SUSTAINABILITY REPORT 2025

ONO PHARMACEUTICAL CO.,LTD.

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About the Sustainability Report

Editing Policy

This Sustainability Report is issued yearly in order to inform in a systematic and faithful manner to all the stakeholders on the basic ideas, targets and plans of ONO's sustainable management as well as the contents, progress, and achievement of the efforts we made.

Organization Covered by the Report

ONO PHARMACEUTICAL CO., LTD

* This report partly covers the activities of our subsidiaries listed below.

Japanese Subsidiaries: TOYO Pharmaceutical Co., Ltd., Bee Brand Medico Dental Co., Ltd., Ono Pharma Healthcare Co., Ltd., Ono Digital health Investment, GK, Ono Pharma UD Co., Ltd., michiteku Co., Ltd.

Overseas Subsidiaries: ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Venture Investiment Inc.

Period of Time Covered by the Report

FY2024 (from April 2024 to March 2025)

* The report partly refers to the activities before and after the period above.

Publication Date

November 2025

Reference Guidelines

・GRI（Global Reporting Initiative） ' GRI Standards '

*GRI Standards Content Index is posted on ONO's website "Sustainability".

・Ministry of the Environment, Environmental Reporting Guidelines (Fiscal Year 2018 Version)

・Ministry of the Environment, Environmental Accounting Guidelines (Fiscal Year 2005 Version)

・Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures

Independent Practitioner's Assurance

As for the categories of sustainability information, ☑ each of which is disclosed and indicated with the icon check in our SUSTAINABILITY DATA 2025, we have received independent practitioner's assurance so as to bolster the reliability of the information.

Contact Information

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Sustainability Promotion Section, Corporate Planning Department
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Top Message

Contributing to sustainable social development through business activities

Toichi Takino
Representative Director, President & COO

Since its establishment in 1717, ONO has devoted itself solely to the pharmaceutical industry under the corporate philosophy "Dedicated to the Fight against Disease and Pain." We will continue to contribute to society by challenging diseases that have yet to be conquered as well as disease areas in which patient satisfaction remains low, therefore posing significant unmet medical needs, and by creating and providing innovative medicines that truly benefit patients.

In FY2021, we newly formed a sustainable management policy for the next 100 years. In addition to “contributing to people's health” through our core business, we will continue to take on the challenge of realizing a sustainable society in accordance with the policies of “conserving a rich global environment for future generations,” “realizing a society in which everyone can play an active role,” and “establishing a highly transparent and robust management.” Furthermore, based on our sustainable management policy, we identify material issues and promote management that integrates financial and non-financial aspects.

Contributing to people's health

We will take on the challenge of research and development of innovative medicines in collaboration with the world’s top scientists, and provide patients with medicines that are safe, secure, and appropriate. In addition, we will contribute to the realization of a society in which people can live healthier lives through our evidence-based, next-generation healthcare business.

Conserving 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 business partners to pass on a prosperous and sustainable global environment to future generations.

Realizing a society in which everyone can play an active role

In all our business activities, we will contribute to the realization of a society in which human rights of all people are respected and everyone can play an active role. Further, we aim to create an organizational climate that makes it possible to simultaneously increase diversity and create a sense of unity through expanding human capital, and will combine individual competencies to accelerate innovation.

Establishing a highly transparent and robust management

We will build a strong business foundation through corporate governance. We contribute to the realisation of a sustainable society by conducting highly transparent business activities, not only by complying with laws and regulations but also by strengthening compliance system and appropriate risk management.

The society we aim to help realize through these initiatives is in line with the society envisioned by the Sustainable Development Goals (SDGs) adopted by the United Nations. We have set three development goals as our top goals and are collaborating with parties both within and outside of our company to promote activities that will help us achieve them. Namely, those goals are “Goal 3: Good Health and Well-being,” “Goal 9: Industry, Innovation and Infrastructure,” and “Goal 17: Partnerships for the Goals.” As passionate challengers, we value our relationships with all people in society, including patients, and will continue to work toward the realization of a sustainable society.

ONO's Approach to Sustainability

Since our foundation in 1717(Kyoho 2nd year of the Edo period), we have fully committed to the pharmaceutical business, under the corporate philosophy “Dedicated to the Fight against Disease and Pain”. In FY2021, we have newly established sustainable management policy, to realize a sustainable society.

Please see here for the details of ”Sustainable Management Policy” (187KB)

Sustainable Management Policy

**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.**

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.**

Conserving 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 and sustainable global environment to future generations.

Realization of 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.

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

Our Materiality

	Vision over the medium- to long-term
1	• Collaborate with top scientists to accelerate drug discovery for changing the world, and also the speed and accuracy of establishing PoC for new drug candidates are improving, and the pipeline is enriched through licensing activities.
2	• As a specialty pharma capable of competing globally, accelerating development and business advancement worldwide.
3	• We have addressed our goal of achieving the well-being of patients and their families in cooperation with healthcare professionals, and as a result, our new drugs are spreading promptly.
4	• Contributing to solving social issues and realizing next-generation healthcare by leveraging digital technologies and our strengths.
5	• A secured global IT infrastructure is being implemented and corporate transformation through digital is being realized.
6	• Based on the human resource strategy for the realization of the corporate philosophy and vision, we are committed to recruiting and developing talent that contributes to business growth and to realizing an organizational culture that enhances diversity and fosters 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.
7	• Under “ECO VISION 2050,” we aim to become a leading environmentally friendly company in the pharmaceutical industry, and will strive to inherit a rich global environment for future generations so that people can have a healthy and sound society.
8	• We will continue to ensure robust quality assurance and safety management systems, while stably supplying and continuously improving our products for patients. • We are implementing management practices based on the "UN Guiding Principles on Business and Human Rights, " while also identifying sustainability-related risks with our business partners and working together to realize a sustainable society. • We are providing innovative medicines for rare diseases and pediatric diseases to improve access to healthcare, and supporting the development of healthcare infrastructure in underdeveloped areas.
9	• Establishing an effective corporate governance system to achieve our sustainable growth, including the establishment of a compliance risk management system to support global business expansion and prevent compliance violations.

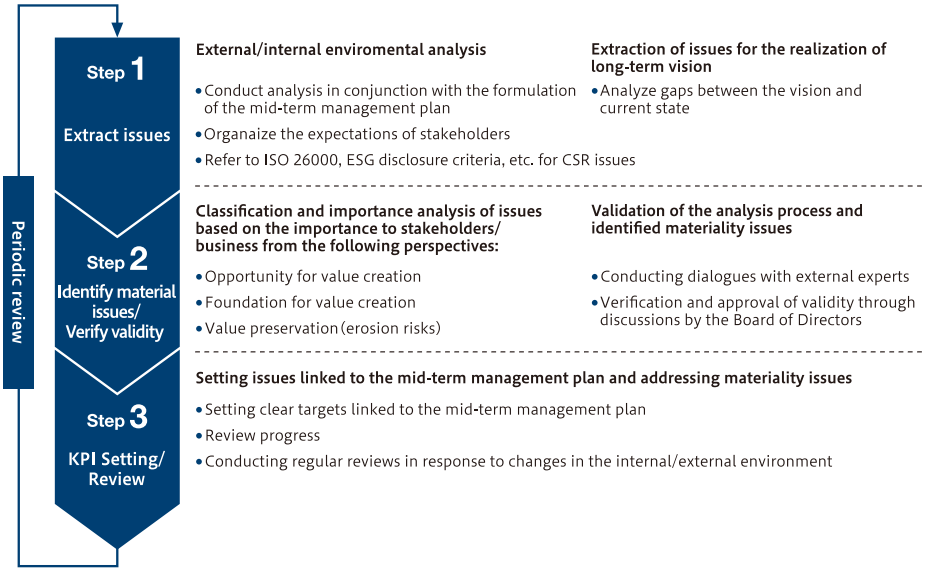
In FY2021, based on the newly established sustainable management policy, we changed the materiality from “important CSR issues” to “important management issues” to analyze and manage financial and non-financial management issues in more integrated way. The materiality thus defined has been clearly linked to the strategy of the mid-term management plan and has been developed into a more dynamic management system.

We believe that the disclosure of integrated financial and non-financial information and dialogues will be possible so that stakeholders outside of ONO can understand our sustainability initiatives.

In June 2024, Deciphera Pharmaceuticals, Inc. (in the United States), joined the Ono Pharmaceutical Group, enabling direct sales in Europe and the United States. This prompted us to review and consider our materiality. This revision does not change the materiality identification process that we conducted in fiscal 2021. In March 2025, we reclassified the 18 materiality into 9 items based also on our continued dialogue with institutional investors.

Steps in materiality analysis

The materiality analysis implemented in FY2021 was conducted using the following process, which is updated annually as progress is checked.



Deliberation structure

- Deliberated by the Board of Directors, at Management Meetings, and by all division managers(e.g., Research and Development, Sales and Marketing, Quality Assurance, Manufacturing, and Administration)
- Managed by the secretariat of the mid-term management plan (Corporate Planning Department) and the secretariat of the Sustainability Promotion Committee (formerly the CSR Committee) as a company-wide cross-departmental project during the period from June 2021 to March 2022.

Communication with Stakeholders

- Opinions of stakeholders are extracted from the issues confirmed by each division in the course of business activities, dialogues with investors, evaluations by the ESG-rating agencies, etc.

Step 1: Identify the Issues

In the materiality analysis, we conducted a management environmental analysis in conjunction with the formulation of the mid-term management plan to extract potential management issues. This analysis identified important opportunities and risks for creating value and achieving sustainable growth of our company. Our directors, executive officers, and senior management from all divisions participated in the external/internal management environmental analysis, which included analysis of the management environment surrounding the business and analysis of gaps between our long-term vision and current status. In addition, management issues were extracted based on requests and expectations of stakeholders that were confirmed by each division in its daily business activities. As for non-financial issues, we extracted issues related to intangible assets such as human capital and intellectual capital that are needed to realize our growth strategies.
Non-financial issues were updated based on ISO 26000, the GRI Standards, the SASB Standards, the Ten Principles of the United Nations Global Compact, evaluations by ESG-rating agencies, dialogues with investors, etc. Analysis of issues was conducted while the progress of deliberation was reported to and confirmed by the Board of Directors.

Step 2: Identify the Materiality・Verify Validity

In identifying materiality in 2021, we first classified the issues extracted in Step 1 into “value creation,” “foundation for value creation,” or “value preservation (erosion risks).” We recognized that “value creation” and “foundation for value creation” are opportunities and “value preservation” is a risk for our company. Furthermore, at the Management Meeting and other occasions, 18 materiality issues* were defined as the most important issues from the perspective of importance to stakeholders and business. Later in June 2024, Deciphera Pharmaceuticals, Inc. (in the United States), joined the Ono Pharmaceutical Group, enabling direct sales in Europe and the United States. This prompted us to review and consider our materiality. This revision does not change the materiality identification process that we conducted in fiscal 2021. In March 2025, we reclassified the 18 materiality into 9 items based also on our continued dialogue with institutional investors. Materiality issues were deliberated and finalized by the Board of Directors. Based on the content of ongoing dialogue with institutional investors, in March 2025, we consolidated the 18 materiality items into 9 items from the dual perspectives of "importance to the environment and society" and "importance to our company."
Please see the “Actions for Materiality Issue” for reason for being a priority issue, targets and progresses for each materiality.

In regard to the comprehensive materiality analysis in FY2024, we engaged in a dialogue with external experts about the process of our materiality analysis, the themes that are set and future initiatives to verify the validity of each important issue.

Ono Pharmaceutical has been earnestly addressing the issue of human health for over 300 years since its establishment.
That is why I hope that your company will demonstrate its presence in solving global issues.

Makiko Akabane
Japan Representative, CSR Asia

Ono Pharmaceutical has been earnestly addressing the issue of human health for over 300 years since its establishment. That is why I hope that your company will demonstrate its presence in solving global issues.
This new materiality was implemented in the form of a review of the existing one, partly because your company grew as a result of the acquisition of Deciphera Pharmaceuticals, Inc. in the United States, which caused a gap between the previous materiality and the current one. Furthermore, in response to suggestions from stakeholders, the number of materiality items was consolidated by about half in this review. We highly appreciate that you have swiftly reviewed the materiality in response to internal and external circumstances, which demonstrates your company's flexibility in quickly responding to changing conditions.
Your company has received the top score in the pharmaceutical sector of the Dow Jones Sustainability Index (DJSI) and has been selected as a component of the World Index and the Asia Pacific Index for five consecutive years. What this says is that as a pharmaceutical company founded in Japan, Ono Pharmaceutical has been earnestly addressing the issue of human health for approximately 300 years under its corporate philosophy "Dedicated to the Fight against Disease and Pain," and this is an indication that your company's sincerity has been embodied in your efforts to address sustainability, which has been acclaimed worldwide.
The nine newly reviewed materiality items cover all items needed to further enhance Ono Pharmaceutical's social value. However, since the materiality items tend to be applicable to all companies, we recommend that Ono Pharmaceutical include materiality items that are unique to your company in the future. For example, as a pharmaceutical company that is needed in the world, it is also necessary to set forth social issues that the world expects the company to solve, as materiality items. "Access to health care," which is an issue your company has also been working on, is not included in the current list of materiality items. However, it is a global issue that is of interest to stakeholders around the world. We hope that you will consider including this issue as a materiality item in order to also further enhance your company's reputation and presence in the global arena.

