

ESG Meeting

March 26, 2024



Sustainable Management / Materiality (16:00-16:10)

President, Representative Director, and CEO

Gyo Sagara

Corporate Governance (16:10-16:25)

Member of the Board of Directors, Outside Director

Masao Nomura

Expansion of Human Capital / Conservation of the Global Environment / ESG Evaluation (16:25-16:45)

Member of the Board of Directors, Senior Executive Officer/
Executive Director, Corporate Strategy & Planning,
Sustainability Promotion

Toshihiro Tsujinaka

Q&A session (16:45-17:00)

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.

Sustainable Management / Materiality



For more than 300 years since our founding, we have walked hand in hand with society. To help people who are suffering from disease, we have created a series of innovative new medicines that had been 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.

Contributing 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 → **Conserving**

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 and sustainable global environment to future generations.

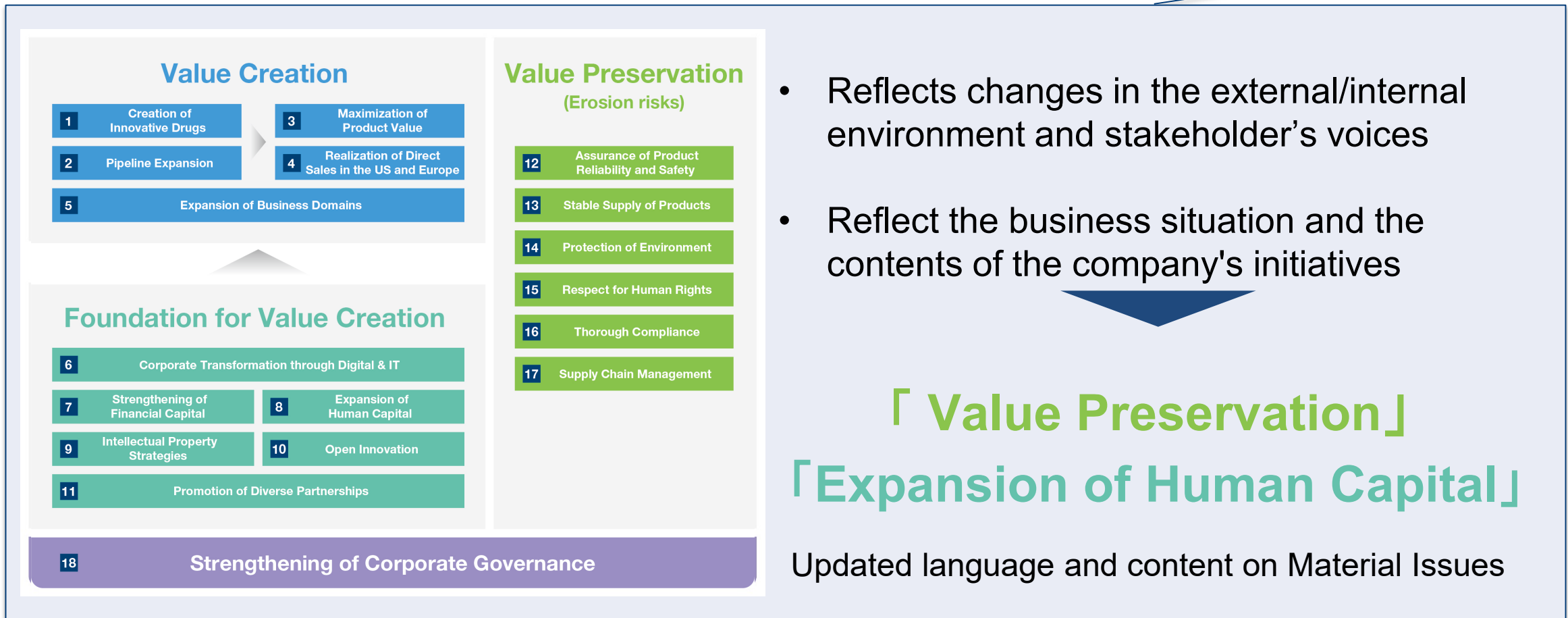
Realizing a society in which everyone can play an active role

Through our business activities, we will contribute to the realization of a society in which the human rights and diversity of all people are respected and everyone can play an active role.

Establishing a highly transparent and robust management foundation

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

Update Material Issues (Partial Revision)



Partial Revision of Material Issues (Content : Example)



12 Assurance of Product Reliability and Safety

Reason for being a priority issue	Quality assurance and safety management of pharmaceutical products are fundamental to our business. If a problem were to occur in either of these areas, it would be a serious risk that could violate our corporate philosophy, harm the health of patients, and significantly reduce our social value and raison d'être.
Vision over the medium to long term	A global specialty pharmaceutical company with established organizational systems for appropriate quality assurance and safety management.
Indicators	<ul style="list-style-type: none"> • Construction of global quality and safety management system of Pharmaceuticals and investigational product, and Establishment of Data Reliability Assurance System • Zero significant findings from regulatory inspections • Zero recalls of Ono products
Major initiatives	<ul style="list-style-type: none"> • Create appropriate global systems for product quality and safety management • Establish an operation to study safety signals of investigational products • Establish a system to respond to inspections of products for the U.S. market in preparation for the launch of ONO-4059 in the U.S.



12 Assurance of Reliability and Safety

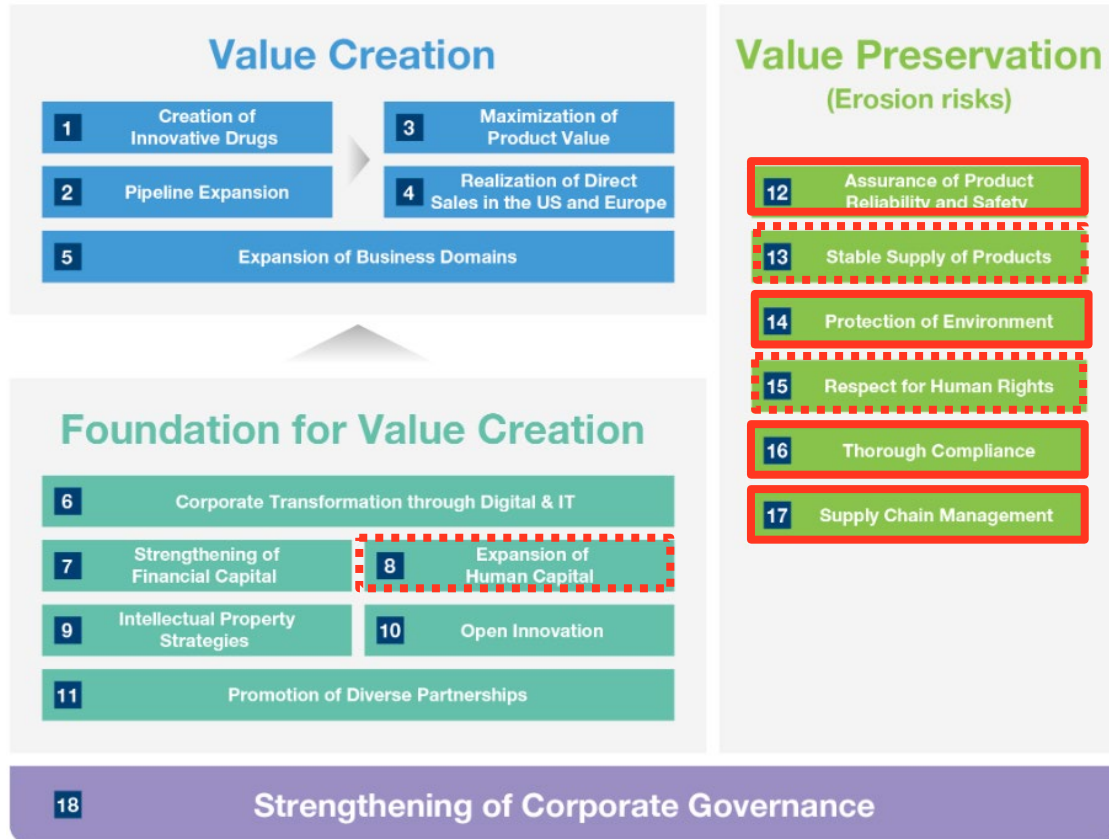
Reason for being a priority issue	Quality assurance and safety management of pharmaceutical products are fundamental to our business. If a problem were to occur in either of these areas, it would be a serious risk that could violate our corporate philosophy, harm the health of patients, and significantly reduce our social value and raison d'être.
Vision over the medium to long term	As a global specialty pharmaceutical company, quality assurance and safety management of our products and investigational product, as well as reliability assurance of related data are thoroughly implemented so that healthcare professionals and patients can use our products and investigational product properly and with peace of mind.
Indicators	<ul style="list-style-type: none"> • Construction of global quality and safety management system of Pharmaceuticals and investigational product, and Establishment of Data Reliability Assurance System • Zero significant findings from regulatory inspections • Zero recalls of Ono products
Major initiatives	<ul style="list-style-type: none"> • Establishment and appropriate operation of an appropriate global system for quality assurance and safety management of drugs and investigational product and reliability assurance of related data • Established a system to respond to inspections of products for the US market in preparation for the launch of ONO-4059 in the U.S.

