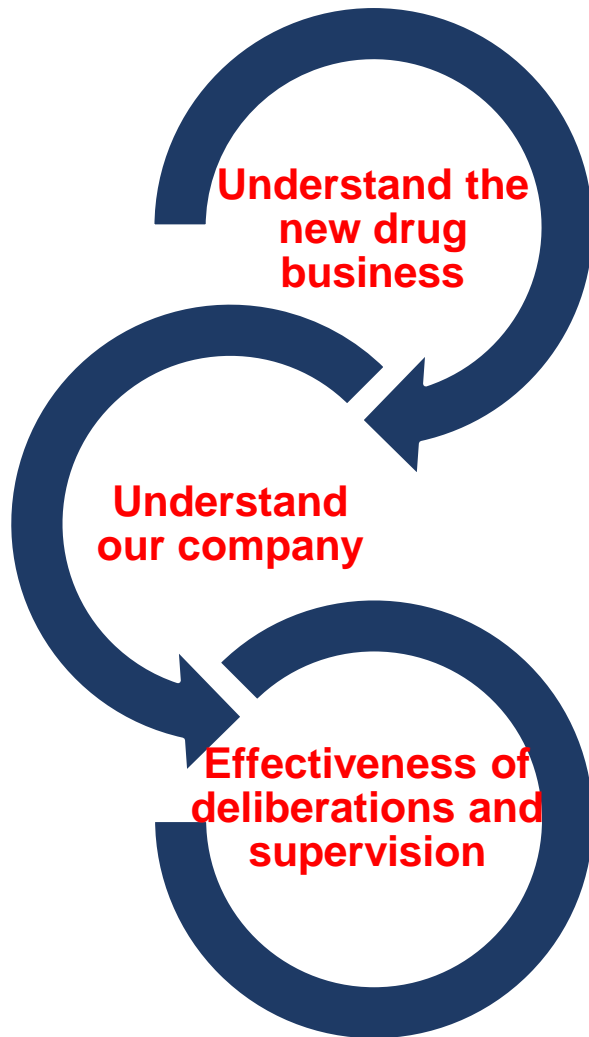
Executive Appointment / Executive Compensation Meetings

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

	Independent Outside Board of Directors			Internal Board of 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 Board of Directors and Auditors ● 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

Supporting System for Outside Board of Directors



Lectures on pharmaceutical business

- R & D activities for new drugs
- Trends in the ethical drug market, drug pricing system, and commercial distribution
- Intellectual property in the pharmaceutical business etc.

Participate in All Divisional Meetings and dialogue with employees

- Participate in All Divisional Meetings
- Establish opportunities for dialogue with employees upon requests
- Plan for facility tours and dialogue with employees (under planning)

Advance provision of materials for the Board of Director Meetings

- Advance provision of explanatory materials for each agenda item (Advance explanation, if necessary)
- Preparation and provision of supplementary materials such as explanations of terms

Evaluation of Effectiveness in Board of Director Meetings

Effectiveness in Board of Director Meetings is evaluated every year by all of the Board of Directors and Auditors

Self-evaluation is conducted through questionnaires and interviews to improve the board



Contributing to improvement of effectiveness of the Board of Director Meetings

[Changes/improvements from last year]

- **Composition of the Board of Director Meeting**
 - ⇒ Increase the number of people with management experience (outside board of directors)
- **Supervision function of Board of Director Meetings**
 - ⇒ Expand provision of information to outside executives
 - ⇒ Expand the discussions on medium-to long-term management
- **Roles and functions of Outside Board of Directors**
 - ⇒ Chair the Executive Appointment Meeting and Executive Compensation Meeting

Responses to the Issues Presented Last Year

Roles and functions of the Board of Director Meetings

- Deepening discussions focusing on globalization

⇒ **Enhance discussions on medium- and long-term management issues looking at Opdivo Cliff**

Role of Outside Board of Directors

- Role expansion in governance

⇒ **Chair the Executive Appointment / Compensation Meeting**

Remuneration system

- Incentives appropriate for short-term/medium-to-long-term management issues

⇒ **Started reviewing of compensation system**

Reduction in Strategic Cross-Shareholdings

Results of Reduction of Cross-shareholdings (from Nov. 2018)

- Reduction plan (published on November 1, 2018)
 - Over the next 3 years, the company will reduce its cross-shareholdings by about 30% as of the end of March 2018 (111 brands, 167.1 billion yen).

➤ Results of reduction

- **Number of listed brands : 40 brands (36.0%)**
- **Amount (based on Market price at the end of March 2018) : ¥ 50.3bil (30.1%)**

	End of March 2018	End of September 2021	Reduction	Reduction rate
Number of listed brands	111	71	40	- 36.0 %
Balance sheet accounting amount	¥ 167.1 bil	¥ 141.8 bil	¥ 25.3 bil	-15.1 %
Market price at the end of March 2018	¥ 167.1 bil	¥ 116.8 bil	¥ 50.3 bil	-30.1 %

Future Plan for Reduction of Cross-shareholdings (from Oct. 2021)

➤ Next reduction plan

- Period: October 2021 to March 2025 (3 and a half years)
- Details of reduction plan:
30% reduction from the end of September 2021 (141.8 billion yen)
※The company plans to reduce its cross-shareholdings to less than 20% of its net assets by the end of March 2022.