ONO's revised materiality is now easier for readers to understand
Visualizing the company's medium- to long-term vision is the key to its future

Kenji Fuma
Chief Executive Officer,
Neural Inc.

ONO has long recognized extremely comprehensive and wide-ranging themes as "material (important)" and has disclosed detailed indicators, targets, and initiatives for each theme. ONO revised the contents of its materiality to be more refined than before. Now that related items have been consolidated, important themes feel easier to understand, both for management, as well as for investors who are the main readers. Specifically, ONO has made it easier to understand the relationship between its medium-to long-term vision and increased corporate value by clearly defining four growth strategy themes and two foundations for promoting the growth strategy. In particular, now that the company has realized direct sales in the U.S. and Europe, it is clear that ONO will achieve globalization, including global development. In terms of creating an organizational structure that supports globalization, the fact that it is consistent with the challenge of expanding human capital is highly valued.

On the other hand, while the realization of a sustainable society is an important theme for all of these matters, it appears that a deeper understanding is needed regarding the relationship between each theme and ONO's corporate value. In particular, drug discovery companies depend on genetic resources and bio-resources to some extent, and due to their close relation with biodiversity issues, they will need to be more sensitive when it comes to risk management, including supply chain risk management. In addition, as companies transform themselves by utilizing digital technologies and IT, further advances in cyber security and the protection of personal information are also desired.

After identifying materiality, the key is whether the company can set its medium- to long-term vision in a measurable manner. Highly abstract and vague goals make it impossible to measure progress. Even if it seems impossible from the beginning, deliberately setting ambitious goals and making adjustments while keeping an eye on the status of achievements is the way to transform the company into what it should be.

Step 3: Setting & Review of KPIs

With regard to each materiality issue that was redefined in FY2021, we will establish mid-term targets and plans, and confirm the progress. In addition, these are extracted using enterprise risk management (ERM) and are managed in an integrated manner with managed risks (click here for more information on ERM).
We establish our company-wide PDCA management cycle by linking KPIs and progress for each materiality to our medium-term management plan, as well as by linking them to corresponding divisions, organizations, and committees. The KPIs and progress for each materiality are managed by the Board of Directors and the Executive Committee. We also conduct periodical reviews and analyze external/internal environments every year to review progress against materiality issues and medium- and long-term objectives.
In accordance with the annual review conducted in FY2023, the names and contents of some materiality items were changed. In March 2025, we reclassified the 18 materiality into 9 items based also on our continued dialogue with institutional investors.Please see below for reason for being a priority issue, targets and actions for each materiality and the progress by year.

- Material Issues and KPIs in FY2024 (435KB)
- Material Issues and KPIs (March 2025 and beyond) (429KB)

> See Sustainability Report for previous KPIs

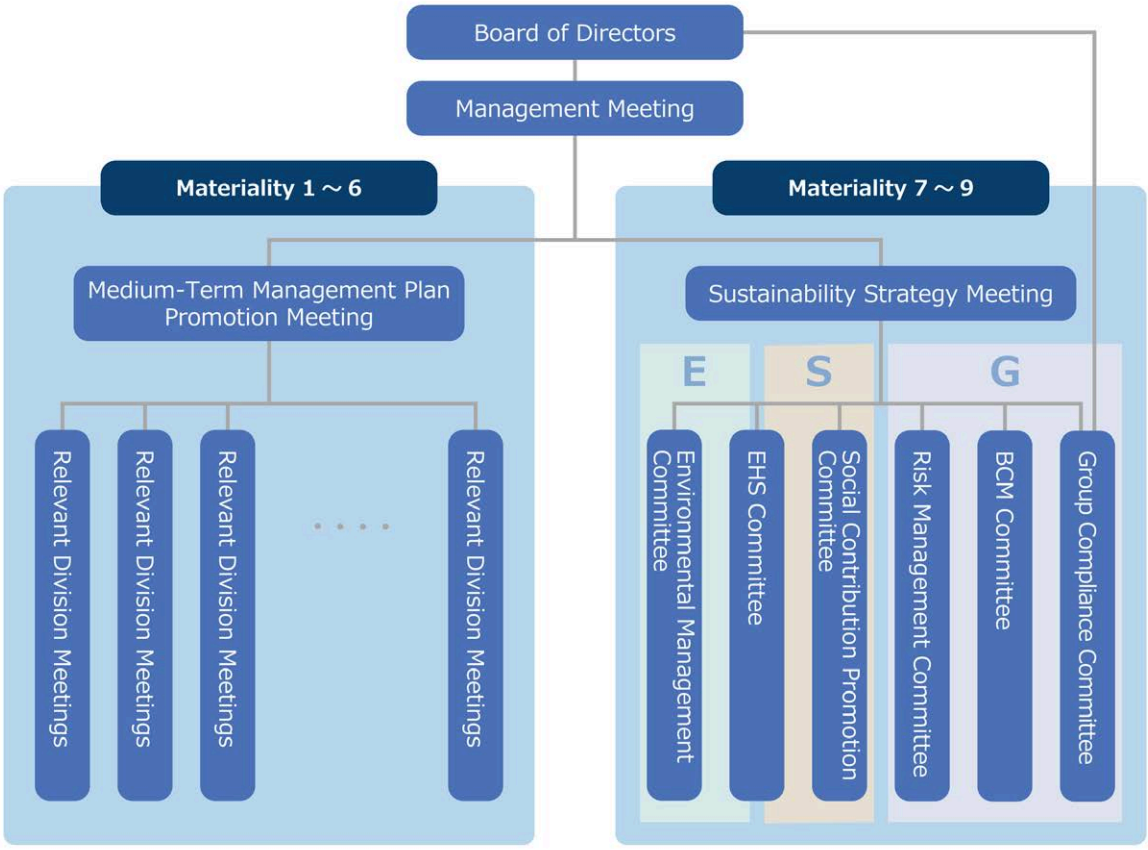
Initiatives up to FY2021

ONO has striven to develop our CSR by defining important areas of focus based on ISO 26000. In FY2018, we redefined our materiality as “important CSR issues” to clarify CSR activity themes that we should emphasize. ONO is actively engaged in CSR in accordance with the materiality that we have established.

- For the Targets and Progress of the Previous Materiality (FY2019-FY2021), please see here. (819KB)

Sustainability Promotion Structure

At Ono Pharmaceutical, the Board of Directors oversees important management issues (materiality) in sustainable management, and appoints the Representative Director, President & COO as the chief Sustainability Management Officer, and the Representative Director, Executive Vice President as the director in charge of sustainability.
Under the Representative Director, President & COO, the Sustainability Strategy Meeting (which is chaired by the director in charge of sustainability and consists of the Representative Director, President & COO, the Executive Directors, auditors, and the headquarters office manager determined by the chair) has been established to discuss and deliberate important matters. The Sustainability Strategy Committee, together with the six committees shown below, has established a corporate governance system that closely cooperates with the Board of Directors.



Participation in the United Nations Global Compact

In November 2017, we participated in the United Nations Global Compact (UNGC), which is composed of 10 principles advocated by the UN concerning human rights, labour, environment, and anti-corruption. We comply with relevant laws and disseminate “the Ten Principles of the UNGC” through our daily activities to ensure that all employees follow them.

The Ten Principles of the UNGC

《Human Rights》

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

《Labour》

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

《Environment》

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

《Anti-Corruption》

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

We submit our Communication on Progress (CoP) every year to the UNGC to report on our initiatives toward “the 10 Principles of the UNGC.”

› UNCG website posting our CoP

Our Contribution to the SDGs

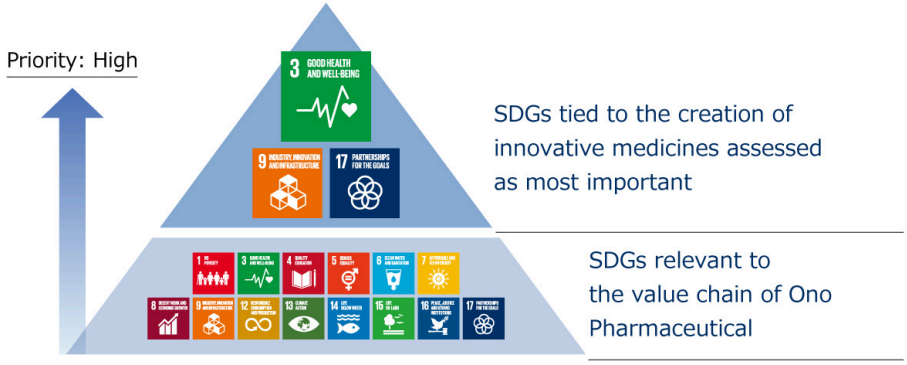
Contribution by ONO to the SDGs

We contribute to Goal 3, Goal 9 and Goal 17 in the SDGs through the creation of innovative drugs.

We strive to realize Goal 3: Ensure healthy lives and promote well-being at all ages as a research and development company specializing in prescription drugs based on our corporate philosophy to be dedicated to the fight against disease and pain. In response to the mortality rate of non-communicable diseases raised as a goal of the SDGs, we began to concentrate our research area into diseases such as cancers, immunological diseases and central nervous system disorders to contribute to the creation of original and innovative therapeutic medications for diseases for which medical needs have still not yet been satisfied. To improve access to healthcare in low-income and low- and middle-income countries, we will work in partnership with NGOs and other organizations to strengthen healthcare systems over the medium to long term, including the development of medical personnel and the improvement of healthcare environments.

In terms of Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, ONO contributes to encouraging innovation and building research and development infrastructure. To vitalize research and development in order to create new drugs, we of course not only invest in internal research and development but also provide grants, such as those for investigator-initiated clinical trials. Furthermore, the ONO Medical Research Foundation and ONO Pharma Foundation promote research to help build a bedrock for innovation through research grants to researchers overseas.

Moreover, we cannot separate ourselves from the duty to promote innovation or from Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. We will not only provide innovative drugs independently but also seek out and achieve a wide range of partnerships. Long before “open innovation” became a commonly used phrase, ONO advanced the development of new drugs through the use of state-of-the-art technology and expertise from various fields worldwide. At the same time, we have been actively working to introduce and draw on new candidate compounds for pharmaceuticals. In addition to alliances with venture companies and other pharmaceutical companies, we form partnerships with a wide range of stakeholders from universities and research institutes to government agencies, local communities and NPOs in an effort to resolve problems via open innovation. A list of our main partnerships can be found here.



Commitment to Conservation of the Global Environment

Environment Global Policy

Various global environmental issues, including abnormal weather patterns, are becoming more serious year by year, and efforts to protect the environment have become a key issue for the international community. The ONO Group recognizes its corporate social responsibility for the environment, and under our Global Environment Policy, we promote environmentally conscious initiatives in all areas of our business activities to pass on a prosperous and sustainable global environment to future generations.

> Environment Global Policy

Medium- to Long-term Environmental Vision

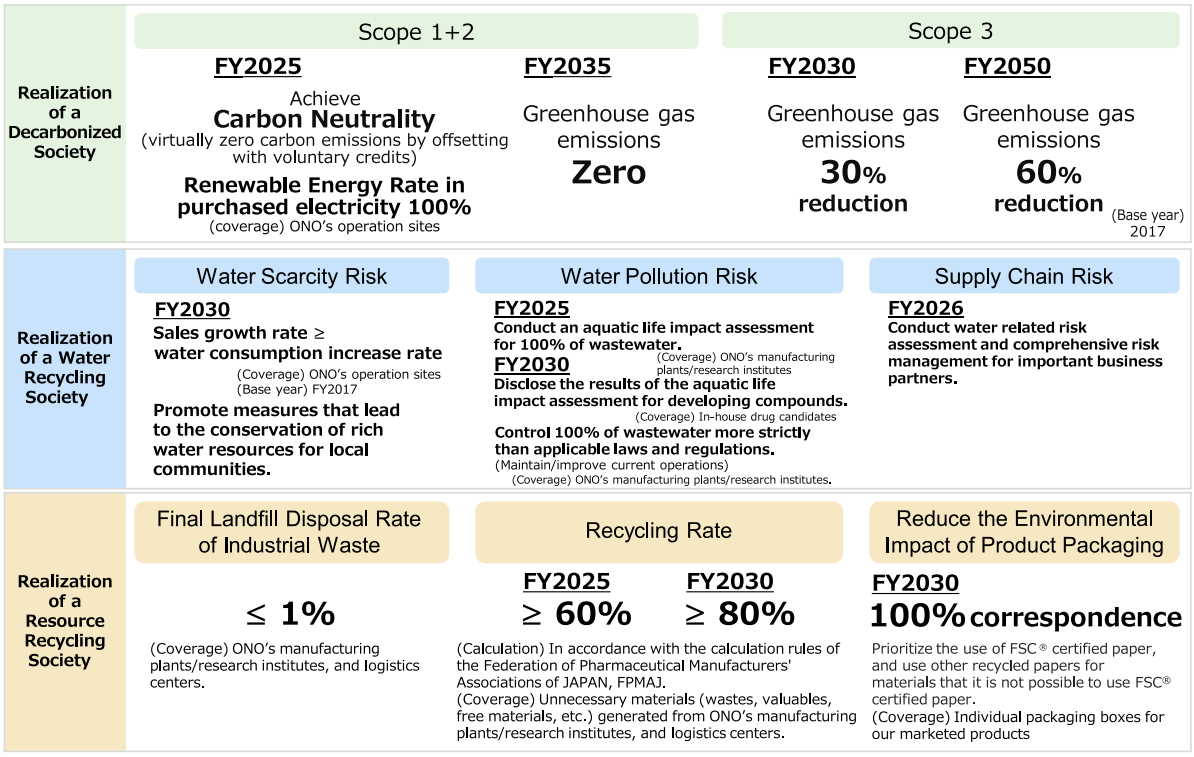
In 2019, to realize a sustainable society, we formulated our medium- to long-term environmental vision for 2050, named “Environment Challenging Ono Vision (ECO VISION 2050).”