Revised to reflect previous in-house initiatives

Update of Material Issues (Partial Revision)



Current Material Issues

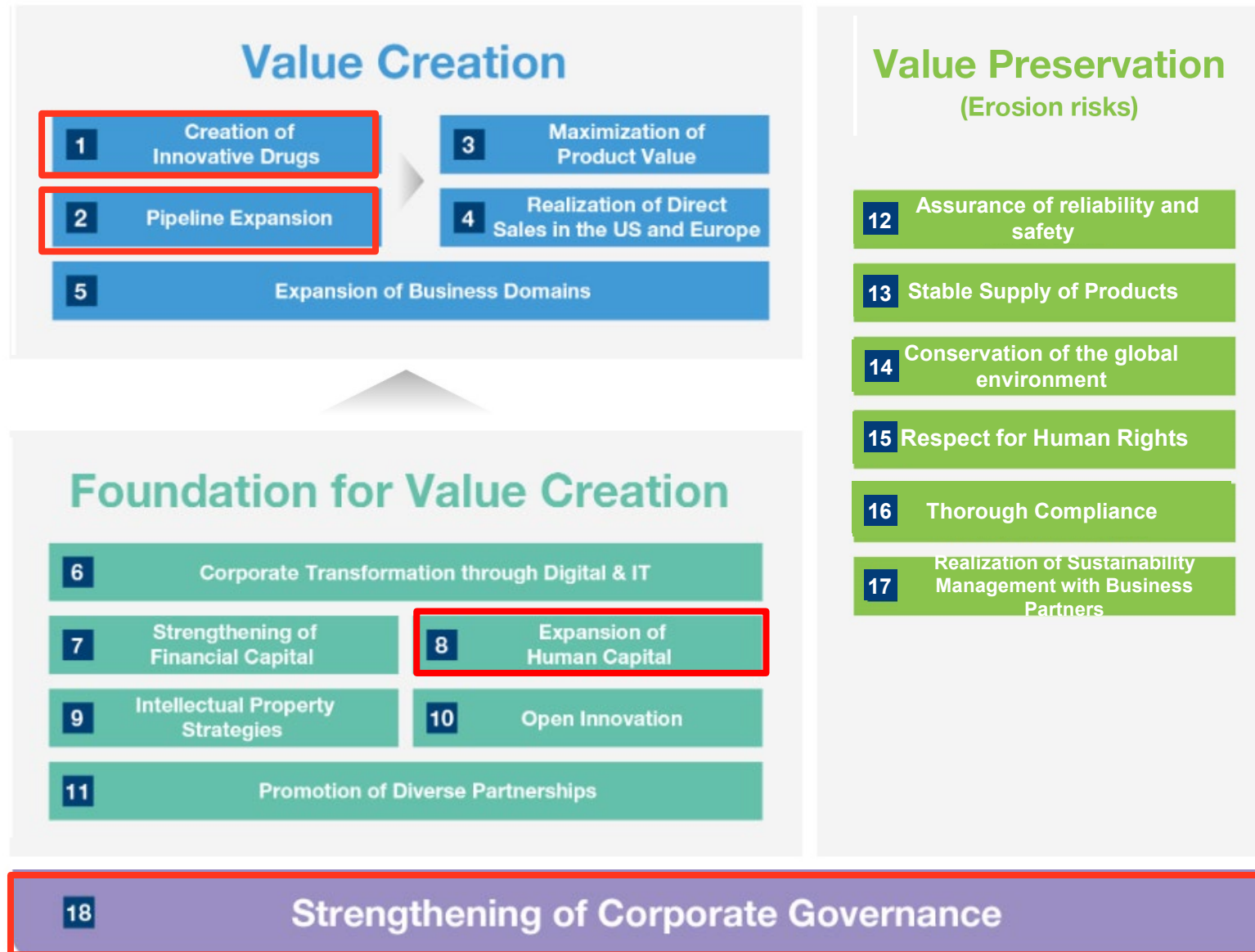


Partially revise the title of Material Issues



Partially revised to reflect changes in the external/internal environment and stakeholder's feedback

New Material Issues (Overview)




Materiality Issue 1

Creation of Innovative Drugs



Management of priority issue


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	The number of new drug candidates going to clinical trials  2 (ONO-8250、ONO-4538HSC)
Major initiatives	<ul style="list-style-type: none">● Explore unique breakthrough drug seeds and creation of new drug candidates through open innovation● Improve the speed of creation of new drug candidates 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

Materiality Issue 2

Pipeline Expansion

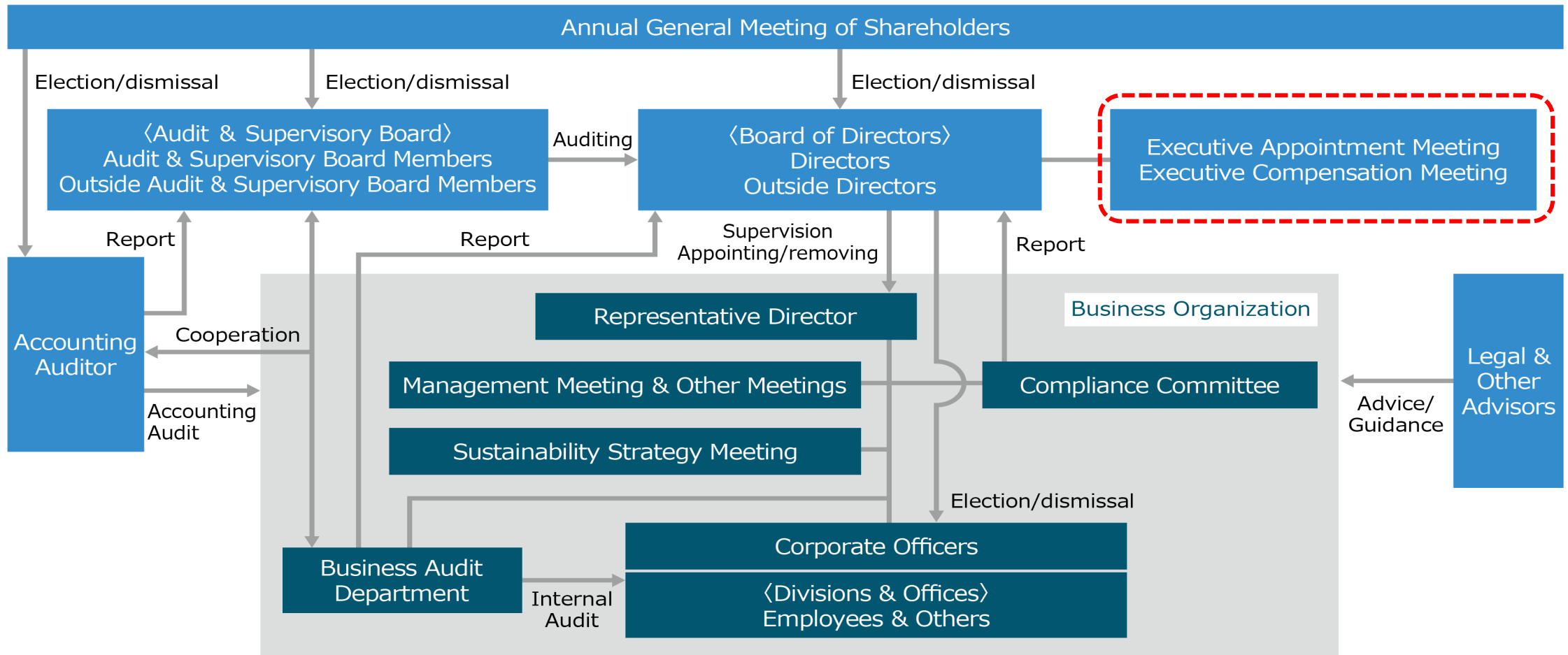


Management of priority issue

<p>Reason for being a priority issue</p>	<p>Our pipeline is the source of our sustainable growth. We continue enriching our pipeline to constantly provide innovative drugs to patients.</p>
<p>Vision over the medium to long term</p>	<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>
<p>Indicators</p>	<ul style="list-style-type: none"> ● The number of drug candidates in the clinical development stage ● The number of newly introduced drug candidates: 1 (exclusive option and asset purchase agreement for itolizumab) ● Approvals received in the U.S. and Europe: Total of 12 projects at the clinical trial stage <div style="display: flex; align-items: center; justify-content: center;">  <ul style="list-style-type: none"> ● 24 ● 1 (NXI-101) ● The clinical trial in the US is making steady progress </div>
<p>Major initiatives</p>	<ul style="list-style-type: none"> ● Establish PoC on multiple projects and conduct global clinical trials <ul style="list-style-type: none"> ▪ Continuously building a system development for early establishment of PoC ▪ Further enhancement for translational research (TR) and reverse translational research (rTR) ▪ Improving the speed and accuracy of PoC establishment using cutting-edge technology and methods ● Strengthen licensing activities to obtain global rights