	End of September 2021	Expected at the end of March 2025	Plan	
			Reduction	Reduction rate
Market price at the end of September 2021	¥ 141.8 bil	¥ 99.3 bil	¥ 42.5 bil	-30.0%

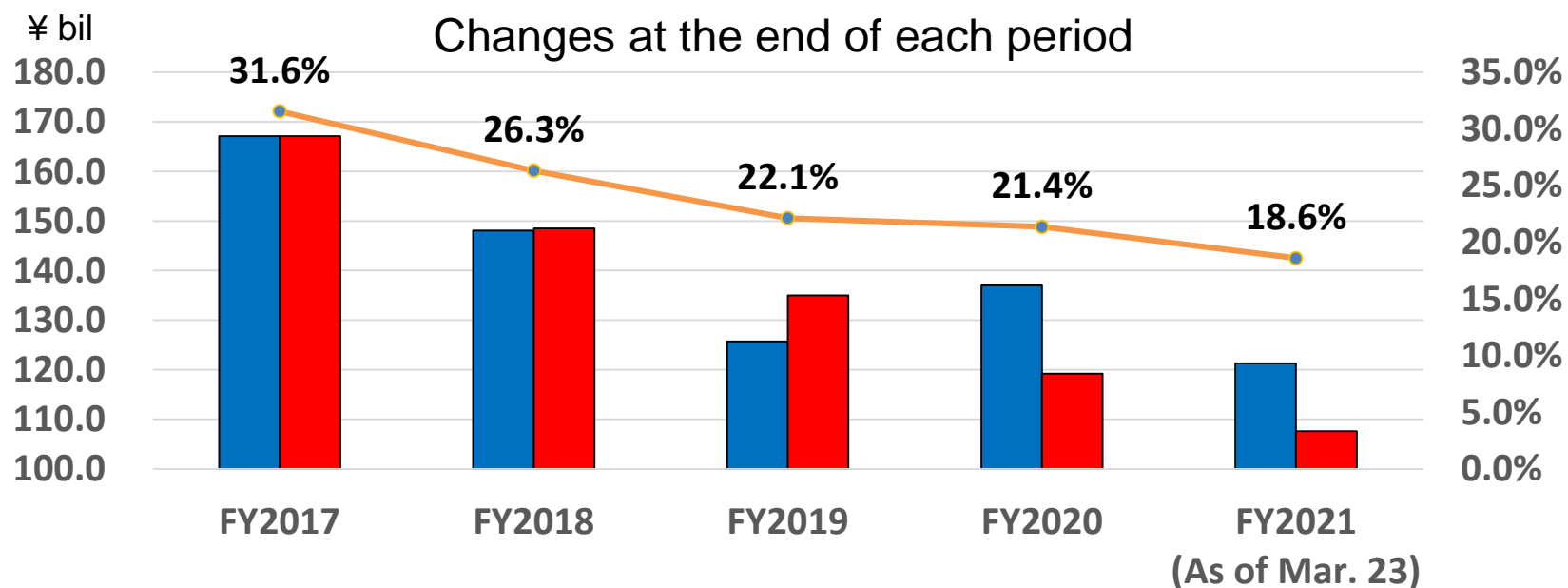
➤ Medium-to long-term plan

We aim for the ratio of strategic shareholdings to net assets (on a balance sheet basis) to be less than 10%.

Changes in Reduction of Cross-shareholdings

- Reduce cross-shareholdings by less than 20% of net assets by the end of March 2022
- As of March 23, 2022, the ratio to net assets was 18.6%

➤ Results of reduction



- Balance sheet accounting amount
- Based on market price at the end of March 2018
- Ratio to net assets

Review of Materiality

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 Materiality

From CSR issues to management issues

- We have promoted materiality as “important CSR issues” so far.
- **We updated our materiality as “important management issues”** to manage financial and non-financial issues in more integrated manner.
- Prior to updating, **we established our sustainable management policy**, which is the top policy for materiality.

⇒ **Easier understanding of ESG disclosures and dialogue**



New Materiality

Value Creation

Creation of innovative drugs

Maximization of product value

Pipeline expansion

Realizing of direct sales in the US and Europe

Expansion of business domains



Foundation for Value creation

Corporate transformation through Digital & IT

Strengthening of financial capital

Expansion of human capital

Intellectual property strategies

Open innovation

Promoting Diverse Partnership

Value Preservation (Erosion risks)

Assurance of product reliability and safety

Stable supply of products

Protection of environment

Respect for human rights

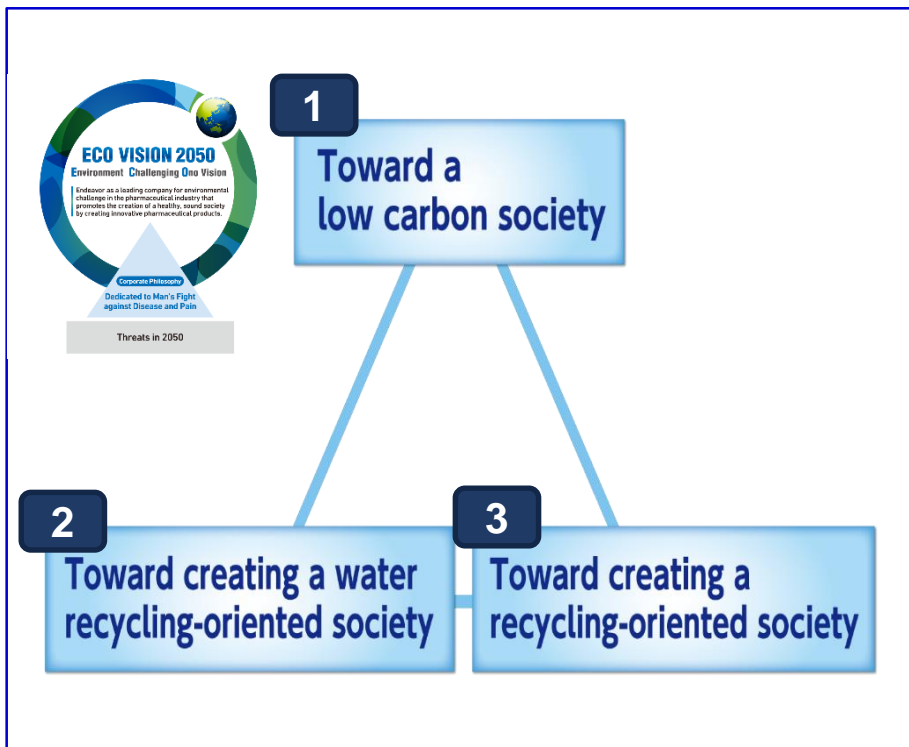
Thorough compliance

Supply chain management

Strengthening of Corporate Governance

Global Environmental Protection

Environmental VISION (Established in June 2019)