Background for the establishment of vision

In recent years, global environmental issues such as climate change have become increasingly serious. In the future, by 2050, it is expected that people’s healthy and sound lives will be threatened by various risks, such as shortages of water and food, an increase in new diseases, and the destruction of the infrastructure that supports daily life due to more severe natural disasters.
Under our corporate philosophy, “Dedicated to the Fight against Disease and Pain,” we believe that, in order to continue promoting the creation of a healthy and sound society through the development of innovative pharmaceutical products, it is important to recognize that our business activities are supported by a sound global environment and to strengthen our efforts to address environmental challenges. We believe that these efforts are not only our corporate responsibility for the environment, but also help build the foundation for sustainable business activities.
To help realize a healthy and sound society, we will take on the challenge of reducing our environmental burden toward 2050, based on ECO VISION 2050.

Medium- to Long-Term Environmental Targets

Based on our medium- to long-term environmental vision, ECO VISION 2050, we have set targets and have been working toward the realization of a decarbonized society, a water recycling society, and a resource recycling society. In order to further strengthen and accelerate our efforts to address global environmental issues, we have updated our medium- to long-term environmental targets from 2023 and are promoting activities to achieve these targets.



* FSC®-certified paper is certified based on the standards of the FSC (Forest Stewardship Council®).

Environment-related Employee Education & Awareness-raising Activities

To help employees feel a personal connection to global environmental issues and encourage individual action, the ONO Group conducts environment-related education and awareness-raising activities for all employees.
Company-wide, we regularly share information on environmental issues through our internal SNS and other channels, and post easy-to-implement energy-saving tips related to lighting and air conditioning to help reduce unnecessary energy use.
At each site, we also strive to raise employees' environmental awareness. For example, at the Minase Research Institute and Head Office, which are equipped with solar power systems, monitors displaying generated energy are installed at employee entrances. At the Joto Product Development Center, lists of equipment with high energy, gas, and electricity usage are shared with researchers. At the Yamaguchi Plant, we have declared our participation in the "2050 Zero Carbon Challenge – Buchi Eco Yamaguchi Prefectural Movement" promoted by Yamaguchi Prefecture, and are actively engaged in energy-saving activities. We promote these activities in collaboration with local communities while fostering employee awareness.
At the Fujiyama Plant and Yamaguchi Plant, we conduct annual environmental education and training for all employees at each plant. In FY2024, as in FY2023, we thoroughly communicated our Global Environment Policy and Medium- to Long-term Environmental Targets to all employees, and provided education and training on the plant's internal management system and activities for environmental targets set for the entire plant and for each organizational unit. Each plant is taking its own approach to raise environmental awareness among employees.
Furthermore, the Environmental Committee, which meets monthly at each plant, confirms and discusses matters such as revisions to laws and regulations, changes to environmental management systems, and reports on environmental activities conducted by each organization, and we have established a system whereby the contents of such confirmations and discussions are shared by the Environmental Committee members with all employees at each plant.
Moreover, the CMC and Production Division, to which employees of both plants also belong, held e-learning courses on "waste separation rules" and "hazardous materials management," and more than 90% of employees have taken the courses.
At the Minase Research Institute and Tsukuba Research Institute, annual group training and monthly e-learning sessions on various topics are provided for research employees. Topics include chemical substance management (toxic, deleterious, and hazardous substances), biosafety management (pathogens, genetically modified organisms, etc.), wastewater management from experiments, and waste separation rules. All relevant employees are required to participate in the group training. Through these educational efforts, we strive to prevent soil and water pollution.
Employees responsible for environmental activities actively participate in exhibitions and seminars related to the environment to acquire the latest knowledge and trends, which are then shared internally. This helps to enhance the company's overall environmental performance.

Environment-related Initiatives & Industry Group Activities

To address natural environmental issues, including climate change, we are accelerating our efforts to reduce our environmental impact by participating in initiatives and industry group committee activities that align with our company's philosophy and direction, and by working to lobby the government through industry groups. When participating in such initiatives, we consider consistency with our business objectives, focus areas, and business activities, and regularly examine whether there are any major contradictions between industry associations and our approach to environmental conservation.
If there is a large discrepancy, we even consider withdrawing from the initiative, etc. The environment-related initiatives that we participate in are as follows:

SBT initiative (Science Based Targets initiative; SBTi)

Our greenhouse gas reduction targets were certified by the SBTi in June 2019.
The SBTi is an initiative that supports and certifies companies to set science-based targets.

› For details, please see the SBTi.

TCFD Consortium

We expressed our support for the TCFD recommendations in October 2019 and joined the TCFD Consortium at the same time.The TCFD Consortium was established as a forum for companies, financial institutions, and other organizations supporting the TCFD recommendations to work together to promote initiatives, and to discuss initiatives on how companies can effectively disclose climate-related financial reports and how those reports can be leveraged to encourage appropriate investment decisions by financial institutions and other organizations.

› For details, please see the TCFD Consortium.

Water Project

We participated in the "Water Project" in October 2019. The "Water Project" is a public-private partnership project launched after the "Basic Law on the Water Cycle" was enacted in 2014, which states that governments and companies should work together to protect the water cycle in Japan.

RE100 (Renewable Energy 100%)

We joined RE100 in June 2020. RE100 is an international initiative aiming to source 100% of the electricity used in business activities from renewable energy.

› For details, please see the RE100.

GX League

We expressed our support in April 2022 for the GX (Green Transformation) League Basic Concept, which was announced by the Ministry of Economy, Trade and Industry (METI). The GX League is a forum for companies to collaborate with other companies, government and academia which take on the challenge of achieving carbon neutrality and social change by 2050..

› For details, please see the GX League.

Decokatsu

In October 2023, we expressed our support for the Ministry of the Environment's "Decokatsu" initiative and made the "Decokatsu Declaration." Decokatsu is a new national movement in Japan that strongly supports changes in the behaviors and lifestyles of citizens and consumers in order to achieve 2030 GHG emission reduction target and carbon neutrality in 2050.

› For more details, please visit the Ministry of the Environment's website.

Information Disclosure Based on the TCFD Recommendation

In October 2019, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In line with these recommendations, we will assess and manage risks and opportunities related to climate change, and disclose relevant information appropriately.

Governance, Strategy, Risk and Opportunity Management, Indicators and Targets

Governance

We recognize the preservation of the global environment as one of our key management issues (materiality). In response to this, and in order to achieve the medium- to long-term environmental targets based on our Medium- to Long-Term Environment Vision, ECO VISION 2050, ONO's Representative Director, President & COO has been appointed as the Chief Environmental Management Officer, and the Representative Director, Executive Vice President has been appointed as the Executive Director in Charge of the Environment.

Organization/ Conference Body	Role in Protecting the Global Environment
Board of Directors	Receives quarterly reports from the Environment Management Committee on risks and opportunities related to global environmental preservation and the progress of initiatives, and oversees how operations are being executed.
Management Meeting	The Management Meeting is chaired by the Representative Director, President & COO and consists of the Representative Director & Chairman, the Corporate Officers responsible for individual departments, and responsible personnel of related departments appointed by the Chair. The Full-time Audit & Supervisory Board Members observe the Meeting. At the Management Meetings, the important issues to be discussed by the Board of Directors, including initiatives for global environmental conservation, are examined, important management issues are discussed, and decision-making in regard to corporate management policies/strategies and other important information is shared.
Sustainability Strategy Meeting	The Director in charge of the environment chairs the committee, which is attended by the President & COO, Executive Directors, Corporate Auditors and Senior Directors of the head office determined by the chair, to discuss important matters concerning the sustainability strategy, including global environmental preservation initiatives. This committee convenes twice a year.
Environment Management Committee	This committee meets two times a year to manage and promote efforts to address environmental issues at each site, including research institutes and manufacturing plants. The Environmental Committee reports its findings to the Sustainability Strategy Committee and to the Board of Directors.
TCFD Working Group (WG)	The Sustainability Promotion Department serves as a secretariat, with the heads of relevant internal departments as its members, that analyzes and identifies risks and opportunities that present themselves due to climate change, and manages the progress of response measures in cooperation with the Risk Management Committee.
Risk Management Committee	Develops and establishes a risk management system for all corporate activities and promotes company-wide risk management activities based on the Risk Management Global Policy.

The Board of Directors receives reports on progress toward ONO's environmental targets, as well as details on risks and opportunities identified in the TCFD and TNFD, among other things, and oversees overall efforts concerning the conservation of the global environment.

Strategy
—Analysis and evaluation of risks and opportunities related to climate change—

In FY2019, we began identifying risks and opportunities that presented themselves due to climate change based on the TCFD recommendations, evaluating their financial impact, and considering how we will respond to them. Since then, we have conducted annual reviews on the status of our response and the financial impact that resulted from those actions. In FY2023, we conducted reassessments such as risk and opportunity analyses to reflect our sustainable management policy and revised medium- and long-term environmental targets. In FY 2024, after confirming that there were no changes to the risks and opportunities identified in FY 2023, we reviewed the financial impact and the progress of the measures taken.

Selection of Climate Change Scenarios & Worldview Under Such Scenarios

The 1.5℃ scenario (RCP2.6, IEA NZE 2050 and IEA SDS) toward realizing a low-carbon society and the 4℃ scenario (RCP8.5) that predicts further global warming were selected for analysis and evaluation. IEA STEPS scenarios, etc., were also referred to when information was lacking.

1.5°C Scenario	4°C Scenario
Strict laws and regulations regarding climate change countermeasures are enforced and carbon taxes are introduced around the world. At the same time, technological innovations related to energy-conservation promotion and renewable energy also progress. Companies invest more resources in regulatory compliance and climate change countermeasures, and global greenhouse gas emissions are curbed to a certain degree. The impact global warming has on our health will be minimal, as rises in temperature are controlled, and the number of natural disasters will not increase significantly from current levels. Investors and other stakeholders place importance on climate change countermeasures and global environmental protection.	Temperatures continue to rise as climate change laws and regulations remain the same as they are now. Although the impact experienced by companies from responding to laws and regulations is minimal, it will become more difficult to use inexpensive, high-quality natural capital. Natural disasters such as torrential rains, typhoons, floods, and water shortages will become more frequent and severe as a result of global warming. In addition, health hazards such as infectious diseases, respiratory diseases, and heat stroke will also become more prevalent.

Scope of Risk & Opportunity Analysis

This scope of analysis covers all stages of our core pharmaceutical business, including research, development, procurement, production, distribution, sales, use, and disposal, and includes our company's plants, global contract manufacturers and suppliers, as well as a wide range of stakeholders such as investors, customers, and employees (including recruited human resources).

Duration of Analysis

The analysis was divided into three periods: short term (up to 3 years), medium term (3-10 years), and long term (10-30 years).

Impact on Business

The impact on business is evaluated comprehensively on a scale of Large, Medium, and Small, taking into account the amount and probability of occurrence (Large: Impacts the sustainability of business activities; Medium: Impacts some business activities; Small: Virtually no impact).

Other

A list was created based on physical risks (acute and chronic), transitional risks (regulations and laws, market, technology, reputation) and opportunities (resource efficiency, energy, products and services, market, resilience) that apply to pharmaceutical companies, as well as the results of internal interviews. From this list, we narrowed down items that were highly relevant to our company through qualitative assessments and proceeded to conduct risk and opportunity analyses.
The financial impact was calculated based on the assumption that the company's manufacturing volume and energy consumption will increase in line with business growth by FY2035, the target year for achieving zero greenhouse gas emissions under our new medium- to long-term environmental goals.

Reference Materials & Tools (Excerpts)

- World Energy Outlook 2024 (published by the International Energy Agency IEA), public information released by various ministries and agencies, flood control economic research manuals, and public information released by JPEX and the Renewable Energy Institute.
- Aqueduct Water Risk ATLAS (a map showing water risks around the world, published by the World Resources Institute [(WRI]), hazard maps from the Ministry of Land, Infrastructure, Transport and Tourism and local governments, and A-Plat (a climate change adaptation information platform operated by the National Institute for Environmental Studies).