Corporate Governance

Corporate Governance Structure



Members of the Board of Directors/Audit & Supervisory Board Member



		Name	Status, Assignments or Important Concurrent holding of Positions
Members of the Board (7)	Inside (4)	Gyo Sagara	President, Representative Director, and Chief Executive Officer
		Toshihiro Tsujinaka	Member of the Board of Directors, Senior Executive Officer/ Executive Director, Corporate Strategy & Planning, Sustainability Promotion
		Toichi Takino	Member of the Board of Directors, Senior Executive Officer / Executive Director, Discovery & Research
		Kiyooki Idemitsu	Member of the Board of Directors, Executive Officer / Executive Director, Clinical Development
	Outside (3)	Masao Nomura	Corporate Advisor, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd.
		Akiko Okuno	Professor, Faculty of Business Administration, KONAN UNIVERSITY
		Shusaku Nagae	Special Corporate Advisor, Panasonic Holdings Corporation Audit & Supervisory Board Member, Nikkei Inc.
Audit & Supervisory Board Member (4)	Inside (2)	Katsuyoshi Nishimura	Full-time Audit & Supervisory Board Member
		Hironobu Tanisaka	Full-time Audit & Supervisory Board Member
	Outside (2)	Yasuo Hishiyama	Partner Attorney at Law, TANABE & PARTNERS Member or appraisal committee (Land Lease Non-Contentious Cases) at Tokyo District Court
		Akiko Tanabe	Representative, Akiko Tanabe CPA office Outside Director, OIE SANGYO CO., LTD. Partner of Midosuji Audit Corporation

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	○	○	○	—

when examining remuneration for the Representative Director, the Representative Director is required to leave the meeting.

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 • Deliberation on Changes in Representative Directors (FY2023) 	<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 • Deliberation on revision of compensation system (FY2022)

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	Independent Outside Board Directors		
	Masao Nomura	Akiko Okuno	Shusaku Nagae
Executive Appointment Meeting	Chairperson	○	○
Executive Compensation Meeting	Chairperson	○	○

Internal Board Directors
Gyo Sagara
○
—

After Apr. 1, 2024
Reconsideration on attendees of Internal Board Directors

Attends the Executive Compensation Meeting as explainer of company proposals.

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 • Deliberation on Changes in Representative Directors (FY2023) 	<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 • Deliberation on revision of compensation system (FY2022)

Succession plan

Involvement of outside directors ↓

~2022	Execution for selective training such as executive training programs
Jan. 2023	Confirmed to start specific discussions to select successor of the president
Jul. 2023	Narrowing down candidates
Oct. 2023	Interview with candidates only by outside director - Individually expressed and aggregated opinions
Nov. 2023	Based on the results of the interview, outside directors and the president discussed (and determined a successor candidate)
Dec. 2023	Discussed the timing of the president change and the next management system
Jan. 2024	Resolved to change the Representative Director at the Board of Directors Meeting, Public Announcement

Independent outside directors led discussions on the succession plan

**Expansion of Human Capital /
Conservation of the Global Environment /
ESG Evaluation**

Expansion of Human Capital

Partial Revision of Material Issues "Expansion of Human Capital"



8 Expansion of human capital

Vision

We provide talent development programs to selected people, approximately 30% of employees of our group companies, and the creation of corporate value is driven through talent development. In particular, the enhancement of executive talent, globally competent talent, digital talent, and innovation talent have been set as important themes.



Vision

Based on the human resource strategy for the realization of the corporate philosophy and Vision, we are making efforts to recruit and develop human resources that contribute to business growth and to realize an organizational culture that leads to improvement of diversity and fostering a sense of unity. Systems and measures that attract human resources have been established, and an environment is provided where all employees can work with peace of mind and safety.

Indicators

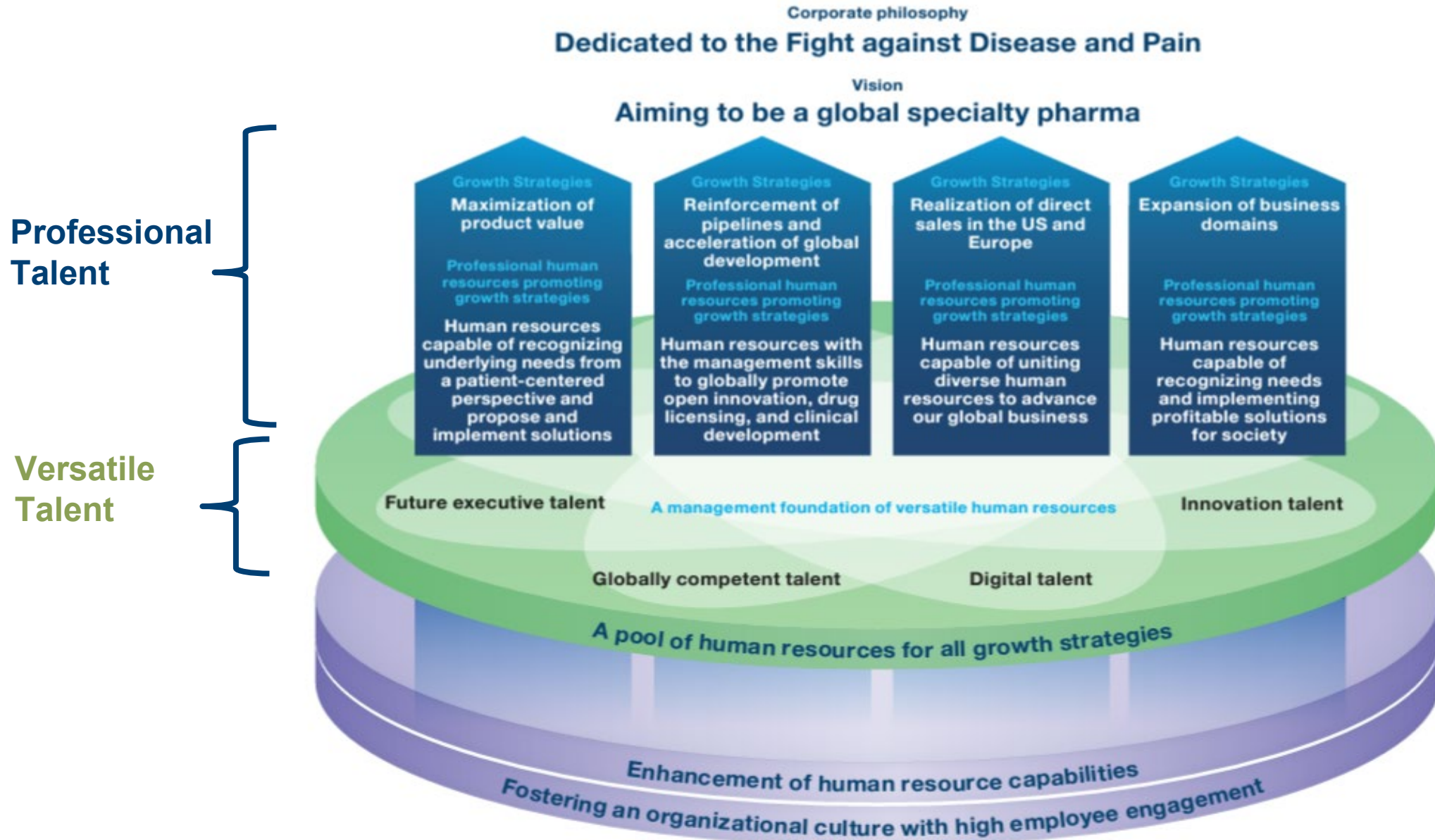
- In next executive talent pool: ≥ 250)
- In globally competent talent pool: ≥ 300
- Persons who will have participated in digital talent development and training program: ≥ 500
Including those who can plan, manage, and execute the DX project: ≥ 100
- Core innovation talent: ≥ 180)
(Total number of persons up to 2026)

Indicators

Added following items to existing KPIs

- Professional to promote growth strategies: Recruiting and training of approximately 700
- Percentage of behavioral change after training: Maintained at least 85% at the mean of essential training by stratum
- Engagement : Global Life Sciences
- Percentage of female managers: 10%
- Percentage of employees taking either childcare leave or reduced work hours for men: 80%
- Healthy age: -3.0 years

Human Resources Strategy for Expansion of Human Capital



1. A Pool of Talent for All Growth Strategies



- In the “A pool of talent for all growth strategies,” the status of versatile and professional talent is followed.
- Initiatives and progress are described later.