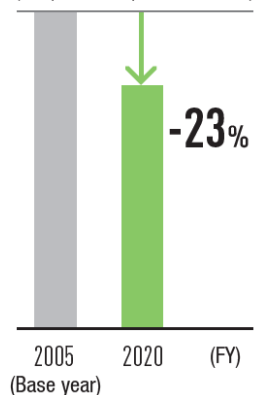


1 Greenhouse gas

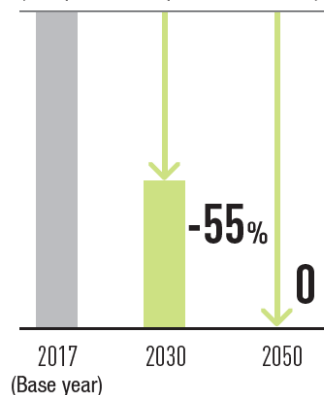
Medium-term environmental target for reduction of greenhouse gas emission volume¹ (2020)

New medium- and long-term targets for reduction of greenhouse gas emission volume² (2030-2050)

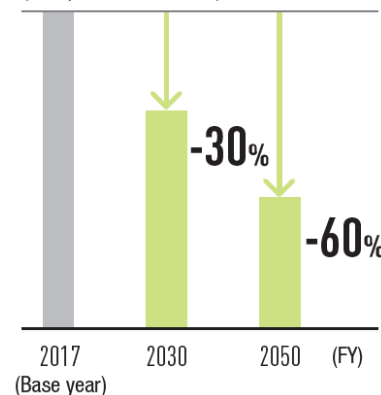
ONO's emissions (Scope 1+ Scope 2 emissions)



ONO's emissions (Scope 1+ Scope 2 emissions)



Suppliers' emissions (Scope 3 emissions)



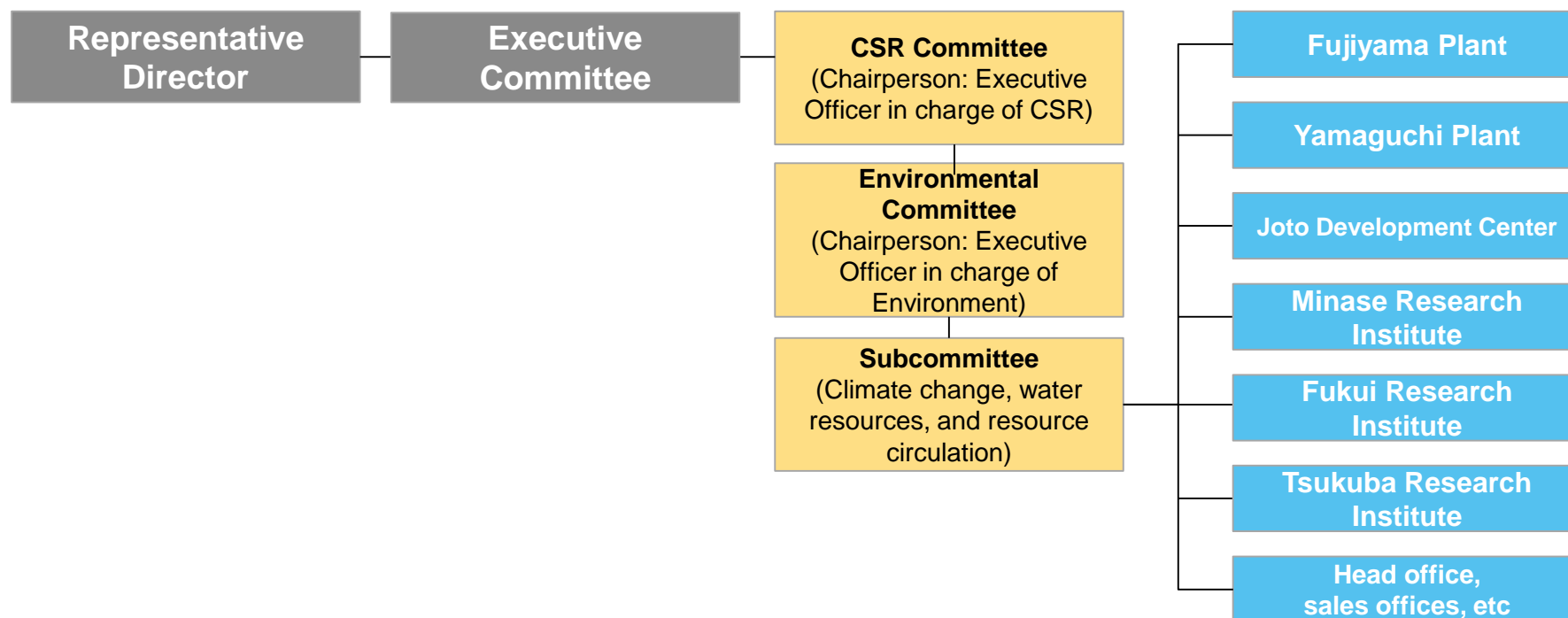
2 Water consumption

Reduce water resource consumption (water intake) by 15% per production volume unit in FY2030 (compared to FY2017).

3 Waste

- Maintain final disposal of industrial waste at 1% or less every year.
Our company's zero emissions standards are defined as a total percentage of waste not recycled is 1% or less of the total amount of waste.
- Reduce industrial waste emissions by 15% per production volume unit in FY2030 (compared to FY2017).
- Promote reductions in the environmental burden in business activities.

Organaization for Environmental Promotion



■ ISO 14001-compliant environmental management system (manufacturing sites)

Name of production site	Acquisition status
Fujiyama Plant	Acquired
Yamaguchi Plant	Acquired (FY2021)

Realization of Decarbonized Society



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Our medium- to long-term greenhouse gas emission reduction targets (in-house emissions) are categorized to the most ambitious target "1.5°C" by SBTi.
- We will increase the use of renewable energy in line with RE100* (joined in June 2020) for electric power using in our business activities.