Risks related to climate change

The risks related to climate change, their impact on our business, and our response to them are as follows:

TCFD Risk Categories		Duration	Impact on Business		Main Countermeasures
			1.5℃	4℃	
Policy, Law & Regulation	Increased tax burden due to introduction of carbon tax	Medium and long term	Small (around 800 million yen)	-	• Implement energy conservation measures and conduct renewable energy procurement
	Restrictions on the use of vehicles used by sales staff due to emission regulations	Medium term	Small (around 400 million yen)	-	• Transition to environmentally friendly vehicles (HVs, EVs, etc.)
	Climate change countermeasure costs are carried over to procurement costs	Medium and long term	Small (around 200 million yen impact of carbon tax)	-	• Work with business partners to reduce Scope 3 emissions
	Lost opportunities due to delays in complying with national and regional laws and emission regulations	Medium and long term	Moderate	-	• Understand regulatory trends in each country • Determine strategies and implement responses that reflect regulatory trends
Technology	Increased investment costs to fight climate change	Short, medium, and long term	Small (around 900 million yen)	-	• Promote energy conservation through operational improvements, etc. • Utilize environment-related subsidies
Market	Difficulty in procuring renewable energy due to intensifying competition for demand	Medium term	Moderate	-	• Expand methods for procuring renewable energy such as introducing PPA • Make policy recommendations by participation in RE100 and other initiatives
Reputation	Decrease in corporate value due to failure to meet environmental targets	Short, medium, and long term	Moderate	-	• Promote measures to achieve medium- and long-term environmental targets • Appropriately disclose information
Physical Risks (Acute)	Temporary suspension of operations due to natural disasters (torrential rains, floods, typhoons, etc.)	Medium and long term	-	Large (up to 10 billion yen)	• Thoroughly implement BCP measures (secure sufficient inventory of APIs and products, establish a multiple-supplier system) • Continue to identify natural disaster risks in the business partner selection process
Physical Risks (Chronic)	Impact on production due to water shortage Since the company does not have its own plants or API manufacturing contractors for its main products in areas with a high risk of water shortages, it is unlikely that there will be any disruption in the company's operations at this time.	Medium and long term	-	Small	• Identify water shortage risks in the business partner selection process • Secure sufficient inventory of APIs and products
	Increase in operating costs for air conditioning equipment, etc., due to rising temperatures	Medium and long term	-	Small	• Promote energy conservation measures such as operational improvements and capital investments

We did not identify any climate-related risks from the results of these scenario analyses that would require us to overhaul our business and investments. However, we recognize the importance of continuing to analyze risks such as the impact natural disasters have on our manufacturing sites and procured products, as well as laws and regulations in each country and region. In particular, we view the physical risk of the 4℃ scenario, "natural disasters (torrential rains, typhoons, floods)," as a potential risk that could affect the stable supply of high-quality pharmaceutical products. Moving forward, we will continue to promote BCP measures, including securing sufficient inventories and providing support to multiple production and procurement hubs.

(Reference) Impact of Floods and Water Shortages by Location (Excerpt)

[Risk for Plants and Research Institutes]

We conducted a risk assessment of our plants and research institutes using the "Multi-layered Hazard Map" provided by the Ministry of Land, Infrastructure, Transport and Tourism, as well as the Aqueduct Water Risk ATLAS. As a result, we have confirmed that the flood risk and water shortage risk are low at all locations.

[Logistics Centers]

For the logistics centers we contract with, we conducted a risk assessment using the "Multi-layered Hazard Map" provided by the Ministry of Land, Infrastructure, Transport and Tourism. In past analyses, a flood risk was identified at one of the logistics centers, but we have since moved the storage location of our products to a higher area (above the anticipated flood depth), and we currently consider the risk to be low.

Opportunities related to climate change

The opportunities related to climate change, their impact on our business, and our response to them are as follows:

TCFD Opportunity Categories		Duration	Impact on Business		Main Countermeasures
			1.5°C	4°C	
Resource Efficiency	Cost savings through efficient use of electricity	Medium and long term	Small	Small	• Promote energy conservation measures such as improving operations and making capital investments • Save resources by adopting highly efficient production processes such as continuous production methods • Promote drug discovery technologies that take into account the concept of green and sustainable chemistry • Improve the efficiency of distribution processes such as joint transportation
Market	Utilization of subsidies for energy conservation and renewable energy	Short, medium, and long term	Small (up to 500 million yen)	-	• Closely monitor policy trends and actively utilize subsidies
Our Business	Development of new products and services for new health hazards	Long term	-	Large	• Utilize open innovation
Reputation	Enhancing corporate value through advanced measures against climate change (Differentiation from other companies, hiring and retention of employees)	Short, medium, and long term	Moderate	-	• Actively promote energy conservation/renewable energy measures and appropriately disclose information

Climate change has increased concerns over health hazards such as infectious diseases, respiratory diseases, and heat stroke. We are committed to contributing to society through the creation of ethical drugs (innovative new drugs), and we will take full advantage of the opportunities presented to us by the discovery of treatments for such diseases. By providing innovative new drugs, we will not only contribute to patients and their families, but also work toward realizing a circular carbon society so that people can live healthy and sound lives.

Risk and opportunity management

The identified risks and opportunities, as well as their corresponding countermeasures and the progress of measures to promote those opportunities are all managed by the TCFD-WG, which is headed by the Director in charge of environmental affairs and includes members responsible for each function within the company, and by the cross-functional Environmental Committee, which manages and promotes environmental issues at each plant, laboratory, etc. The Board of Directors supervises the status of management through the environmental management system described in the Governance section above. In addition, climate change-related risks are shared with the Risk Management Committee, and risks that may affect business continuity are managed as company-wide risks based on ONO's Risk Management Global Policy.

(For risk management system, please click here.)

The progress of countermeasures and changes in financial impact caused by such progress will be reviewed annually by the TCFD-WG and the Environmental Committee, and a review of risk/opportunity analysis and assessment will be conducted once every few years in conjunction with the formulation of medium-term management plans and revisions to environment-related policies and targets.

Indicators and targets

In an effort to enhance and accelerate our efforts to address various global environmental issues, we are promoting activities based on the revised targets from 2023.
Please click here to learn more about our plans and progress.

Greenhouse Gas Emissions (Scope 1+2)	**Achieve carbon neutrality by FY2025 (virtually zero greenhouse gas emissions by offsetting with voluntary carbon credits)** **Achieve zero greenhouse gas emissions by FY2035**
Greenhouse Gas Emissions (Scope 3)	**Reduce by 30% by FY2030** **Reduce by 60% by FY2050** – Base year: FY2017
Renewable energy rate in purchased electricity	**Achieve 100% by FY2025** – Coverage: ONO's operation sites

In addition, we have positioned "preservation of the global environment" as one of our materiality and are promoting it throughout the company. We have introduced "materiality initiatives" and "adoption status in ESG indices" as performance evaluation indicators for performance-linked stock renumeration for Members of the Board of Directors (excluding outside directors) and executive officers to promote sustainability management, including environmental management.

Dialogues with stakeholders

In order to encourage the appropriate disclosure of information based on the TCFD recommendations and to help promote measures against climate change in society as a whole, we make a point of collaborating with industry associations and the government, and of holding discussions with stakeholders. As part of this effort, we participate in the TCFD Consortium, which is a forum for companies and financial institutions that support the TCFD recommendations to discuss effective corporate information disclosure and appropriate initiatives. In addition, we take part in "Roundtable" discussions organized by the TCFD Consortium, where we exchange views with experts and gather information on the initiatives and disclosures expected of companies. We also hold meetings with stakeholders, including investors, to seek their opinions on our TCFD-related initiatives. The information and advice we receive are reflected in our activities and policies.
We also participate in industry associations and various initiatives that promote global environmental conservation efforts. Membership in and withdrawal from initiatives and other groups, as well as policy recommendations made through initiatives, are discussed by the Environmental Committee to determine whether they are in line with our policies, and are then overseen by the Board of Directors through the system described under "Governance," above. In the RE100, of which we are a member, we also participate in discussions for policy recommendations and in research concerning the promotion of renewable energy in Japan and South Korea. (For more information on environment-related initiatives and industry association activities, please click here.)

Realization of a Decarbonized Society

ONO considers global warming and other climate changes to be a major threat to people's health and recognizes them as important issues that affect the continuity of our business activities. For these reasons, the Environment Management Committee, whose activities cover the entire company, and the Carbon Neutrality Sub-Committee, which was established under it, take the initiative to engage in various activities to achieve a decarbonized society.

Analysis and Evaluation of Risks and Opportunities related to Climate Change

Risks and opportunities related to climate change are investigated under the leadership of the Environment Management Committee and the TCFD Working Group. They identify, analyze, and evaluate risks and opportunities that may have an impact on our business. For more details, please refer to our disclosure based on the TCFD Recommendation.

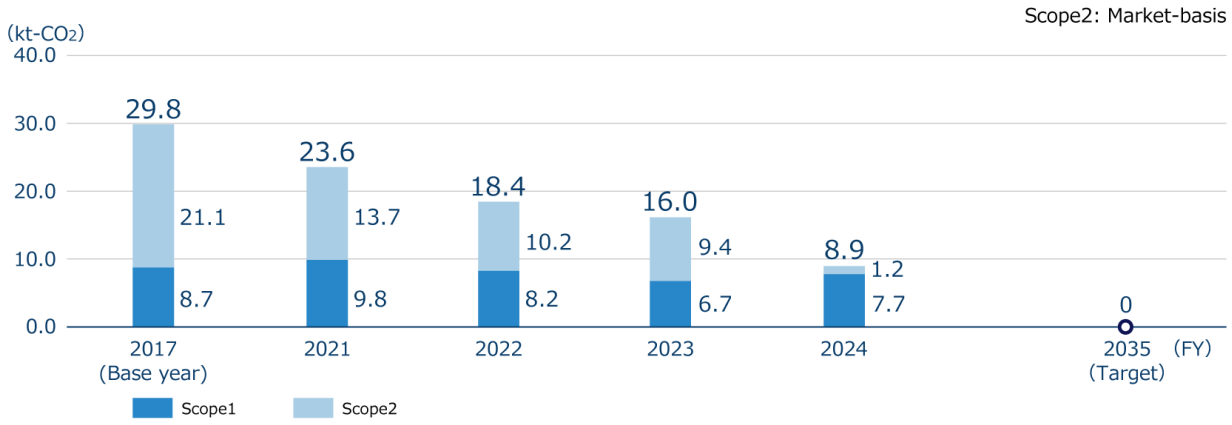
Targets and Progress

We are moving ahead with activities to achieve our medium- to long-term environmental targets.

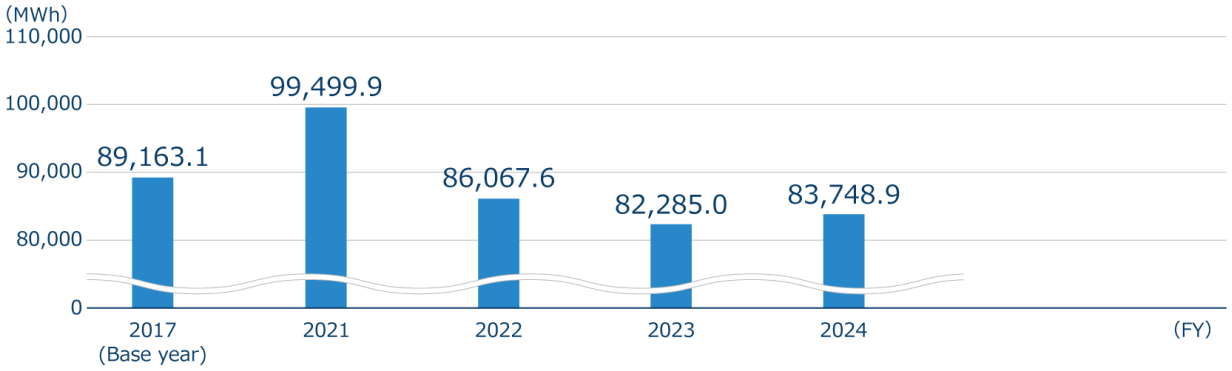
Our medium- to long-term environmental targets		Targets and results for FY2024
Greenhouse Gas Emissions (Scope 1+2)	**Achieve carbon neutrality by FY2025** (virtually zero greenhouse gas emissions by offsetting with voluntary carbon credits) **Achieve zero greenhouse gas emissions by FY2035**	**Target: Reduce by at least 65% (10.4kt-CO_2)** – Base year: FY2017 **Result: Reduce by 70.3% (8.9kt-CO_2)**
Renewable Energy Rate in purchased electricity	**Achieve 100% by FY2025** – Coverage: ONO's operation sites	**Target: More than 75%** **Result: 93.2%**
Greenhouse Gas Emissions (Scope 3)	**Reduce by 30% by FY2030** **Reduce by 60% by FY2050** – Base year: FY2017	**Target: Reduce by at least 16.2% (103.1kt-CO_2)** – Base year: FY2017 **Result: Reduce by 18.4% (100.5kt-CO_2)**

In FY2024, we achieved all of the fiscal year targets we set for achieving our medium- to long-term targets. Scope 1+2 greenhouse gas (GHG) emissions do not include the amount of CO_2 offset through the use of voluntary credits (carbon neutral city gas purchases). When reflecting the amount of CO_2 offset by such credits, FY2024 Scope 1+2 GHG emissions would be 2.0kt-CO_2, which is a 93.4% reduction compared to FY2017. Scope 3 emissions are calculated using the previous fiscal year's data, since the GHG emissions of our major suppliers and pharmaceutical wholesalers, which are used to calculate Categories 1 , 9 and 15, had not been published at the time of calculation.