Category	KPI item	KPI figure
A pool of talent for all growth strategies	Recruiting and training versatile talent goals	Next generation executive talent ≥ 250 Global talent ≥ 300 Digital talent ≥ 500 Innovation talent ≥ 180
	Recruiting and training professional talent goals	Recruiting and training of approximately 700 by FY2026
Enhancement of talent capabilities	Annual number of hours of training per employee	Consolidated : 54.8 hour / year (FY2022) ※Actual results Non-Consolidated : 55.9hour / year (FY2022) ※Actual results
	Percent change in behavior after training	Average of the training required for each grade : Maintain $\geq 85\%$
Working to foster an organizational culture with high employee engagement.	Engagement	More than Global life science
	Percentage of female managers (DE & I)	4.1%(FY2022) → 10%(FY2026) → 20%(FY2031)
	Percentage of male employees taking childcare leave Male childcare leave + Reduced work hours (Act on Promotion of Women's Participation and Advancement in the Workplace)	65.2% (FY2022) 68.8%(FY2022) → 80%(FY2026)
	Health age (difference between health age and actual age)	▲1.8 age(FY2022) → ▲3.0 age(FY2026)

1. Development the Versatile Talent who Support the Management Foundation ①



– Training of Next generation executive talent · Global talent –

Next generation executive talent

Object	Development of next-generation management candidates			
Subject	Talent capable of carrying out future management	Talent capable of serving as next-generation office managers	Talent capable of serving as next-generation division managers and executive	
Training	ILT Around 30 age	LIP Around 35 age	MMD Young Manager	ETP Senior Manager
Term	8 months	1 year	2 year	4 year

GSIP : Global Skill Improvement Program

1 year

Global Talent

GSIP is a program aimed at developing talent who can influence the entire company while demonstrating leadership within a team and collaborating appropriately with those around them in any field, **whether domestic or overseas**.

(※ The main purpose of the training is not to improve language skills)

Cross-cultural communication: Ability to build relationships of trust even with different values and cultural backgrounds

1. Development the Versatile Talent who Support the Management Foundation ②



– Digital talent development training –

Definition	<u>Understanding DX</u> Able to understand DX	<u>DX participation</u> With the participated DX project Active	<u>DX lead</u> DX project Able to plan, manage, and execute
Digital Technology talent	Understand an overview of digital technology and the importance of business transformation	Understand Digital technology and the foundation of business transformation when participating in the DX project can play an important role	Understand and practice a variety of digital technologies
Business talent for transformation			Set a problem area for Business Transformation can execute on the project
Training	e-learning	Lecture + Exercise/Project Based Learning	
KPI (FY2026)	All employees	Total 500	Technology and Business 100 people each
Vision	All employees understand the digital technology overview and Importance of business change . Many of them are potential participant of DX talent	The personnel who completed the training play a central role with daily DX activities	The personnel who completed the training leads daily DX

1. Development the Versatile Talent who Support the Management Foundation ③

– Development of innovative talent (Ono Innovation Platform) –

- Talent development program aimed at accelerating the challenges of each and every employee
- Supporting employees so that they can discover what they want to accomplish and voluntarily take on challenges



Started in June 2021, Over 1,300 employees have participated so far (approximately 37%)

1. A Pool of Talent for All Growth Strategies



- Development Status of Cross-Sectional Talent -

- Ensure that cross-functional talent are developed through various trainings, etc.
- In the future, we will maximize the use of Workday, the new talent management system, to promote efficient management.

Next generation executive talent (FY2022)	Actual results	Target value (2026)
Selection Training (ILT, LIP, MMD, ETP)	148	≥ 250
Global talent (FY2022)	Actual results	Target value (2026)
Global Talent Development Training	171	300
Digital talent (FY2022)	Actual results	Target value (2026)
DX participation	268 (54%)	500
DX lead	40 (40%)	100
Innovative talent (until FY2023)	Actual results	Target value (2026)
V2V (secondment to venture companies)	14	180
HOPE (business creation) * First-pass in business competitions	19	
Outsight (venture proposal)	24	
Operational Transformation Program	0 (under design)	

1. A Pool of Talent for All Growth Strategies



- **Goal of hiring and developing specialists: About 700 in the next 5 years** -

- For specialized talent, the organization of talent needs was completed in FY 2022 (approximately 700 people)
- From this fiscal year, we will start hiring experienced employees and developing them within each department in accordance with talent's needs

Growth strategy	Definition	Number of participants
① Maximization of Product Value	Talent capable of recognizing underlying needs from a patient-centered perspective and propose and implement solutions	Approximately 700
② Reinforcement of pipelines and acceleration of global development	Talent with the management skills to globally promote open innovation, drug candidates licensing, and clinical development	
③ Realization of direct sales in the US and Europe	Talent capable of uniting diverse talent to advance our global business	
④ Expansion of business domain	Talent capable of recognizing needs and implementing profitable solutions for society	
Common to all growth strategies	Support promotion of each growth strategy	



- More than 40% of the the required number (as of the end of February 2024)
- Conduct rolling year after year according to the progress of the project

2. Enhancement of Talent Capabilities

- We are advancing initiatives aimed at the development of all employees' capabilities through talent development activities.
- Initiatives and progress are described later.

Category	KPI item	KPI figure
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	Percent change in behavior after training	Average of the training required for each grade : Maintain $\geq 85\%$
Working to foster an organizational culture with high employee engagement.	Engagement	More than Global life science
	Percentage of female managers (DE & I)	4.1% (FY2022) → 10% (FY2026) → 20% (FY2031)
	Percentage of male employees taking childcare leave Male childcare leave + Reduced work hours (Act on Promotion of Women's Participation and Advancement in the Workplace)	65.2% (FY2022) 68.8% (FY2022) → 80% (FY2026)
	Health age (difference between health age and actual age)	▲1.8 age (FY2022) → ▲3.0 age (FY2026)

2. Enhancement of Talent Capabilities



- Building a rich training lineup -

- Conducted workshops for all employees to disseminate the Mission Statement, along with tiered training and support for self-education
- Hold trainings for effective operation of personnel measures such as rater training in addition to the following

Title	General employees			Management Staff		
	New hired employee	Mid-level employees	Manager candidates	Manager grade	Manager	Senior Managers
Next generation executive talent development		ILT	LIP	MMD		ETP
Global talent development	Training to develop global talent					
Digital talent development	Training to develop digital talent					
Innovation Talent development	Training to develop innovative talent					
Training by hierarchy	Annual training		Training for G2/G1/P2 promotions		Manager Promotional training Follow-up Training	
Self-development support	Support for voluntary training, participation in seminars, correspondence courses, online foreign language conversation lesson, and qualification tests					
Activities to heighten knowledge and deepen understanding of our mission statement	Mission Statement Understanding, Empathy Workshop					
	Initiatives to enhance the perspective of patients (Patient lecture meetings and initiatives to understand patient experience)					
Other	Diversity Training	Career Planning Training		Diversity Management Training		

2. Enhancement of Talent Capabilities

- Training outcomes, etc. (FY 2022 preliminary report) -

- **Behavioral change rate** after receiving training and the number of hours of training per person met the target or exceeded the level of the last year
- There is room for further improvement (increase in users) in self-education support and voluntary participatory training

① Behavioral change rate after receiving training (evaluation by superiors)

85.9% · · · Target to maintain at least 85%

② Training hours per person

Organizational unit	Training hours per person (Reference: FY2021)	Training expenses per person
Consolidated	54.8 h (50.8 h)	122,000 yen
Non-consolidated	55.9 h (53.8 h)	126,000 yen

<For self-development/self-participation training, more appropriate dissemination and approaches are needed>

Measures	Number of users (Total number of people)	Number of users (actual number)	Up to 70,000 yen/person/year	
			per user	per employee
Self-development system	1093 (32%)	692 (20%)	55,000 yen	11,000 yen

Measures	Number of participants (Total number of people)	Number of participants (actual number)	Number of participants	
			per user	per employee
Voluntary Participatory Training	1263 (37%)	774 (23%)	1.6 times	0.4 times