Roadmap for achieving the ECO VISION 2050 (Green house gas)

	Medium- to Long-term Targets		FY2021 Goal
	2030 (milestone)	2050 (ultimate goal)	
Green house gas emissions <small>ONO's emissions (Scope1+2)</small>	FY2017 comparison 55% reduction	0	FY2017 comparison more than 16.8% reduction
Renewable energy usage rate <small>Renewable energy usage / Total electricity usage</small>	more than 55%	100%	more than 16.8%

*RE100 : the international initiative that aims to use 100% renewable energy to generate electricity for its business activities

Financial Disclosures Related to Climate Change

- Announcement of supports for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD*) recommendations in October 2019
- Disclosure of responses to “Governance”, “Strategy”, “Management of Risks & Opportunities” and “Indications & Targets” proposed by TCFD
- Promotion of integration of risks into Enterprise Risk Management and of annual updating

► Risks Related to Climate Change

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.	¥3.4 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) ■ Maintain a cooperation system with business partners (review of waterproofing measures by product storage service provider and business partners, etc.) ■ 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)

► Opportunities Related to Climate Change

Factor	Value chain	Opportunity and impact		Financial impact ¹	Management approach	
Society aiming for below 1.5°C	Opportunity from resource efficiency	ONO	High-efficiency pharmaceutical manufacturing process	Introduction of high-efficiency pharmaceutical process (green sustainable chemistry ² , etc.) technology can be an opportunity to reduce 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

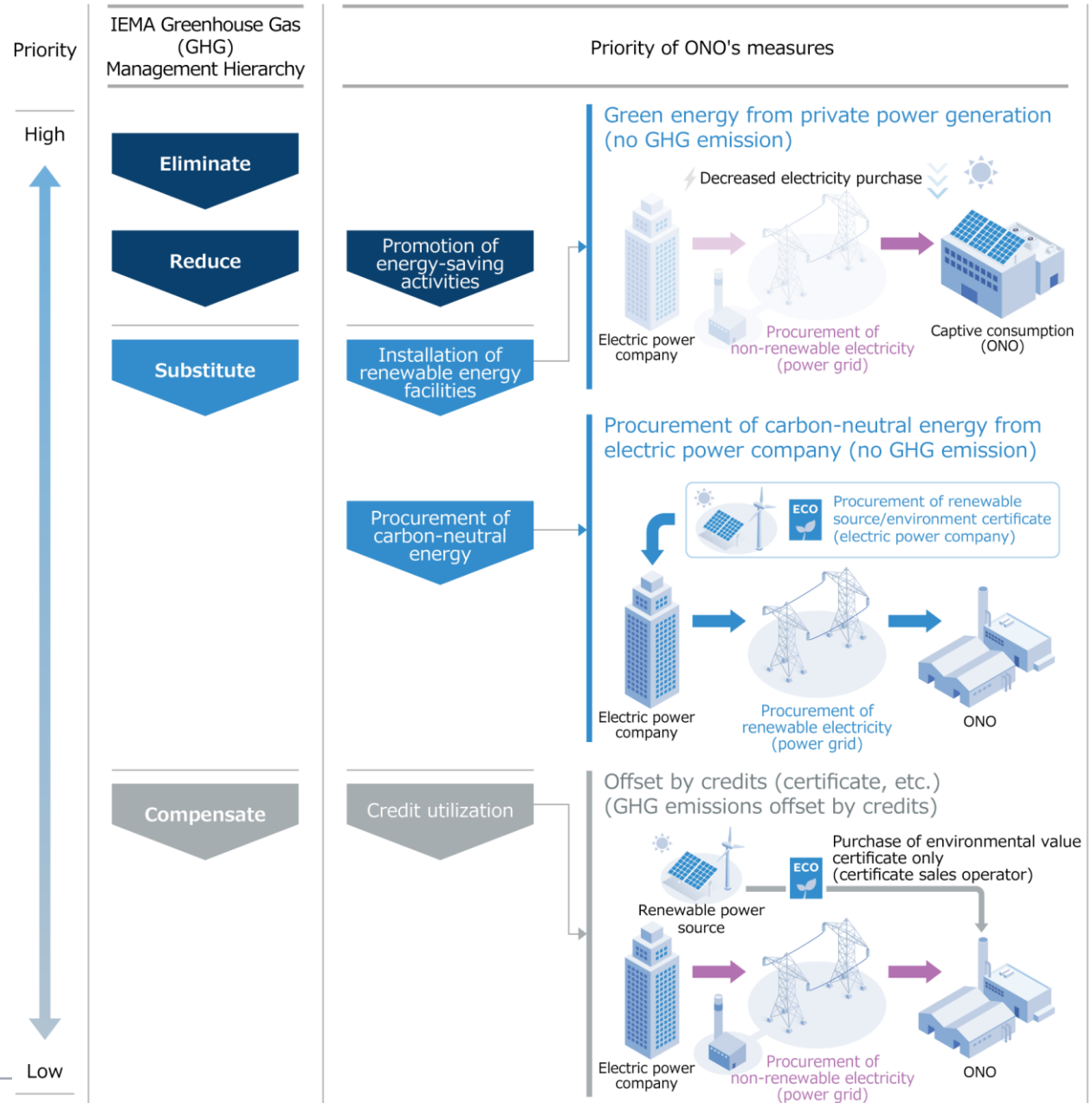
¹ Financial impact: The maximum value during the period from 2020 to 2030 in the 1.5°C or 4°C scenario (showing cumulative value to regulatory risk)

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 TCFD, see <https://www.fsb-tcfd.org/>

Priority of GHG Emission Reduction Measures



Source: Prepared by ONO based on materials from ENECHANGE Ltd.

Emission Reduction Activities

Eliminate

◆ “Green Sustainable Chemistry”

Development of environment-friendly manufacturing process for drug substances



Eliminate

◆ Leveling electricity demand (peak shift of daytime electricity use)

Large-capacity electricity storage system (Yamaguchi Plant)



- Nighttime heat storage system
- Cogeneration system

Substitute

◆ Incorporate renewable energy

Photovoltaic system (Minase Research Institute)



Substitute

◆ Introducing carbon neutral city gas

Reduction of Scope1 (Tsukuba Research Institute, Joto Pharmaceutical Product Development Center)



Carbon Neutral LNG buyers alliance

Energy saving

◆ Updating to energy saving facilities

Updating heat source equipment (Minase Research Institute)



Module-type heat pump chillers

Enhancement of Human Capital

Management/Global Talent Development Training

Management Talent

Purpose	Development of the next-generation management candidates in the future		
Target	Talents capable of taking on the role of the next leader	Talents capable of taking on the role of the next Department Head	Talents capable of taking on the role of the next Executive Director
Training	Selected General Employee Training (LIP)	Selected Manager Training I (MMD)	Selected Manager Training II (MSIP)
Period	1 year	2 years	2 years