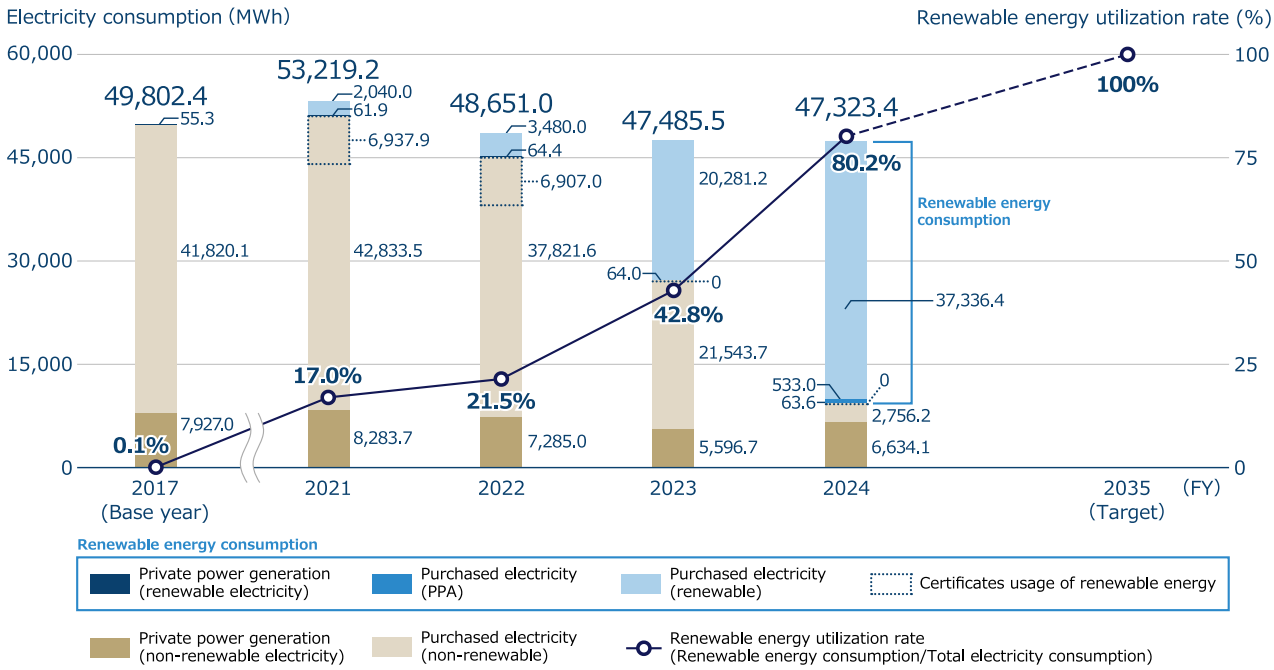
Scope 1+2 Greenhouse gas emissions*1



Energy consumption



Electricity consumption and renewable energy utilization rate



Locations covered by the above three graphs: Fujiyama Plant, Yamaguchi Plant (added from FY2018), Joto Pharmaceutical Product Development Center, Minase Research Institute, Tsukuba Research Institute, Fomer Fukui Research Institute, Head Office and other offices, etc.

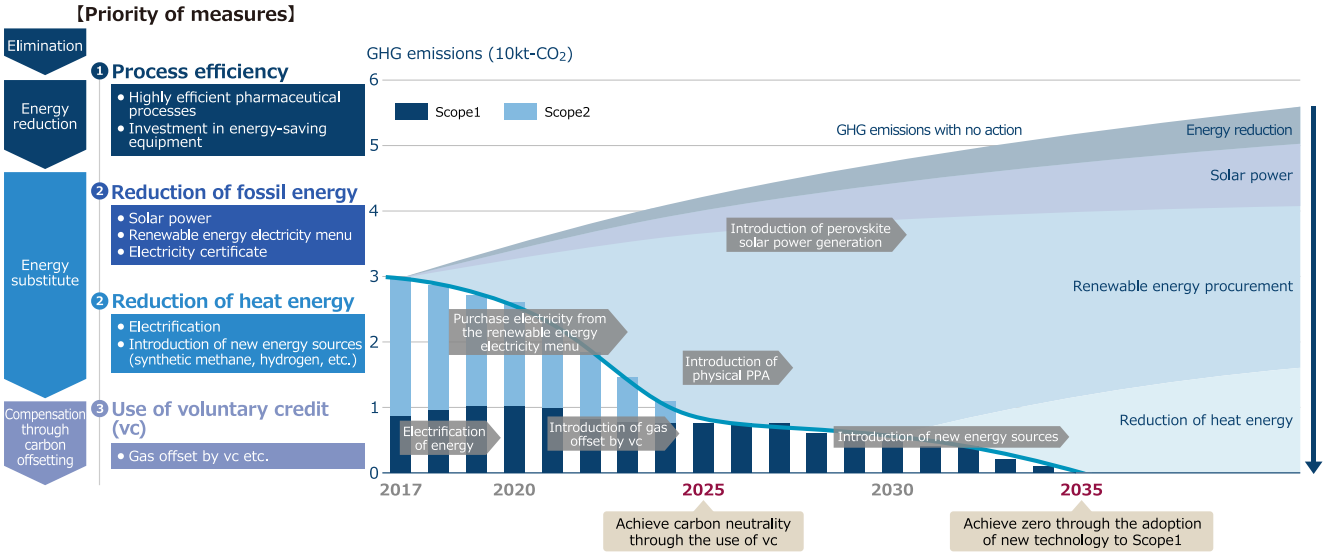
*1 GHG emissions are calculated in accordance with Act on Promotion of Global Warming Countermeasures.

Reduction Policy

We have established a policy for reducing GHG emissions based on recent energy market trends, costs, and projected changes in emission factors. Our priority measures are avoidance (creating systems that do not use energy), reduction (promoting energy conservation activities), substitution (switching to renewable energy sources, etc.), and offsetting (offsetting through the use of credits).
In addition, in order to promote low-carbon investments and climate change prevention measures, we have set our own internal price for carbon dioxide (CO_2) emissions, introduced internal carbon pricing to be used for making investment decisions, and are promoting investments geared toward realizing a decarbonized society.

Initiatives to reduce Scope 1+2 GHG emissions

Scope 1+2 GHG emissions Reduction Roadmap



Reduce Promotion of energy-saving activities

Operational Improvement

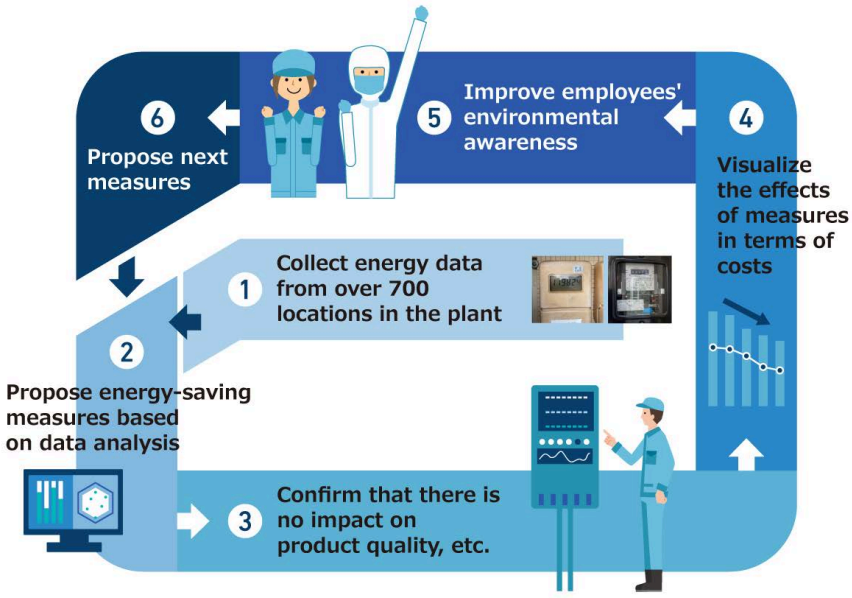
- Recover heat from high-temperature wastewater and use it as a heat source

- Review of operations such as equipment operating hours and temperature settings

  Most of our energy consumption comes from air conditioning equipment, so we are reviewing the operating hours and temperature settings of air conditioning equipment to an extent that does not affect the quality of our products. At all sites, we compare monthly usage data for electricity, gas, and water by building and major equipment with the same month of the previous year, investigate the causes of any increases or decreases, and promptly implement improvements. These usage data are also shared with the Carbon Neutrality Sub-Committee under the Environment Management Committee.

  At the Yamaguchi Plant, the monitoring system has been modified to monitor the upper limits of utilities such as electricity, city gas, steam, and water supply. The 13 monitoring systems installed manage upper usage limits every hour, and if unusual usage is detected based on historical maximums, an alert is issued. This enables early detection and response to equipment failures or leaks due to aging pipes.

  At the Fujiyama Plant, since FY2022, we have been utilizing over 700 energy data collection points (for electricity, heat, and steam) installed throughout the plant to monitor daily usage and analyze the data. We identify energy losses and confirm the impact of energy-saving measures by comparing consumption before and after implementation, prioritizing actions accordingly. The results of data analysis and the effects of initiatives on energy consumption are visualized in monetary terms and shared with employees, raising individual awareness. As a result, operational improvements have progressed significantly, leading to a 7.8% reduction in CO_2 emissions in FY2022 compared to FY2021, and a further 2.3% reduction in FY2023. These efforts were recognized, and the Fujiyama Plant received the "Shizuoka Prefecture Governor's Award for Global Warming Prevention Activities" in FY2023.



Installation of energy-saving equipment

- Replacement of fluorescent lights with LEDs
- Upgrading heat source facility to module-type heat pump chiller
- Installation of ultrahigh efficiency amorphous transformer with extremely low standby power
- Installation of low air volume (push/pull type), ultrahigh speed variable air volume (VAV) local ventilation device
- Installation of sterile isolator system that can limit the area subject to high-grade washing
- Installation of energy-saving control devices for commercial air conditioners, HVAC systems, and refrigerators to reduce power consumption; monitoring and controlling compressor operation, which accounts for most of the electricity use in air conditioners
- Replacement of solar panels whose power generation efficiency has declined

Module-type heat pump chiller (Minase Research Institute)

Low air volume (push/pull type), ultrahigh speed variable air volume (VAV) local ventilation device (Minase Research Institute)

Participation in demand response

Demand response is positioned as an "optimization of electricity demand" under the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy ("Revised Energy Conservation Act"). We have been striving to optimize the balance of demand and supply of electricity, in addition to electricity saving during regular time since FY2020 by saving and storing electricity (response) in response to the requests from power companies (demand).
At the Yamaguchi Plant, the system was modified to allow remote charging and discharging of NAS batteries for efficient demand response.

Electrification of Energy

- Installation of large-capacity power storage system (NAS battery system)
- Switching boilers to electric

Large-capacity power storage system (Yamaguchi Plant)

Fluorocarbon management

In accordance with the Act on Rational Use and Proper Management of Fluorocarbons (Fluorocarbon Emissions Control Act), we conduct activities, such as the identification of equipment subject to the Act, simple inspections/periodic inspections, generation of records, and calculations/reporting of leakage, etc. In FY2024, the calculated leakage of fluorocarbons was 0.6 ktons-CO_2. We will continue to prevent leakage and promote the introduction of non-CFC (chlorofluorocarbon) and low-GWP (global-warming potential) equipment in view of the reduction of fluorocarbons emissions. At the same time, we promote the total abolition of devices using CFCs, which include ozone-depleting substances.

Environment-friendly office design

- We have been promoting environmentally friendly office designs, and our Tokyo Building has obtained an S-Class rating under the CASBEE® (Comprehensive Assessment System for Built Environment Efficiency) *1 certification system. For our U.S. office, we have also selected a building that has received a Gold-level LEED*2 certification. In addition, the administration and welfare building at the Yamaguchi Plant has been designed in an environmentally friendly manner that makes use of energy-saving equipment.

*1 An evaluation and rating method using the environmental performance of buildings. The quality of buildings is evaluated in a comprehensive manner based not only on considerations for the environment including use of energy-saving and environment-friendly materials, but also on the comfort of the indoor environment and considerations for the surrounding landscape. A class S rating is the highest rating in this five-level rating system.

*2 An environmental performance evaluation system for buildings and city environments operated by a non-profit organization, the U.S. Green Building Council (USGBC). It is called LEED, from the initial letters of Leadership in Energy and Environmental Design.

Initiatives That Help to Conserve Resources in Research and Production Processes

Green sustainable chemistry initiatives

In order to develop more environmentally friendly manufacturing processes for active pharmaceutical ingredients (API), we adopt the Green Sustainable Chemistry (GSC) concept from the research and development stage. GSC is defined as "chemistry that is friendly to people and the environment and supports the development of a sustainable society." We use Process Mass Intensity* (PMI) as an indicator for evaluating the efficiency of API manufacturing, and are working to develop manufacturing processes for APIs in a manner that is conscious of reducing our impact on the environment from the research-and-development stage.