3. Working to Foster an Organizational Culture with High Employee Engagement

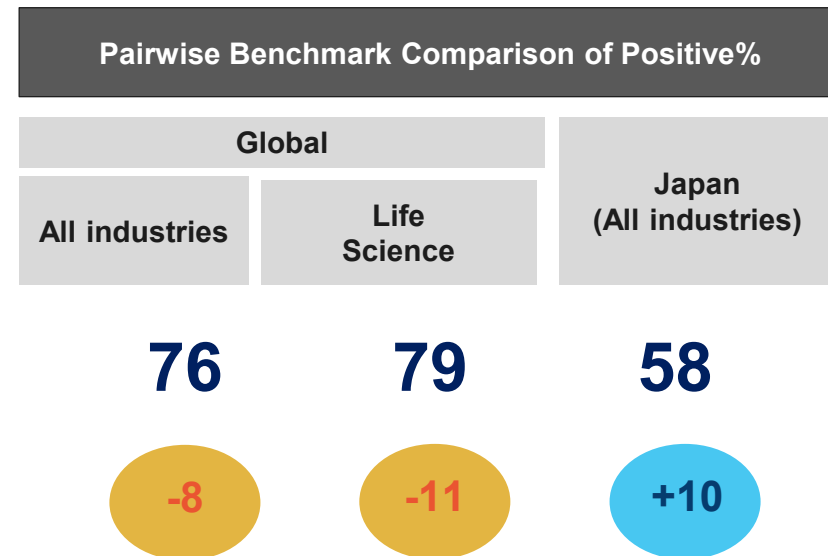
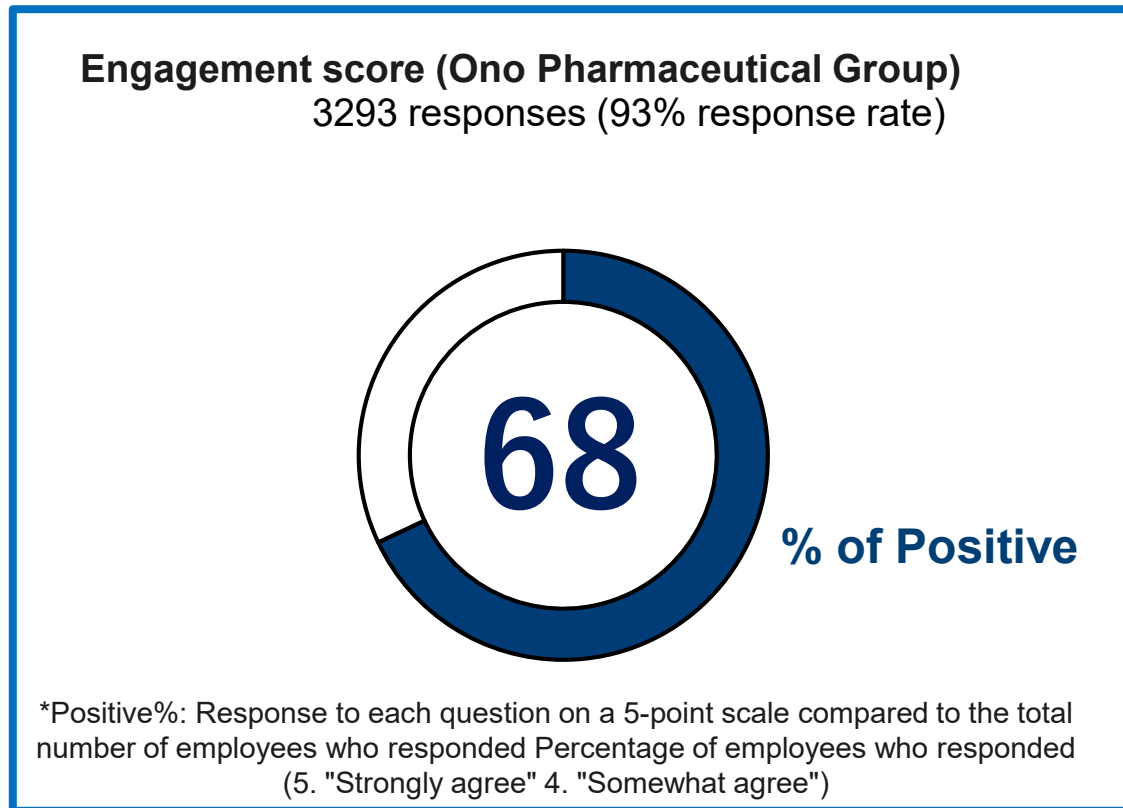


- In "Fostering an organizational culture with high employee engagement", we are following up on the progress of creating a system to ensure that the talents we have hired and developed can work with peace of mind for a long time.
- Initiatives and progress are described later.

Category	KPI item	KPI figure
A pool of talent for all growth strategies	Recruiting and training versatile talent goals	Next generation executive talent ≥ 250 Global talent ≥ 300 Digital talent ≥ 500 Innovation talent ≥ 180
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- The Ono Pharmaceutical Group's overall employee engagement (68) is:
 - High level compared to domestic benchmark (58) (slightly lower than global benchmark (all industries) (76))
- Aim to achieve an engagement score higher than the Global Benchmark (Life Sciences) (79)

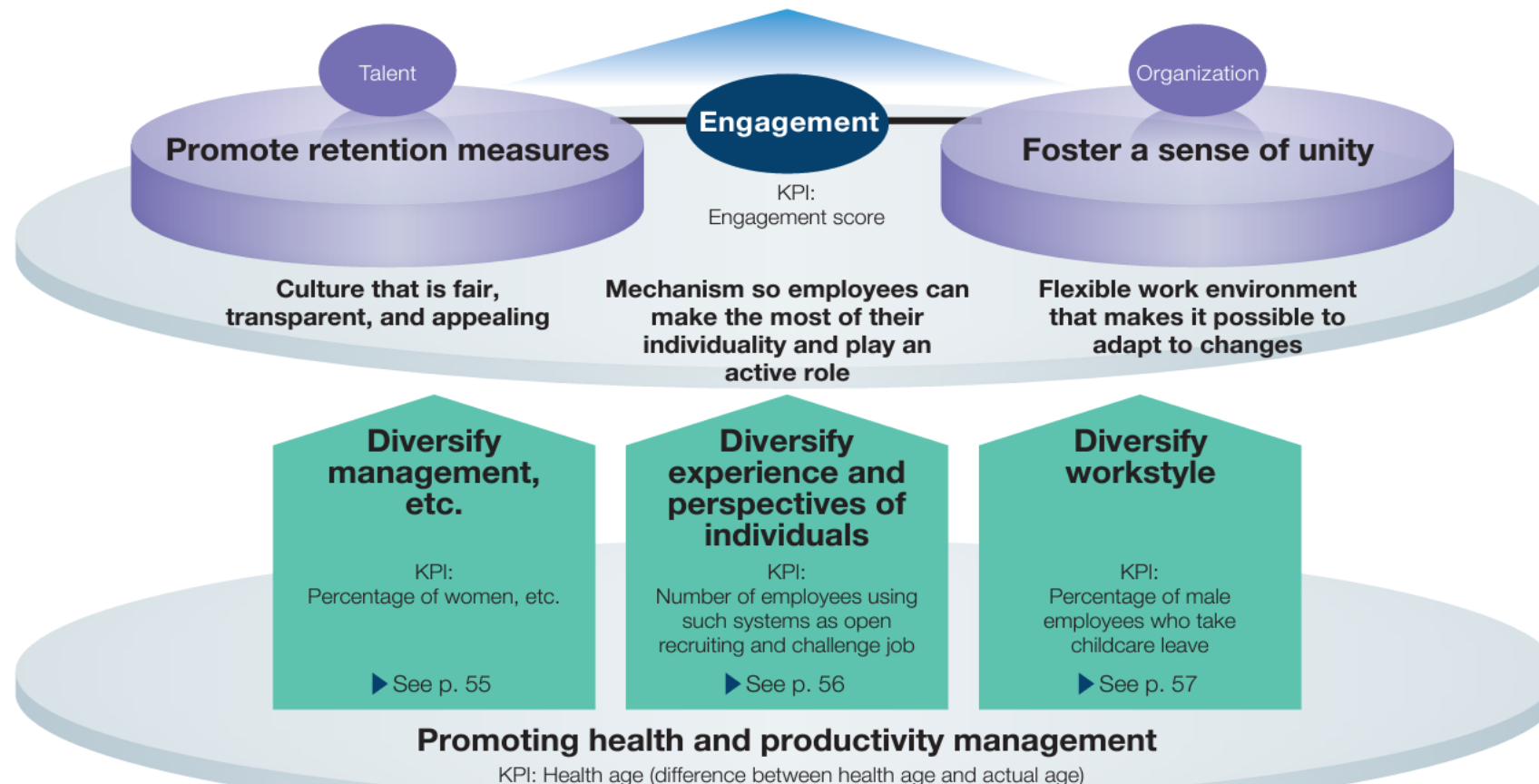


3. Fostering an Organizational Culture with High Employee Engagement



- Aim to improve engagement by providing systems and measures to attract talent and enhancing the sense of unity among the group (emphasis on the balance between career autonomy and organizational commitment)
- Establishing the foundation to support the talent and organization that will generate sustainable business growth (DE & I and health and productivity management)

Fostering an organizational culture with high employee engagement





➤ In diversification of managers, efforts are being made with a focus on improving the ratio of female managers

Management, etc. (attribute)

■ Gender (biological) 2024.01

	Employee	Percentage of manger
Male	80%	94.4%
Female	20%	5.6%
		▼
	Target 2026	10%
	2031	20%

■ Employment form 2024.01

	Employee	Percentage of manger
Non-Career hire	81%	83%
Career hire	19%	17%
Contract rehiring		4.6% (approximately 160)

Development Program for Diversifying Experiences and Perspective of Individuals ⇒ Expansion of the Open Recruiting System



To promote employee career development and enhance vitality and competitiveness through talent exchange

Solicit job offers from each department and realize transfers by matching with applicants