GSIP:Global Skill Improvement Program

1 year

GSIP aims to develop talents who can demonstrate leadership within a team and work with others appropriately, in any field, **whether domestic or global**, and influence the company as a whole (*Training is not primarily aimed at improving language skills)

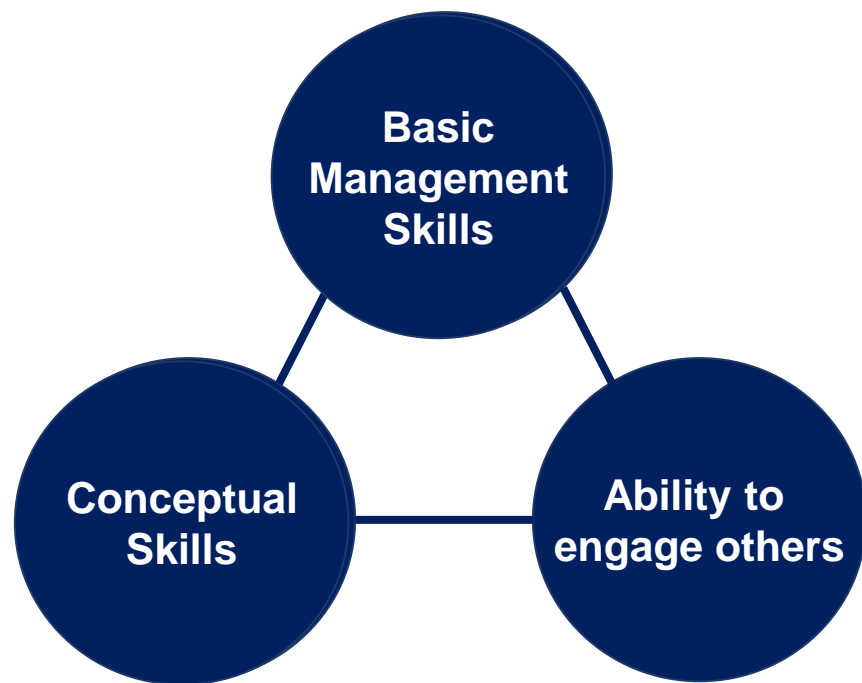
Intercultural communication

Ability to build trusting relationships even with different values and cultural backgrounds

Global Talent

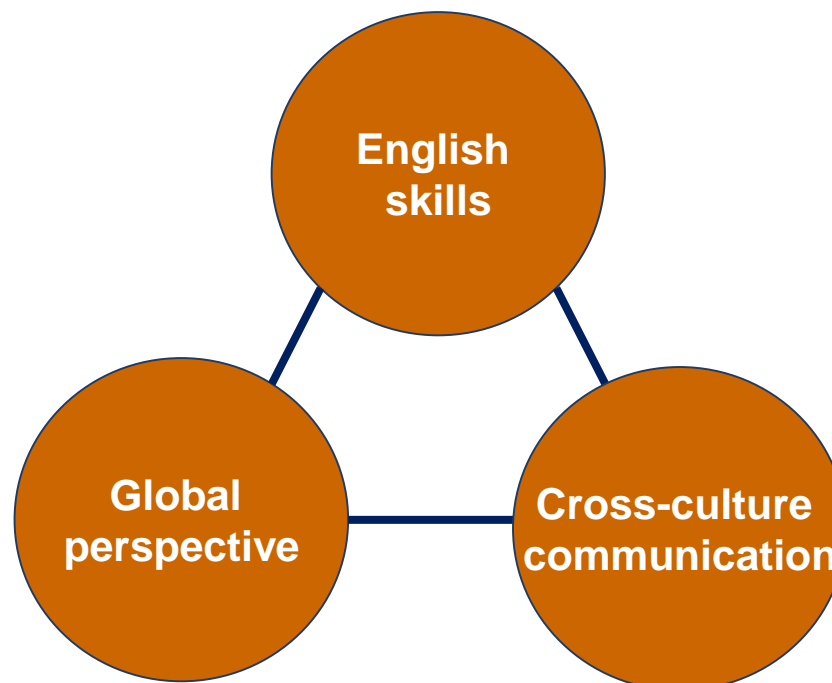
Talents who can Think and Act from Global and Company-wide Perspectives

Three universally required abilities



Management Development Training

Three abilities needed to be globally competitive



Global Talent Development Training

Strategic personnel transfers: positions contribute to cross-divisional development, overseas assignments, etc.

Open Recruitment System at ONO

To promote employees' career development and to enhance vitality and competitiveness through the exchange of Talents, we invite job offers from each department and match applicants with positions to achieve transfers.

Selection requirements for application	<p>[1] Minimum of 3-year experience in the company</p> <p>[2] Minimum of 3-year experience in the same organization</p>
Job opening	One person / department

	FY2019	FY2020	FY 2021
No. of departments with job offers	12	13	14
No. of applicants (over 3 years)	114 (49)	100 (48)	79 (37)
No. of successful candidates (transferred)	6	8	6

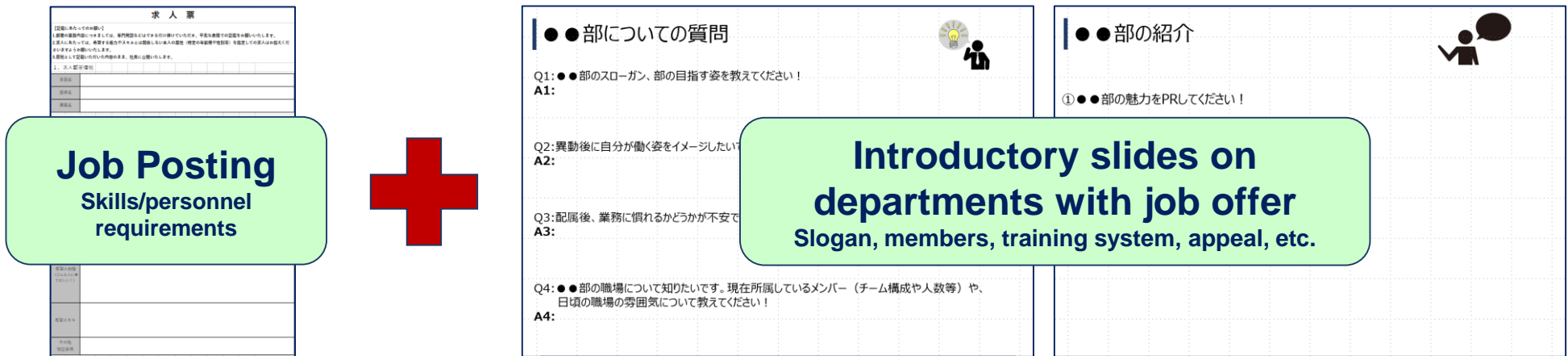
Interviews were conducted with all employees transferred by open recruitment and their office managers (voices of the field)