* PMI is calculated by dividing the total weight of raw materials and materials required for manufacturing APIs by the weight of the API that was manufactured.

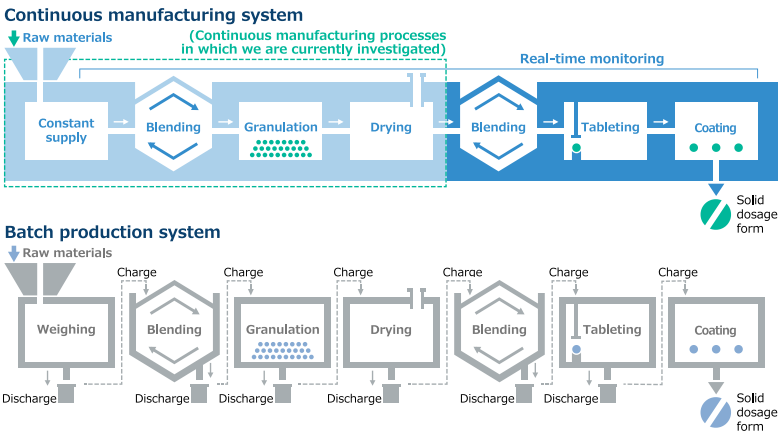
Introduction of a continuous manufacturing system

In “batch manufacturing system”, which is the mainstream in pharmaceutical manufacturing, each process is independent, and pharmaceuticals are manufactured by repeatedly isolating intermediate product during each process and moving on to the next process. In “continuous manufacturing system”, on the other hand, multiple processes are integrated into a single process by linking together compact equipment so that production is carried out continuously while each process is controlled for a fixed period of time. Continuous manufacturing therefore offers advantages such as more consistent quality as well as more efficient use of space. We are in the process of converting our wet granulation process from batch manufacturing to continuous manufacturing, and we expect that this transition will enable us to reduce the amount of raw materials (weight) required for development stage by approximately 13%* compared to the batch manufacturing system. In addition, due to space saving, the continuous manufacturing system is expected to be able to reduce facility-operation-related energy consumption by 24.3% compared to batch production. We intend to further expand the scope of continuous manufacturing to achieve further energy and raw material reductions.

* This % value compares how much less raw materials will be needed from using a continuous system for wet granulation (one of the production processes) in contrast to that of a typical batch system.

Continuous manufacturing processes in which we are currently investigated

General continuous manufacturing system and batch production system (in cases of solid dosage form)



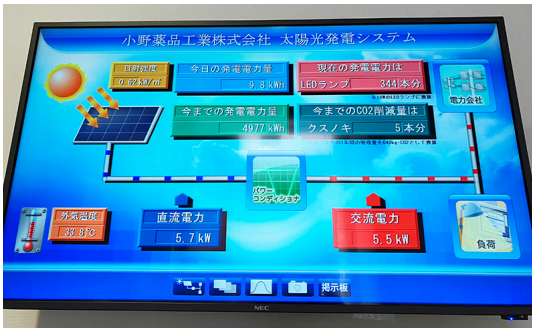
Our continuous manufacturing facilities (Fujiyama Plant)

Substitute Switching to Renewable Energy

Installation of equipment

- Introducing and operating solar power generation facilities: Head Office building (FY2003), Minase Research Institute (FY2015), Tokyo Building (FY2017)
  The solar panels at the Head Office were replaced after 20 years due to decreased power generation efficiency.

Solar panels (Minase Research Institute)



Solar power monitoring system (Head office)

Procuring carbon-neutral energy

- Procurement of solar power through PPA (Power Purchase Agreement): From FY2024, a portion of the electricity contracts for Minase Research Institute, Joto Product Development Center, and Head Office have been switched to PPA. Under our PPA, a dedicated renewable energy facility is installed and operated by the power producer, and the generated renewable electricity is supplied to us. Unlike renewable energy menu contracts, which use certificates, PPA allows us to directly use renewable electricity.
- Purchase of electricity under a renewable energy-based electricity menu contract: Minase Research Institute (from FY2019), Yamaguchi Plant (from FY2022), Fujiyama Plant (from FY2023), Tsukuba Research Institute (from FY2023), Head Office (from FY2024), and company-owned buildings (from FY2025)
- Purchased electricity will be changed to 100% renewable energy from FY2023 at Fujiyama Plant, Yamaguchi Plant, and Tsukuba Research Institute, and from FY2024 at Minase Research Institute, Joto Pharmaceutical Product Development Center, and Head Office.Purchase of Green Power Certificates (from FY2018), J-Credits (from FY2019), and Non-Fossil Certificates (from FY2021)
  We promote the use of renewable energy by purchasing certificates for electricity generated from renewable energy sources.

Green Energy Certificate

Compensate Offset through the use of voluntary credits

- Introducing Carbon offset city gas: Tsukuba Research Institute (from FY2021), Joto Pharmaceutical Product Development Center (from FY2021), and Yamaguchi Plant (from FY2023)
  Carbon offset city gas is city gas that offsets (carbon offsets) the GHG produced during the process from raw material mining to combustion with CO_2 credits, and is considered to produce no CO_2 on a global scale even when burned. The credits are issued by highly reliable international organizations and consist of projects that meet the procurement requirements, quality standards, etc. of the companies that adopt them. These procurement requirements, quality standards, etc., include points such as no significantly adverse effects on the region or ecosystem (in the case of forest projects, avoiding logging and deforestation).

Certificate of Carbon offset city gas Supply

Initiatives to reduce Scope 3 GHG emissions

Collaboration with business partners is essential to reducing Scope 3 emissions. That is why we are working together with business partners in our supply chain to solve societal issues by promoting sustainability-related initiatives in areas such as the natural environment, human rights, and working conditions (For more details, please see here.).
In the logistics from our distribution centers to pharmaceutical wholesalers, we began joint transportation in compliance with GDP guidelines with four companies in January 2023. This initiative not only enhances the quality assurance of prescription pharmaceuticals, but also improves loading efficiency, leading to a reduction in the number of truck trips and expected CO_2 emissions.
Furthermore, in FY2024, we launched an initiative to consolidate shipping days and reduce delivery frequency, with the aim of strengthening a sustainable logistics system and addressing the "2024 Logistics Problem*." As a result, transportation efficiency has been further improved, contributing to work style reforms for workers, the stable retention of trucks and drivers, and further reductions in CO_2 emissions.

* The "2024 Logistics Problem" refers to a series of challenges faced by the Japanese logistics industry. Due to stricter regulations on truck drivers' working hours, there are concerns about driver shortages and impacts on logistics.

As part of our GHG reduction efforts, we started using the "GreenEX" service in April 2025, which achieves virtually zero CO_2 emissions for travel on the Tokaido, Sanyo, and Kyushu Shinkansen lines. "GreenEX" is a service that uses CO_2-free electricity* to make CO_2 emissions from Shinkansen travel virtually zero. By introducing this service, we can significantly reduce CO_2 emissions from employee business trips. We will continue to promote decarbonization initiatives.

* CO_2-free electricity: Electricity with non-fossil certificates derived from renewable energy sources such as solar power, which do not emit CO_2 during generation.

> For more information on our Scope 3 GHG emissions, please refer to ESG Data.

External evaluation and awards regarding our measures for climate change

- In the evaluation on climate change conducted by the CDP, a global environmental non-profit organization, we have been selected as an A-List company, the highest rating, for seven consecutive years. (FY2018 - FY2024)
- Under the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy ("Revised Energy Conservation Act"), we have received the highest S class by the Agency for Natural Resources and Energy for ten consecutive years in corporate energy conservation excellence. (FY2015 - FY2024)
- We have been selected for the A rank for three consecutive years in the "Fluorocarbon Countermeasures Rating" by the Japan Refrigerants and Environment Conservation Organization, which promotes proper management of fluorocarbons together with the Ministry of Economy, Trade and Industry and the Ministry of the Environment. (FY2015 - FY2024)
- We were selected as an "Environmentally Sustainable Corporation" in the 5th ESG Finance Awards Japan Environmentally Sustainable Corporation Section (hosted by the Ministry of the Environment) for meeting certain standards for information disclosure. (FY2023, FY2024)
- The Fujiyama Plant received the "Shizuoka Prefecture Governor's Award for Global Warming Prevention Activities" for raising employee awareness on energy saving and improving equipment operation by visualizing energy consumption and other data at the plant. (FY2023)
- Our offices in Osaka received the "Osaka Governor's Award for Climate Change Measures". (FY2021)
- The Minase Research Institute received the "Osaka Governor's Osaka Stop Global Warming Award". (FY2020)

> Some of the items mentioned above are introduced on the "External Evaluation".

Realization of a Water Recycling Society

Policy for Realization of a Water Recycling Society

Water is an important resource for maintaining people's lives and health. Good quality water is essential for us to create innovative pharmaceuticals and ensure stable supply of these pharmaceuticals to patients. We are committed to minimizing the negative impacts of our operations on the global environment and achieving a sustainable water recycling society through efficient use of water, appropriately wastewater management, and enhanced stakeholder engagement.

- We commit to manage water resources responsibly to help achieve Goal 6 of the Sustainable Development Goals (SDGs), "Clean Water and Sanitation."
- We promote the efficient use of water through the active adoption of the latest technologies and operational improvements. Especially in our business activities and procurement in water-stressed areas, we strive to use water in a sustainable manner by promoting the reuse and recycling of water, giving due consideration to the impact on local communities and ecosystems.
- We regularly assess water-related risks at our production and research sites and implement risk mitigation measures. We also support the improvement of water resource management for our major business partners that are concerned about water-related risks, and work together with them in an aim to realize a water recycling society.
- In addition to properly managing wastewater from our business sites, we require that our major business partners also ensure proper management of their wastewater. In the unlikely event of a contamination incident, we promptly identify the cause, take corrective measures, and disclose this information in an appropriate manner.
- We strive to conserve ecosystems and maintain and improve aquatic environments by strengthening communication with internal and external stakeholders.
- Through training and information dissemination to employees, we endeavor to foster awareness toward the realization of a water recycling society.

Analysis and Evaluation of Water-related Risks

As for water risks, the Environmental Management Committee and the Nature Positive Subcommittee (previously: Water Subcommittee) take the lead in identifying the risks that are considered to have negative impacts on our business and in considering countermeasures to mitigate those risks.
In addition, in FY2024 we reviewed water-related risks and disclosed information in line with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD). For more details, please see the page of our website titled "Information disclosure based on the TNFD recommendations."

Major risks and measures

1. Water shortage risk

Risk assessment

Using the World Resources Institute's Water Risk Assessment Tool (Aqueduct), we assessed water stress, an indicator of water shortage (annual water use in an area divided by the annual amount of water available in that area) for our manufacturing plants and research institutes that are utilizing at least 95% of our total water withdrawals. As a result, none of the manufacturing plants or research institutes were determined to be at "High risk" or "Extremely high risk" for water stress. In addition, we conducted desk research and interviews with local municipalities concerning drought history, ratio of water resources to spare (an indicator showing the leeway of water sources), etc. in the areas where our manufacturing plants and research institutes are located. Since there have been no restrictions on water intake due to drought for the past decade or more and the local municipalities have sufficient water supplies, we assessed that there is no urgent water scarcity risk at our manufacturing plants or research institutes.

Results of the risk assessment for water stress in our manufacturing plants and research institutes（Aqueduct）

Water stress	Sites
Low to medium risk	Yamaguchi Plant, Joto Pharmaceutical Product Development Center, Minase Research Institute
Medium to high risk	Fujiyama Plant, Tsukuba Research Institute
High or extremely high risk	Not applicable

Measures

Although we assessed that there is no urgent water shortage risk in the areas where our 5 manufacturing plants and research institutes are located, we are committed to reducing water consumption through efficient use of water. For our 5 manufacturing plants and research institutes, we develop an annual plan to reduce water consumption. In addition to efficient operation of pharmaceutical water and water for injection facilities and reduction of cooling water for boiler wastewater, we have installed ultrasonic flow meters in the water supply piping of facilities that were not targeted for reductions, and are narrowing down the next reduction target based on an understanding of the breakdown. We are also promoting initiatives for the efficient use of water, including the reuse of air conditioning condensate and cooling water. As a result of these efforts, our water intake in FY2024 has been reduced by 37.6% compared to base year (FY2017). As another part of our effort to realize a water recycling society, we also educate our employees on water conservation. We will continue to work with our employees to improve the efficiency of water use and promote measures that will lead to the conservation of the region's abundant water resources.

2. Water pollution risk

Risk assessment

Raw materials and chemical substances such as intermediates and active ingredients of development compounds and of pharmaceuticals that are used in pharmaceutical research and manufacturing processes have the risk of causing adverse impacts on human health and ecosystems. If water pollution and resulting harm is caused by our business activities, there may be serious impacts on stakeholders in the region and great impacts on our business.