FY 2022 Expansion

Application conditions	① At least 3 years of experience with the company *Regardless of the number of years of affiliation with the current organization
Job opening	Abolition (no job opening)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of departments with job offers	12	13	14	34	49
Number of applicants	114	100	79	134	191
Number of successful applicants (transferred)	6	8	6	25	52

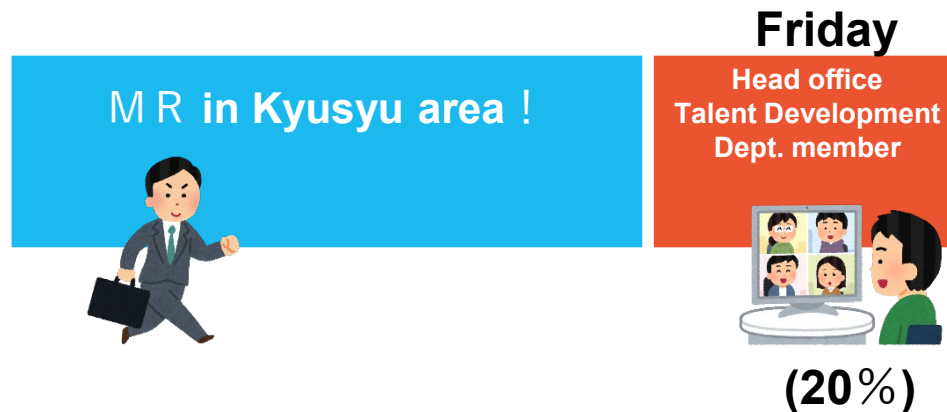
- Relaxation of application conditions and elimination of job opening limits
=>More opportunities for career realization
- Presentation of slides introducing departments with job offers
=>Advancing Challenges by Understanding the Contents of Operations
=>Effect to reduce mismatch after transfer

Evolving to a system that encourages employees to build careers and take on self-directed challenges

⇒ Introduction an Internal Challenge Job System

- 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

⇒ **80% of work is in the current department and the remaining 20% concurrently serves in another department**



	FY2022 (Pilot test)	FY2023 (Introduction)
[Applicants]	87	108
[Participants]	20	46

- ① Changed the operation of working from home and introduced of the Super Flex system (May 2023)

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.

*At the same time, a super flex system was introduced that eliminated core time

- ② Introduction of dual/concurrent jobs (June 2023)

[Subjects] All employees

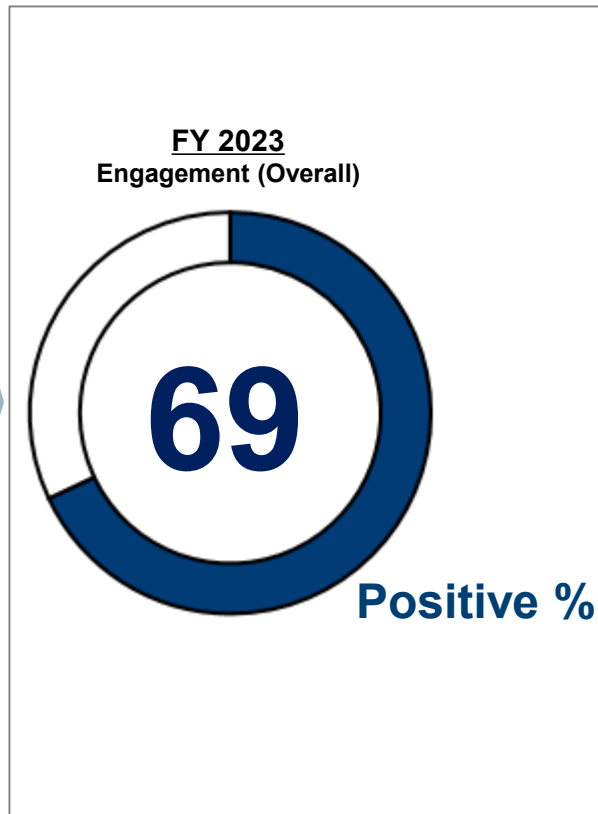
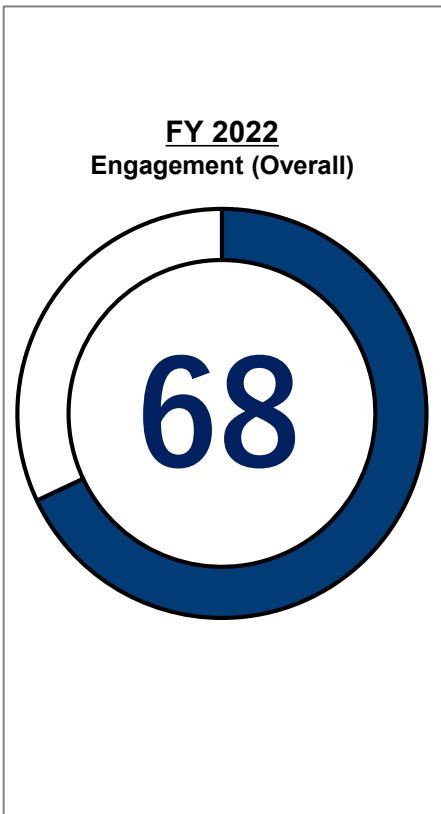
[Purpose] Career growth and growth of employees, activation of the organization, and creation of innovation

⇒ Leading to the growth of employees by obtaining external knowledge in various fields, By giving it back to our main job, we can make new proposals that have never been made before. New businesses can be expected to be created

In FY 2023, more than 40 employees applied

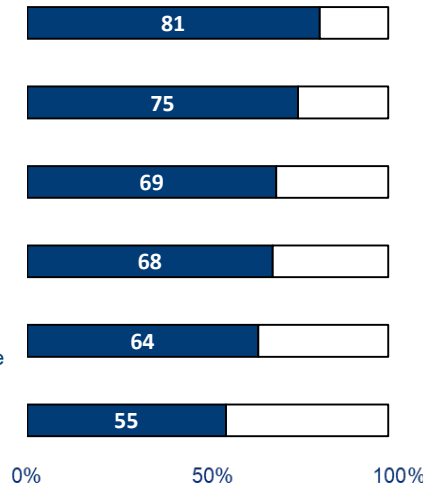


- Employee engagement across the group is high compared to the benchmark for all domestic industries (Slightly behind Global BM)
- Compared to the previous survey, the positive response rate tended to increase slightly (+1), but “I am excited about coming to work ” particularly improved (+7)



By question

- 3. I am motivated to go beyond what is normally expected to help Ono Pharmaceutical Co, LTD. be successful.
- 5. I am proud to work for Ono Pharmaceutical Co, LTD.
- 1. I would recommend Ono Pharmaceutical Co, LTD. as a place to work.
- 6. Considering everything, how would you rate your overall satisfaction at Ono Pharmaceutical Co, LTD. at the present time?
- 2. I would choose to stay with Ono Pharmaceutical Co, LTD. even if offered the same pay and benefits elsewhere.
- 4. I look forward to coming to work at Ono Pharmaceutical Co, LTD.

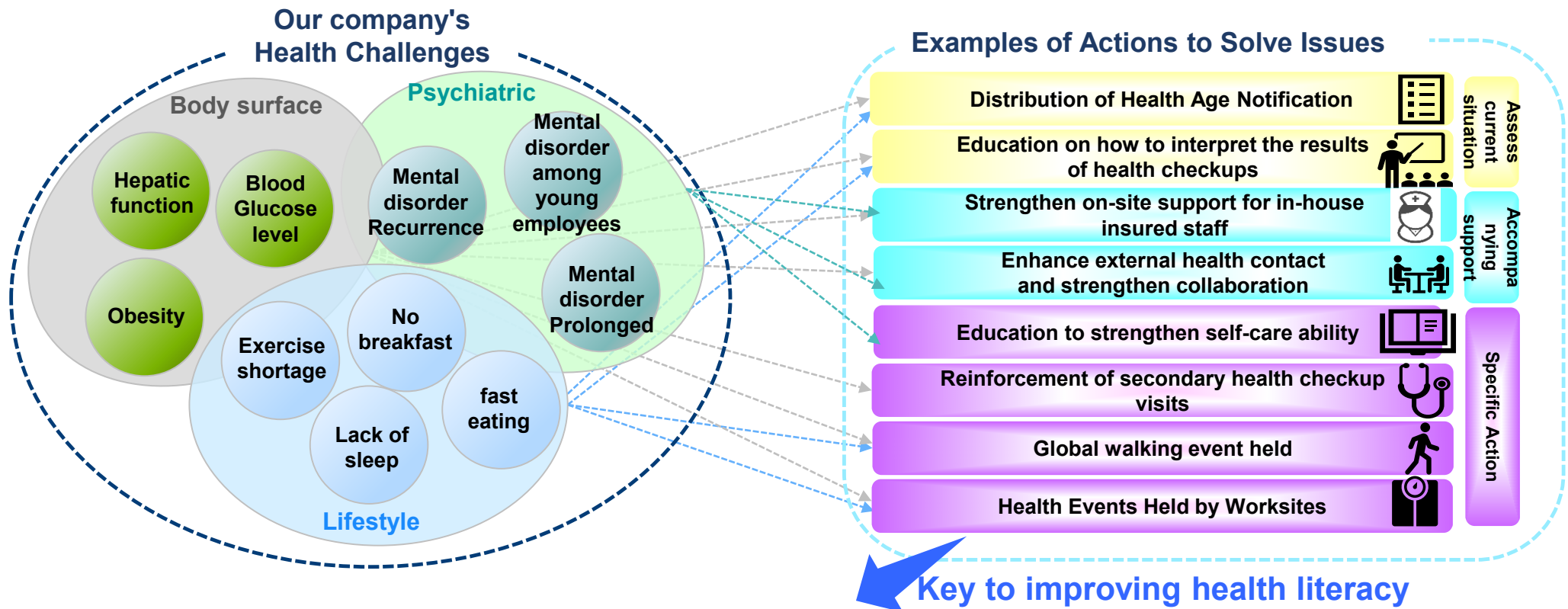
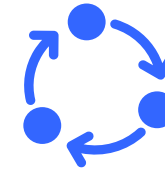
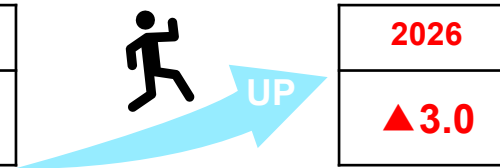