- All employees transferred by open recruitment carry out their duties with a sense of satisfaction and responsibility.
- Application requirements are too strict, and the number of job openings is too small (too competitive).
- The job posting alone does not provide an in-depth understanding of the department's work, members, etc.

Key Points on FY2022 Revision of Open Recruitment System

Expansion

- [1] Abolished "Minimum of 3-year experience in the same organization" as an application requirement
⇒ **More than 80% of employees can apply** (up to last year, about 30% of employees)
- [2] Abolished job opening criteria "One person per HQ; one person per directly supervising department"
⇒ **34 departments/53 job offers** (up to last year, max. of 14 departments/14 job offers)
- [3] Prepared introductory slides of the department offering job



Expand opportunities for employees to take on challenges

Internal Challenge Job System

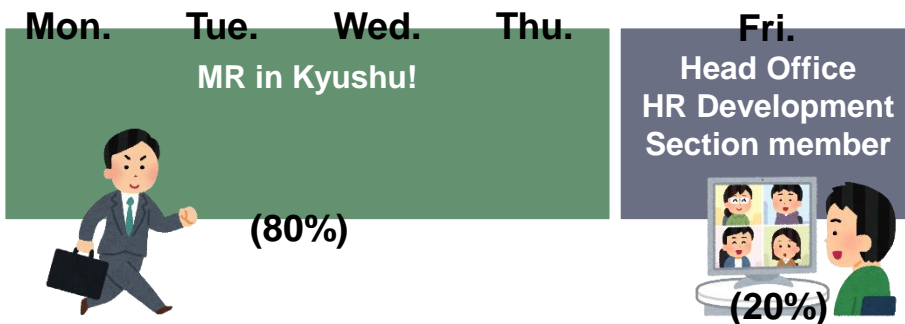
To be introduced from April 2022

Voices of employees

- I like to try a job in a different field but am concerned about my aptitude for it.
- I am not considering a transfer right now, but would like to broaden my horizons by getting to know other divisions.
- I want to know about the operations in that department! I like to deepen exchanges further with other divisions!
- We seek opinions from different perspectives, but cannot increase staff right away (receiving department)

⇒ 80% of work is done in the current department; the remaining 20% in another department concurrently

■ Image



More feasible as online becomes mainstream!

Talent Development Program for Global Management

Fostering talents contribute to Global Management

Experiences \geq Knowledge, skills, etc.

Selection

Management talent development

Global Talent Development

Internal

Open Recruitment System

Expansion

Internal Challenge Job System

Introduced in April

External

ONO Innovation Platform

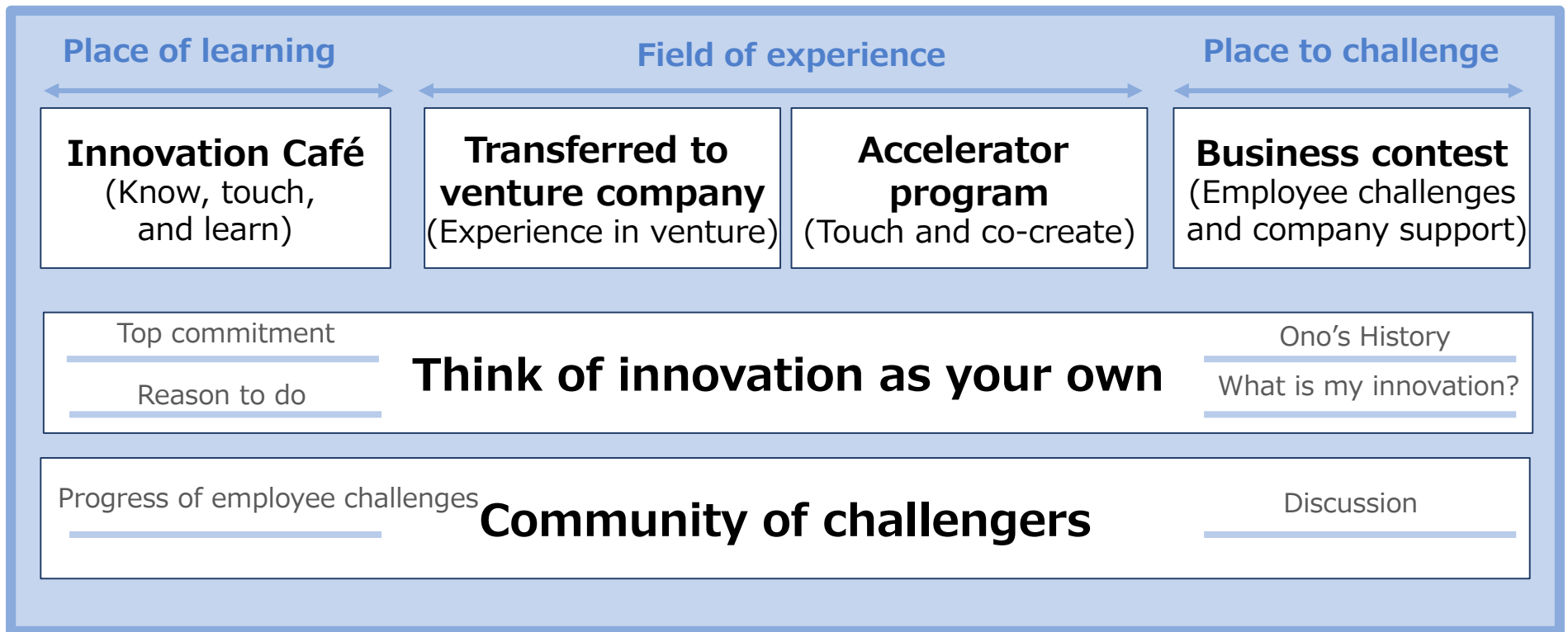
Seconded to venture companies
New business projects

Challenges

Voluntary Participatory Training: Approx. 20 plans annually

Support System for self-education

Ono Innovation Platform



Ono Innovation Platform

A community of challengers, in which each employee has a strong will to achieve, and can change the presently "impossible" into "possible."