For substances for which the hazard profiles are known and controlled under laws and regulations, we assess their risks by monitoring concentrations in wastewater from our manufacturing plants and research institutes. In addition, for chemical substances with unknown environmental hazards, such as synthetic intermediates and active ingredients of products under development and of pharmaceuticals, we assess their risks using their effects on aquatic organisms as indicators.

Measures

We continuously to strive to reduce the use of harmful substances at our manufacturing plants and research institutes. For substances controlled by laws and regulations, we not only comply with the permissible limits on wastewater as set in the laws and regulations, but also set standard values based on agreements with local governments or voluntary standard values for some chemical substances, thereby controlling discharged water with stricter control values than those set in the laws and regulations. In July 2024, to further strengthen these operations, we established voluntary control targets for hazardous chemical substances that are 10 times stricter than the legal limit (1/10 concentration of the legal permissible limit), and commenced control. In addition, for substances with unknown hazard profiles such as active ingredients of development compounds and of pharmaceuticals, we predict environmental hazard using *in silico* quantitative structure-activity relationship (QSAR) analysis. We are continuing to establish a risk assessment system for active ingredients of development compounds and of pharmaceuticals.

3. Water-related risks at our business partners

Risk assessment

We assessed water dependencies and impacts of our business partners in line with TNFD recommendations. For all suppliers related to our manufacture of pharmaceuticals, we assessed the water stress and flood risk using Aqueduct and WWF Water Risk Filter. For the suppliers that are critical to our business continuity, we also assessed pollution risks derived from discharged water, etc. by searching the status of their environmental management system certification and the presence or absence of past serious environmental accidents or violations.

Measures

To reduce water-related risks, we aim to establish a water-related risk management system for business partners that are critical to our business continuity by FY2026. For those business partners that are critical to our business continuity for which concerns about water-related risks were raised in the above risk assessment, we will ascertain the details of the water-related risks associated with their business activities using the EcoVadis sustainability assessment system and/or through interviews. In any case in which serious water-related risks are identified in the activities of the business partners, we will conduct an on-site audit and request corrective actions.

› For more details, please see the page of our website titled “Sustainable Procurement.”

Targets

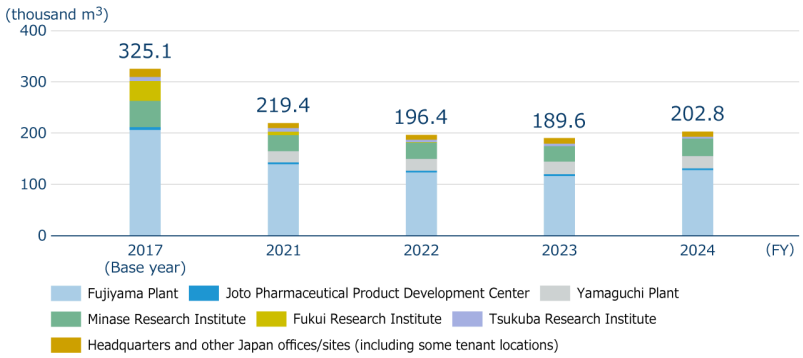
Water shortage risk	1) Control the water consumption increase rate below the sales growth rate – Base year：FY2017, Target year：FY2030 – Coverage: ONO's operation sites 2) Promote measures that lead to the conservation of the local's rich water resources
Water pollution risk	1) Conduct aquatic life impact assessment for 100% of wastewater – Target year：FY2025 – Coverage: ONO's manufacturing plants/research institutes 2) Disclose the result of aquatic organisms impact assessment for developing compounds – Target year：FY2030 – Coverage: In-house drug candidate 3) Control 100% of wastewater more strictly than applicable laws and regulations – Maintain/improve current operations. – Coverage: ONO's manufacturing plants/research institutes
Supply chain risk	Conduct water-related risk assessment and comprehensive risk management for important business partners – Target year：FY2026

Progress

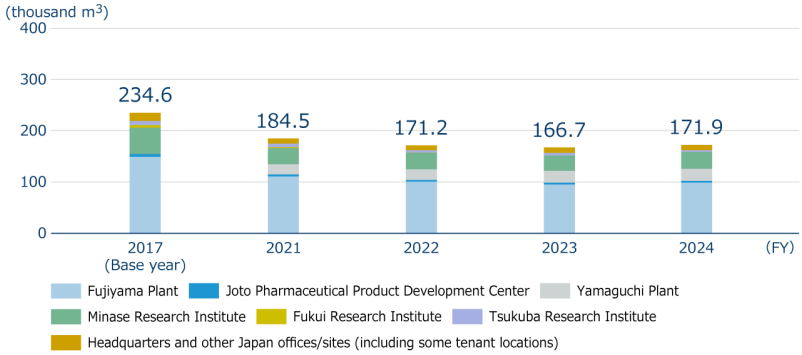
The total water intake amount in FY2024 was 202.8 thousand m^3, an increase of13.2 thousand m^3 reduction (increase rate: 7.0%) compared to FY2023. The main factors for the increase were the renewal of pharmaceutical water production equipment at the Fujiyama Plant and the use of water spraying to prevent dust dispersion during the demolition of the dai-4 research building at the Minase Research Institute. On the other hand, compared to the base year (FY2017), water intake in FY2024 was reduced by 122.3 thousand m^3 (reduction rate: 37.6%), indicating steady progress in reducing water usage toward achieving our medium- to long-term environmental targets.

Specific initiatives to reduce water consumption have included improving the operation of equipment with high water consumption identified by installing ultrasonic flow meters at factories and research institutes (such as reviewing the water levels and optimizing sterilization processes in pharmaceutical and injection water tanks, stopping the spraying of water on air-cooling chillers and total heat exchangers, and changing the activation temperature settings for water spraying), reducing cooling water by recovering heat from hot wastewater tanks and high-temperature wastewater, upgrading to high-efficiency boilers, reusing condensate and cooling water from air conditioning systems, and conducting regular leak inspections. In addition, as a company-wide initiative, we have established a subcommittee on water to discuss new initiatives at each site to reduce water usage and to promote activities that raise employees' awareness of water conservation.

Water intake (water resource consumption)



Water discharge



Sites where data on water intake and water discharge were collected from ONO Pharmaceutical Co., Ltd. (non-consolidated): Fujiyama Plant, Joto Pharmaceutical Product Development Center, Yamaguchi Plant (added from FY2018), Minase Research Institute, Fukui Research Institute (closed at the end of March 2022 due to the reorganization of research bases), Tsukuba Research Institute, and Headquarters and other Japan offices/sites.

Activities to mitigate water quality pollution risk

There is growing public concern about the ecosystem impacts of active pharmaceutical ingredients released into the environment. We are taking measures to prevent the release of active pharmaceutical ingredients, etc. into the environment during the manufacturing process of pharmaceuticals. For more details, please see the page of our website titled "Biodiversity." Since FY2022, we have been conducting Whole Effluent Toxicity (WET) tests annually at our Fujiyama Plant, which is our major production center. In FY2024, the scope of WET tests was expanded to include the Yamaguchi Plant and the Tsukuba Research Institute, and we confirmed that there were no harmful effects on aquatic organism in the wastewater from the three facilities. By FY2025, we will establish a system to conduct WET tests annually at all our manufacturing plants and research institutes.
For active ingredients of development compounds and of pharmaceuticals, we will not only predict environmental hazards using *in silico* quantitative structure-activity relationship (QSAR) analysis but will also evaluate the effects on aquatic organisms, and these results will be disclosed through safety data sheets (SDS).

Number of violations related to water quality and water quantity

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024
Number of breaches of legal obligation/regulatory violations	All operation sites	Cases	0	0	0	0
Amount of breach-/violation-related fines	All operation sites	Million yen	0	0	0	0
Environmental liabilities as of fiscal year-end	All operation sites	Million yen	0	0	0	0

Cost for mitigating water-related risks

In FY2024, capital investment and facility maintenance costs (excluding personnel expenses) for preventing flooding caused by heavy rain and water pollution were 16 million yen and 87 million yen, respectively.

External Evaluation

In the Water Security survey conducted by CDP, a global environmental non-profit organization, we have been selected "A List" company, the highest rating, for four consecutive years (FY2021 to FY2024).

Realization of a Resource Recycling Society

In today's society, in which mass production and mass consumption continue to expand along with global economic growth and increases in population, pollution of the natural environment and damage to ecosystems related to the disposal of waste have become problems, while at the same time it is projected that our limited resources may run dry. In consideration of this situation, we have set Realization of a Resource Recycling Society as one of the major items of our medium-to-long term ECO Vision for implementing our business activities, and have been promoting a variety of initiatives on a company-wide basis.

Targets

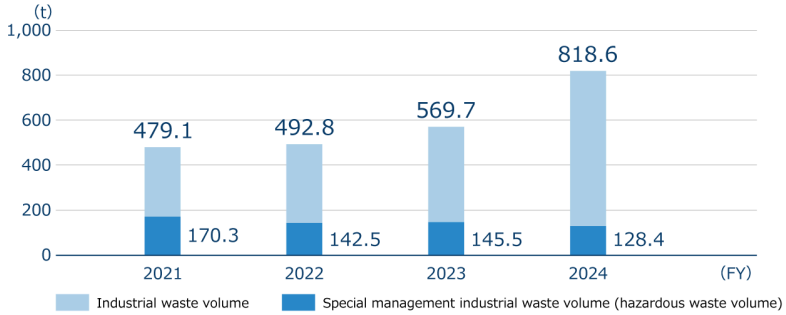
In order to realize a resource recycling society, we have been working to achieve the following goals since FY2023.

Final Landfill Disposal Rate of Industrial Waste	**Maintain 1% or less every year.** – Coverage: ONO's manufacturing plants/research institutes, and logistics centers.
Recycling Rate	**Increase the recycling rate for all unnecessary materials to 60% or more in FY2025 and 80% or more in FY2030.** – 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.
Reduce the Environmental Impact of Product Packaging	**Use eco-friendly materials for 100% of the paper used for the individual packaging boxes of our marketed products by FY2030.** – Prioritize the use of FSC® certified paper, and use other recycled papers for materials that it is not possible to use FSC® certified paper.

Progress

The total volume of our industrial waste in FY2024 was 818.6 tons, a 248.9tons increase compared to the previous fiscal year. This increase was mainly due to (449.4 tons' worth of) inadequately inactivated experimental wastewater generated at the Tsukuba Research Institute, which was handled as industrial waste after inactivation.
The recycling rate of unnecessary materials (wastes, valuables, free materials, etc.) generated from ONO's manufacturing plants/research institutes, and logistics centers newly established in FY2022 was 81.4% for FY2024. The main factors behind the results were the continued optimization of industrial waste (including specially controlled industrial waste) treatment contractors and the advancement of other initiatives such as selling experimental equipment that is no longer used with the aim of reuse, as well as promoting the separation of waste. Another main factor behind the results was the fact that experimental wastewater generated at the Tsukuba Research Institute was reused as cooling water for waste incinerators at industrial waste disposal companies after the experimental wastewater had been inactivated. Our calculation method for recycling is based on the Federation of Pharmaceutical Manufacturers' Associations of Japan's ideas on recycling, which does not include thermal recycling.
The final landfill rate of our industrial waste in FY2024 was 0.00%. We defined "Reduce the final landfill rate (Final landfill volume/industrial waste volume×100) to no more than 1.0%" as zero emissions. We continued to achieve zero emissions in FY2024 as well by recycling rather than landfilling industrial waste that was emitted in association with business activities. As for progress management, we clarify issues and initiatives against targets for each site, and conduct self-inspections for environmental data management.

Industrial waste volume and Special management industrial waste volume (hazardous waste volume)



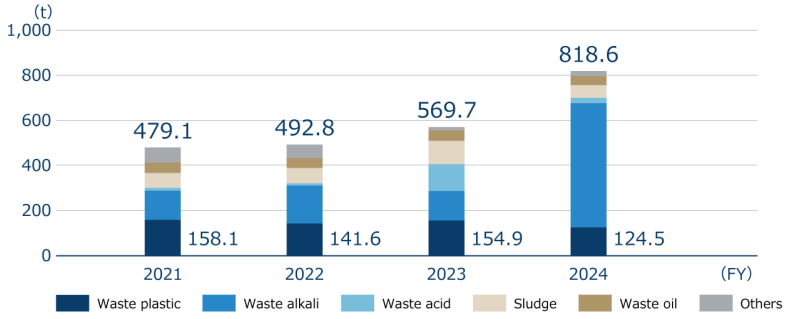
Sites covered by this data: Fujiyama Plant, Joto Pharmaceutical Product Development Center, Yamaguchi Plant, Minase Research Institute, Fukui Research Institute*1, Tsukuba Research Institute and Logistics centers*2

*1 Fukui Research Institute (closed in 2022)

*2 Data from distribution centers (outside facilities) where our pharmaceutical products are stored was added from FY2021

Special management industrial waste (hazardous waste) is defined under the Waste Management and Public Cleansing Law as waste that has properties of explosiveness, toxicity, infectiousness, and/or possibly causing damage to human health or the living environment.