	Paired Benchmark (BM) Comparison of Positive%		FY 2022 Comparison
	Global Life Science	Japan All industries	
3. I am motivated to go beyond what is normally expected to help Ono Pharmaceutical Co, LTD. be successful.	-3	+8	-1
5. I am proud to work for Ono Pharmaceutical Co, LTD.	-9	+7	-1
1. I would recommend Ono Pharmaceutical Co, LTD. as a place to work.	-8	+20	0
6. Considering everything, how would you rate your overall satisfaction at Ono Pharmaceutical Co, LTD. at the present time?	-8	+13	-2
2. I would choose to stay with Ono Pharmaceutical Co, LTD. even if offered the same pay and benefits elsewhere.	-5	+11	-1
4. I look forward to coming to work at Ono Pharmaceutical Co, LTD.	-17	+12	+7
Overall Engagement (6-question mean)	-8	+12	+1

*Green/red if benchmark is ≥ ±5

Our company KPIs

Fiscal Year	2018	2019	2020	2021	2022
Difference between actual age and healthy age	▲1.4	▲1.5	▲1.4	▲1.8	▲1.8



Promote health and productivity management with the goal of continuing **certification of "Certified Health & Productivity Management Outstanding Organization (White 500)"**
Reselection as a Health & Productivity Stock

Conservation of the Global Environment

Partial Revision of Material Issues “Conservation of the Global Environment”



14 Protection of the Global Environment

Major initiatives

- Reduce greenhouse gas emissions and increase share of renewable energy in total electricity consumption
- Reduce use of water resources
- Reduce final landfill disposal rate of industrial waste



14 Conservation of the Global Environment

Major initiatives

Realization of a decarbonized society

- Reduce energy consumption by adopting high-efficiency equipment and improving operation
- Promotion of renewable energy electricity procurement
- Examination and introduction of procurement of green electricity by physical PPA
- Introduction of carbon neutral city gas
- consider and introduce new technologies such as next-generation solar cells

Realization of a Water Recycling Society

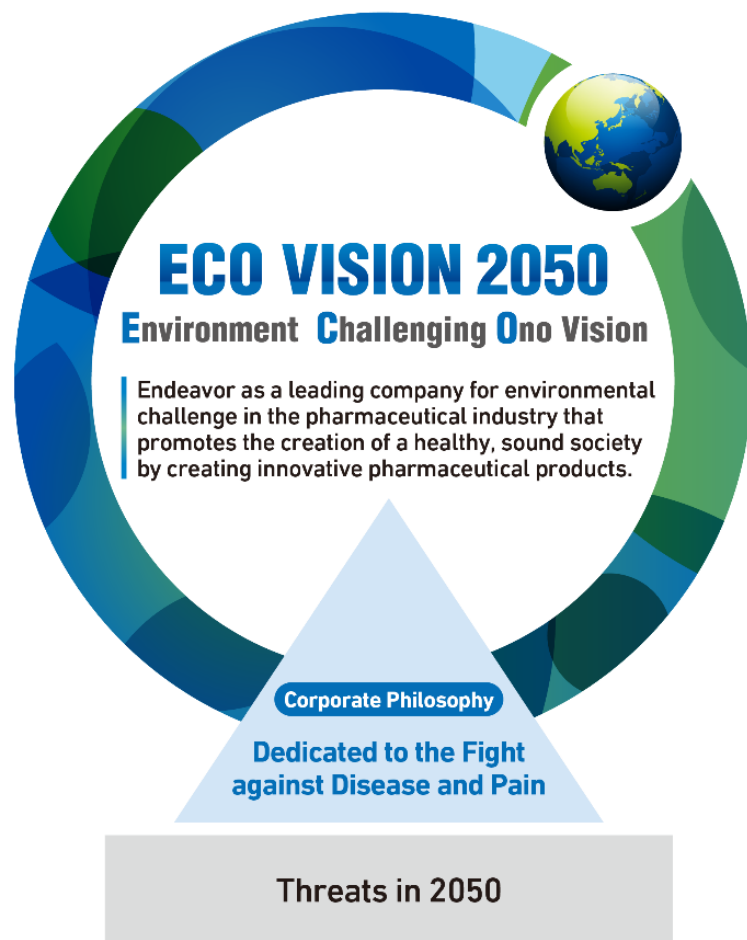
- Identification of reduction target by installation/analysis of flow meter
- Reduce water resource use through efficient operation and new measures
- Strengthening of wastewater control at in-house plants and research laboratories (Establishment of stricter effluent standards and implementation of whole effluent toxicity tests)
- Conduct ecotoxicity studies on late-stage development and marketed products and disclose the results
- Establishment of water-related risk assessment system and implementation of engagement for important business partners

Realization of a society with recycling of resources

- Recycling of waste materials
- Material chemical recycling of plastics
- Reduction in paper use
- Thorough notification of segregation

❌ Revised major initiatives in response to the update of mid- and long-term environmental Goals 40/45

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



Realization of a Decarbonized Society



Realization of a Water Recycling Society



Realization of a Resource Recycling Society

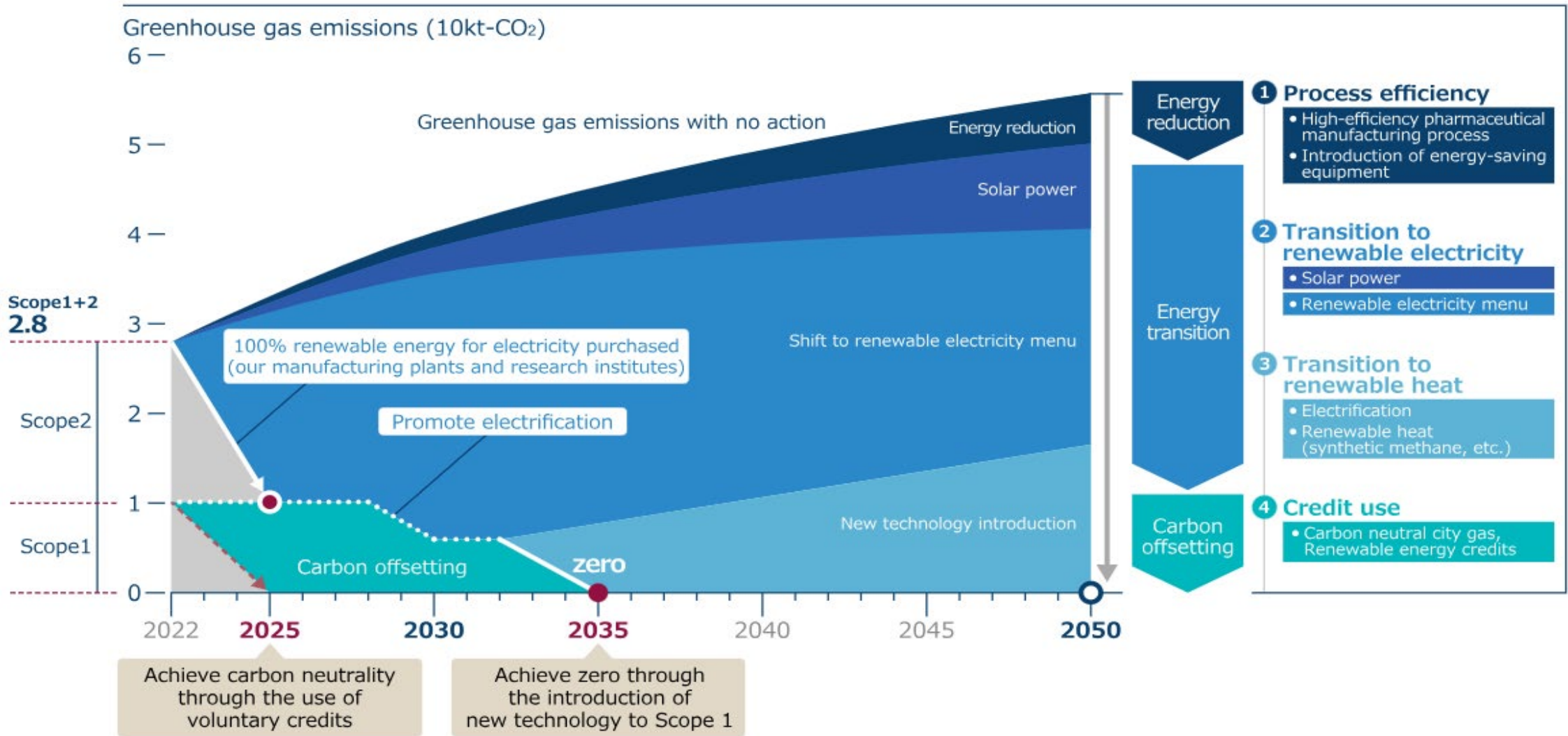
Toward the realization of ECO VISION 2050, we have established 3 priority items and established medium- to long-term targets. In addition, we have established annual targets and are advancing initiatives.