WILL

June 23, 2021 "Touch"



2021/6/23 水 13:30-16:30 Zoom

An opportunity to hear lectures and interviews on challenges by healthcare area entrepreneurs (ex-surgeon, ex-pharmacist)

Viewpoint

June 7, 2021 "Know"



An opportunity to hear a discussion by capitalists who have seen the success and failure of many ventures and an interview with Executive Director Takino

November 29, 2021 "Know"



2021/11/29 月 17:30-18:30 Zoom

Lecture by Professor Schumpeter Tamada (Kwansei Gakuin University, author of "Innovator's Dilemma in Japan")

Customer orientation

July to October, 2021 "Experience"



Innovation Cafe イノベーションを“体験する”

A workshop to learn design thinking and formulate and verify hypotheses on customer issues (half day x 5 times)

September 16, 2021 "Touch"



An opportunity to hear the story of the business contest started by a nurse at Kansai Electric Power Hospital to sell cutlery for cancer patients

February 15, 2021 "Know"



Trend analysis and innovation exploration of the latest technology and digital health

September 8, 2021 "Know"



An opportunity to hear about the value of working on a new internal business, the mindset that a challenger should have, and how to proceed with business development

March 1 / 15, 2022 Limited to HOPE



Interview skills course essential for new business: In order to ascertain painful issues

Secondment to venture companies (V2V)

Have the weapons to challenge

Leave Ono and think and act independently in an environment without correct answers

- Dig deep into **WILL** and go on secondment to a matching venture company
- Experience an overwhelming amount of decision-making and action, and elevate your **viewpoint**
- Face up to **customers** thoroughly, staking the life and death of the company

ONC Sales Department,
Metropolitan Region

→ Children's Cafeteria Center
Musubie (resolution of poverty
and inequality through
children's cafeterias)

Corporate Planning,
Corporate Strategy &
Planning

→ K-three Inc.
(resolution of the problems of
local municipalities)

DRA, Research Center of
Oncology, Discovery &
Research

→ Platform for Sustainable
Education and Community
(cross-border decision-making
for regional high schools)

Clinical Pharmacology,
Clinical Development

→ Lightblue Technology Co.,
Ltd (human sensing-related AI
technology development)

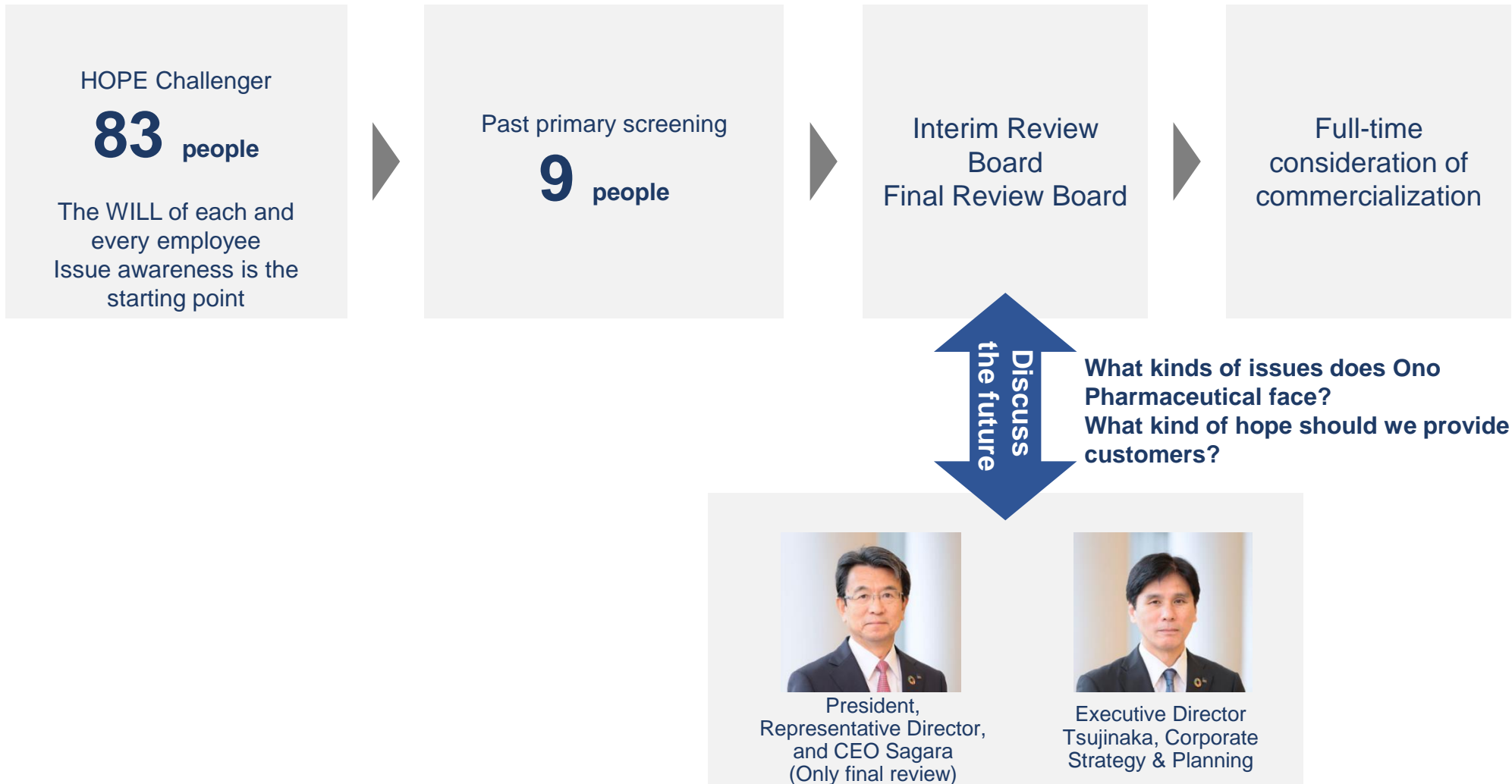
Corporate Development &
Strategy
Business Development

→ Camelove, Inc.
(subscription business for
camera equipment and
experiences)

Business Contest



Creation of an environment where taking on challenges is rewarding



Psychological safety: Able to take on the challenge of realizing WILL while belonging to the company

Opinions of OIP participants

Elevation of viewpoint

“Now I want to try to change the world.”