Medium- to long-term environmental Targets

	Scope 1+2		Scope 3	
Realization of a Decarbonized Society	<p>FY2025</p> <p>Achieve Carbon Neutrality (virtually zero carbon emissions by offsetting with voluntary credits)</p> <p>Renewable Electricity Rate 100% (coverage) ONO's operation sites</p>	<p>FY2035</p> <p>Greenhouse gas emissions Zero</p>	<p>FY2030</p> <p>Greenhouse gas emissions 30% reduction</p>	<p>FY2050</p> <p>Greenhouse gas emissions 60% reduction (Base year) 2017</p>
Realization of a Water Recycling Society	<p>Water Scarcity Risk</p> <p>FY2030</p> <p>Sales growth rate \geq water consumption increase rate (Coverage) ONO's operation sites (Base year) FY2017</p> <p>Promote measures that lead to the conservation of rich water resources for local communities.</p>	<p>Water Pollution Risk</p> <p>FY2025</p> <p>Conduct an aquatic life impact assessment for 100% of wastewater. (Coverage) ONO's manufacturing plants/research institutes</p> <p>FY2030</p> <p>Disclose the results of the aquatic life impact assessment for developing compounds. (Coverage) In-house drug candidates</p> <p>Control 100% of wastewater more strictly than applicable laws and regulations. (Maintain/improve current operations) (Coverage) ONO's manufacturing plants/research institutes.</p>	<p>Supply Chain Risk</p> <p>FY2026</p> <p>Conduct water related risk assessment and comprehensive risk management for important business partners.</p>	
Realization of a Resource Recycling Society	<p>Final Landfill Disposal Rate of Industrial Waste</p> <p>$\leq 1\%$ (Coverage) ONO's manufacturing plants/research institutes, and logistics centers.</p>	<p>Recycling Rate</p> <p>FY2025 $\geq 60\%$ FY2030 $\geq 80\%$ (Calculation) In accordance with the calculation rules of the Federation of Pharmaceutical Manufacturers' Associations of JAPAN, FPMAJ. (Coverage) Unnecessary materials (wastes, valuables, free materials, etc.) generated from ONO's manufacturing plants/research institutes, and logistics centers.</p>		<p>Reduce the Environmental Impact of Product Packaging</p> <p>FY2030 100% correspondence Prioritize the use of FSC® certified paper, and use other recycled papers for materials that it is not possible to use FSC® certified paper. (Coverage) Individual packaging boxes for our marketed products</p>

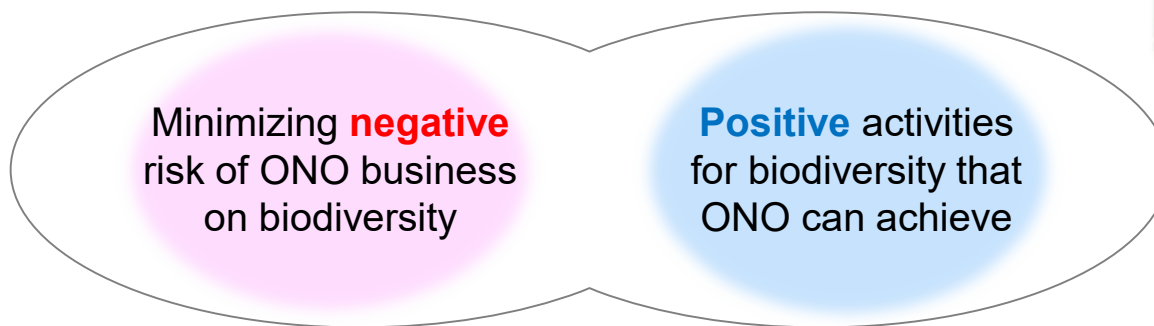
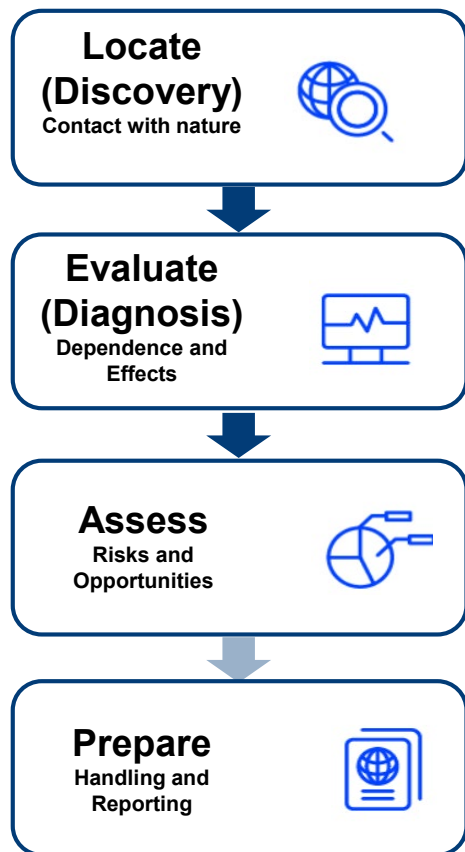


Roadmap for Achieving a Decarbonized Society



Biodiversity Conservation Initiatives

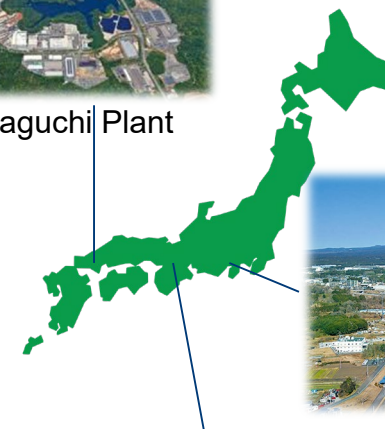
We are grasping the risks and opportunities related to biodiversity in our company's management in accordance with the LEAP approach, and at the same time, we are making preparations for initiatives to conserve biodiversity as part of our business and aiming for a spontaneous resurgence by implementing biodiversity conservation activities that are unique to Ono Pharmaceutical Co., Ltd.



- ❑ Goal formulation for biodiversity
- ❑ Employee participation in nature conservation activities
- ❑ Information disclosure aline with TNFD (from FY 2024)



Yamaguchi Plant



Fujiyama Plant



Minase Research Institute

External ESG Evaluation



	Evaluation institution	FY 2021	FY 2022	FY 2023
ESG General	DJSI	79/100 points World Index	79/100 points World Index	77/100 points World Index
	FTSE	Selected 4.2 points/5 points	Selected 4.3 points/5 points	Selected 4.5 points/5 points
	MSCI	Selected Score: A	Selected Score: AA	Selected Score: AA
	Sustainalytics	27.7 21th/403 companies	25.9 25th/458 companies	—
	TOYO ECONOMIC CSR Ranking	107th/ 1631 companies	102th/ 1353 companies	78th / 1714 companies
	Nikkei SDG management	Stars 4.0 ★★★★☆	Stars 4.0 ★★★★☆	Stars 4.0 ★★★★☆
Environment	CDP	Climate change: A Water: A	Climate change: A Water: A	Climate change: A Water: A
	S & P carbon efficiency index	Selected Decile ' 1 '	Selected Decile ' 1 '	Selected Decile ' 1 '
Social	Nikkei smart work management	星4.0 ★★★★☆	Stars 4.0 ★★★★☆	Stars 4.0 ★★★★☆
Diversity	MSCI-WIN	—	Selected Score: 6.53	Selected Score: 5.65



Dedicated to the Fight against Disease and Pain