“It was a trigger for me to want to help somebody.”

Increased sense of ownership

“I realized that my real job is to think and do things by myself.”

“I was able to experience thinking desperately and making all decisions on my own.”

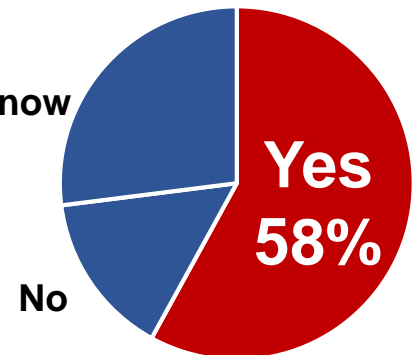
Stimulation by colleagues

“I was stimulated by people who had the spirit of taking on a challenge.”

“I was able to connect with positive people. ”

Q. Have you come to take on new challenges that led to changes and improvement in your work?

Do not know



No

(OIP participant questionnaire)

Promotion of Women's Involvement

April 1, 2016, to March 31, 2021 (5 years)

Goal

(1) Targeting 40% employment rate for women among newly graduated employees from FY 2017

Goal not achieved

	2017	2018	2019	2020	2021
Female rate	35.1%	48.8%	33.8%	40.3%	40.2%

(2) Targeting a female retention rate of at least 90% compared with the male retention rate among newly graduated employees who joined in the past 5 years

Goal achieved

	2017	2018	2019	2020	2021
Gender difference in retention rate	95.1%	95.6%	98.9%	96.7%	97.7%

Plan for Promotion of Women's Involvement

April 1, 2021, to March 31, 2023

(1) The proportions of female managers and percentage of female in candidates for manager are low.



Goal: At least 15% female candidates for management

- Provide opportunities to consider careers, including management, regardless of gender, so that the employees can develop a concrete image of their future careers
- Provide a system for supporting the careers of subordinates to create a corporate culture for fostering the next generation of managers

(2) Creating an employment environment that contributes to balancing work life and family life



Goal: Increase the percentage of male employees taking childcare leave to at least 75%

- After childbirth, send an e-mail to supervisors and employees recommending that they take childcare leave and childcare participation encouragement leave.
- Increase opportunities to disseminate the system
- Disseminate the existing system for balancing childcare

Promotion of Women's Involvement (Results of FY2021)

(1) The proportions of female managers and percentage of female in candidates for manager are low.



Goal: At least 15% female candidates for management

14% (as of the end of March 2022)

- Provide opportunities to consider careers, including management, regardless of gender, so that the employees can develop a concrete image of their future careers
 - Started the career education for employees
 - Released 8 career- related educational video materials, and implemented voluntary training (5 times)
- Provide a system for supporting the careers of subordinates to create a corporate culture for fostering the next generation of managers
 - Conducted pilot one-on-one career interviews between supervisors and subordinates (108 general employees in 16 departments)

(2) Creating an employment environment that contributes to balancing work life and family life



Goal: Increase the percentage of male employees taking childcare leave to at least 75%

79% (as of the end of March 2022)

- After childbirth, send an e-mail to supervisors and employees recommending that they take childcare leave and childcare participation encouragement leave
 - A recommendation email has been sent to the individual since July 2021. Confirming the intention to take childcare leave ahead of the revision of the law
- Increase opportunities to disseminate the system
 - Have been notified using an in-house magazine. (Write about the childcare leave system and a round-table discussion on childcare leave among men)
- Disseminate the existing system for balancing childcare
 - Holding seminars “ Support Balancing Work and Child-raising for Supervisors and Subordinates after Returning from Childcare Leave” in May and November since 2021

External ESG Evaluation

Evaluation	FY2017	FY2018	FY2019	FY2020	FY2021
CDP	Climate Change:A- Water:B	Climate Change:A Water:B	Climate Change: A Water: A-	Climate Change: A Water: A-	Climate Change: A Water: A
FTSE	Score:2.8/5.0	Score:3.2/5.0	Score:3.4/5.0	Score:4.1/5.0	Score:4.2/5.0
MSCI	Score:BBB	Score:BBB	Score:A	Score:A	Score:A
DJSI	Score:16/100	Score:19/100	Score:60/100	World Index (Industry Mover)	World Index (Bronze Class)
Toyo Keizai CSR Ranking	Rank:254/1413 companies	Rank:180/1501 companies	Rank121/1593 companies	Rank126/1614 companies	Rank107/1631 companies
Nikkei Smart Work survey	—	★★★★☆	★★★★☆	★★★★☆	★★★★☆
Nikkei SDGs	—	—	★★★★☆	★★★★☆	★★★★☆
Survey on Health and Productivity Management	Top 60~70% /1239 companies	White 500	2020 Health & Productivity Stock White 500	White 500 (Top1~50)	White 500 (Top1~50)

ESG-related Awards



Headquarters received Special Prize, Osaka Climate Change Award in FY2021



Bronze Class which is given to the top 51 to 100 companies in the "Comprehensive Categories" of SUSTAINA ESG AWARDS in 2021.

3R

Reduce, Reuse, Recycle (3R) Promotion Council Chairman's Award in FY2020

令和元年度
地球温暖化防止活動
環境大臣表彰



Minister of the Environment
対策活動実践・普及部門

Environment Minister's Award for Global Warming Prevention Activity in the "Implementation and Dissemination of Countermeasures" Category in FY2019



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