Industrial waste volume (by item)

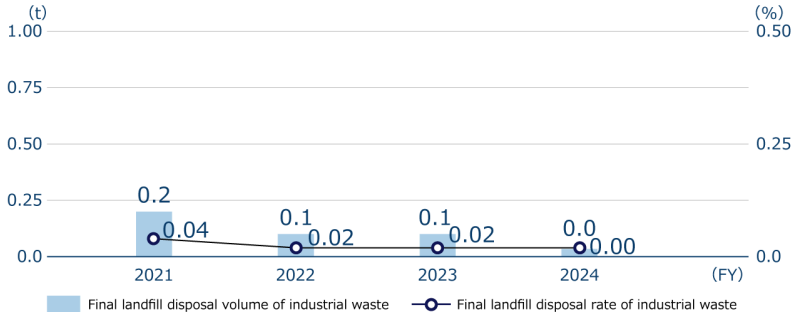


Sites covered by this data: Fujiyama Plant, Joto Pharmaceutical Product Development Center, Yamaguchi Plant, Minase Research Institute, Fukui Research Institute*1, Tsukuba Research Institute and Logistics centers*2

*1 Fukui Research Institute (closed in 2022)

*2 Data from distribution centers (outside facilities) where our pharmaceutical products are stored was added from FY2021

Final landfill disposal volume and Final landfill disposal rate of industrial waste



Sites covered by this data: Fujiyama Plant, Joto Pharmaceutical Product Development Center, Yamaguchi Plant, Minase Research Institute, Fukui Research Institute*1, Tsukuba Research Institute and Logistics centers*2

*1 Fukui Research Institute (closed in 2022)

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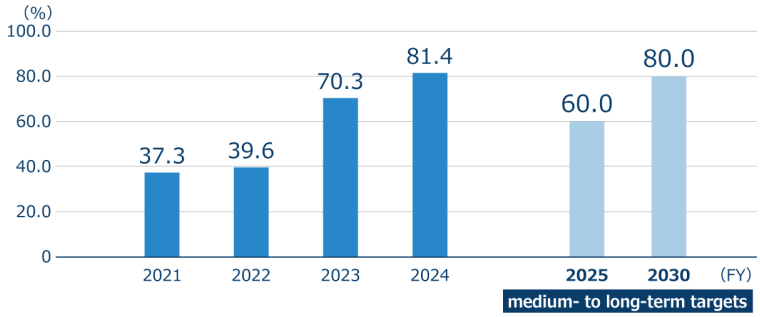
Recycling rate



Calculation method: Based on the calculation manual of the Federation of Pharmaceutical Manufacturers' Associations of Japan.

Coverage: Industrial waste (including specially controlled industrial waste), general waste from business activities, valuables, and free materials

Sites covered by this data: Fujiyama Plant, Joto Pharmaceutical Product Development Center, Yamaguchi Plant, Minase Research Institute, Fukui Research Institute*1, Tsukuba Research Institute and Logistics centers*2.

*1 Fukui Research Institute (closed in 2022)

*2 Data from distribution centers (outside facilities) where our pharmaceutical products are stored was added from FY2021

Initiatives

We have organized a nature positive sub-committee (formerly the resource recycling sub-committee) consisting of waste management operators under the Environment Management Committee, and have been promoting activities by setting the following basic policies: "promotion of the 4Rs (Refuse, Reduce, Reuse, and Recycle)" and "selection of materials with a reduced environmental impact." We have worked to reduce waste generation across the company by reducing paper documents through digitization as well as engaging in the investigation and analysis of processes that generate waste and we are considering and evaluating the introduction of equipment to reduce the volume of waste to reduce emissions. Furthermore, we are promoting resource recycling activities, such as reuse and recycling, etc., and switching materials to materials with low environmental burden.

(Major initiatives)

Refuse	• Promoting the purchase of products compliant with the "Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities".
Reduce	• Reduction of waste through thorough separation
Reuse	• Sale of experimental equipment that is no longer used due to replacement or aging with the aim of reuse • Conversion of wooden pallets into valuable resources
Recycle	• Conversion of paper waste and metal waste that are no longer needed into valuable resources • Conversion of used plastics into valuable resources • Conversion of plastics into fuel • Use of food waste (kitchen waste and leftovers) generated at cafeterias as animal feed • Material recycling of PTP packaging waste • Conversion of liquid waste into fuel
Other	• Optimization of industrial waste (including specially controlled industrial waste) treatment contractors

Material Recycling of PTP Packaging Waste (Fujiyama Plant)

In FY2023, the Fujiyama Plant began recycling PTP packaging waste produced during the pharmaceutical packaging process. PTP sheets, which are widely used as a packaging material for pharmaceuticals, are formed through the thermocompression bonding of plastic material and aluminum foil, making them difficult to separate and sort. Unnecessary waste materials could conventionally only be disposed of via incineration, which is why our recycling rate until now has only been at around 10%.
We are now able to recycle 100% as raw material to be used for new products, a feat that we were able to achieve thanks to a peeling machine which separates plastics and aluminum. This also eliminates the need to incinerate packaging waste, thereby reducing our company's CO_2 emissions.

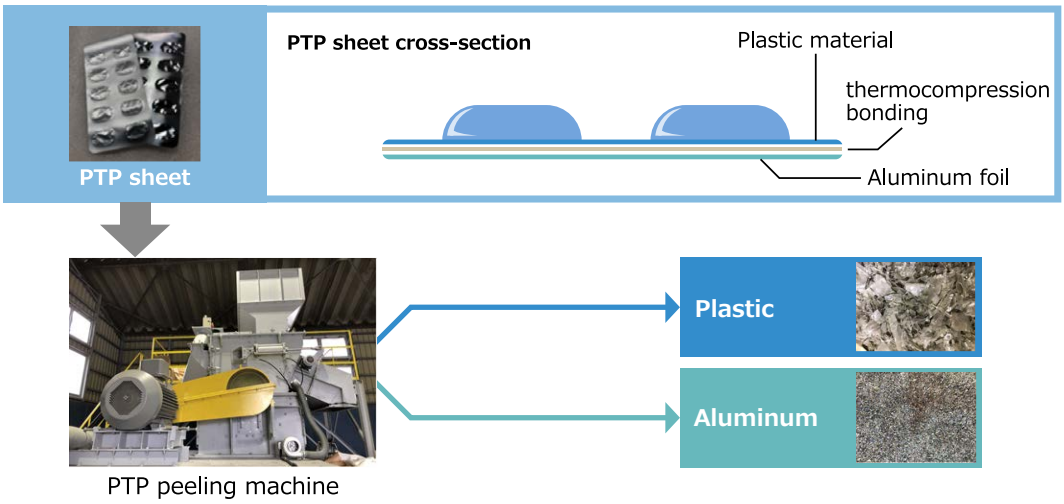


Photo material: Provided by ORIX Eco Services Co, Ltd https://www.orix.co.jp/grp/en/newsrelease/221109_ORIXG.html

Food waste recycling (Minase Research Institute)

At the Minase Research Institute, kitchen waste and leftover food from cafeterias were incinerated and cinders were disposed of in landfills. However, by taking advantage of special provisions regarding the Waste Disposal Act, etc., in Japan's Food Recycling Law, the institute has switched to animal feed, which in turn has made it possible to recycle general business waste that is difficult to recycle. In addition, since the number of employees coming to the office to work fluctuates on a daily basis due to the adoption of various work styles such as teleworking, we are striving to reduce food loss by sharing with our cafeteria vendors how many employees are actually coming to the office to work on a daily basis so that appropriate amounts of food can be prepared.

Appropriate Waste Management

OurNature Positive Subcommittee holds monthly meetings to discuss measures for promoting the 4Rs and proper disposal, to consider initiatives for implementation, and to verify effects, among other matters. In addition, we manage the amount of waste generated at each target site in order to classify waste and identify opportunities for reducing amounts generated, which is shared and promoted by the Nature Positive Subcommittee. In promoting the appropriate disposal of waste, we have determined to give priority to contractors that are certified as excellent companies. On-site observation of intermediate treatment contractors is conducted every year, and we confirm that the appropriate disposal of waste is implemented. The final landfill sites are checked every five years. We continuously implement thorough and appropriate disposal of waste.

Initiatives for Pharmaceuticals

Pharmaceutical Development / Manufacturing Processes

We are also working on computer simulation technology in the field of formulation development. This step reduces the number of experiments held and reduces how many raw materials are used (waste).
In addition, we are also working to shift the wet granulation phase of the production process for a portion of our products from a batch production system to a continuous manufacturing system. Doing so will yield various advantages, such as allowing us to respond flexibly to changes in demand while also saving space by making manufacturing equipment more compact. This shift is expected to help reduce the volume of raw materials needed during pharmaceutical development. We estimate that this can allow us to slim down the weight of raw materials needed during pharmaceutical development by approximately 13% when it comes to products under development. By expanding the scope of continuous manufacturing applications in the future, we aim to not only save more energy but also further reduce the volume of raw materials used in our operations.

Extending the Validity Period of Our Products

We strive to extend the validity period of our products by obtaining long-term quality assessment data for each product. Extending the shelf life of products will result in reducing the risk of product disposal due to expiration.

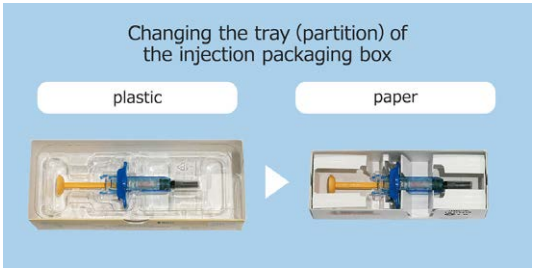
Product Packaging

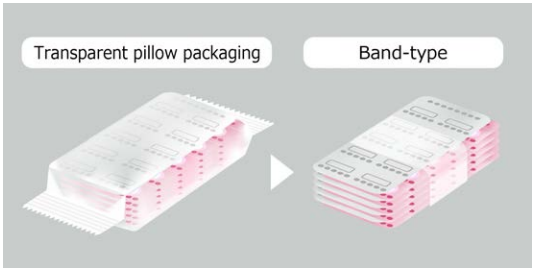
When it comes to product packaging, based on the results of a questionnaire survey at medical institutions on product packaging, we are engaging in activities from the two aspects of ease of use and environmental friendliness. In terms of the environment, we are working to promote the reduction of its environmental impact by changing packaging materials and forms to help save resources and selecting eco-friendly materials. Upon disposal, we have also switched to material labels and packaging forms that encourage recycling.
Furthermore, in response to the results of the questionnaire survey, we changed the method of binding blister package sheets for new products from bag-type (transparent pillow packaging) to band-type. We also changed the tray (partition) of the injection packaging box from plastic to paper materials, which not only reduced the volume of plastic used, but also reduced the capacity (48% per box). With regard to paper consumption, the digitalization of attachments, an initiative which began since August 1, 2021, has reduced paper consumption at our company by approximately 44 tons per year (estimated based on the volume of manufacturing and sales items shipped from our factories in FY2022).
In addition, we have changed paper-based materials for individual packaging boxes to FSC®-certified paper, and switched the inks we use to vegetable oil inks. We also verify the quality of primary packaging that comes into direct contact with pharmaceuticals to further promote the selection of materials that reduce our environmental impact.

Major initiatives	Progress
Changing packaging materials from plastics to paper-based materials	Changing packaging materials for parts of products. Started distribution of the products in FY2020.
Reconsideration and changing the method of binding Blister package sheets (Adopting the band-type)	A total of 8 products as of the end of March2025
Switching individual packaging box materials to FSC®-certified paper.*	A total of 38 products as of the end of March2025
Selecting vegetable oil inks.	A total of 14 products as of the end of March2025

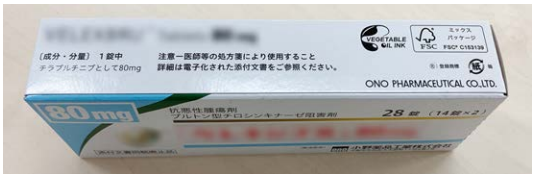
* In addition, under our medium- to long-term environmental targets, the adoption rate of FSC®-certified paper for individual packaging boxes of our marketed products is 79% as of March2025.

Initiatives to reduce the volume of plastic used





Switching of individual packaging box materials to FSC®-certified paper and selecting vegetable oil ink



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responsible forestry

In Japan, there is an enforced law called the Containers and Packaging Recycling Law, which covers the recycling volume of containers and packaging waste for products sold by sellers. This is to promote the recycling of containers and packaging waste, and based on this law, some of the containers and packaging materials for the products we sell are recycled.

FY2024 (Unit: tons)

	Container and packaging usage	Obligatory recycling volume
Plastic	207.6	60.0
Paper	163.3	0.8
Glass (colorless)	0.0	0.0
Glass (brown)	0.1	0.0
Commissioning fee paid for recycling：3,879 thousand yen		

Other efforts

Eliminated the use of paper towels in restrooms at major sites

Since FY2024, we have eliminated the use of paper towels in restrooms at major sites where hand dryers are installed. This was done in an aim to promote environmental and forest conservation efforts and to raise employee awareness regarding environmental conservation. We are also working to reduce the use of paper towels at major sites where hand dryers have not been installed, and are gradually installing hand dryers at such sites.

Introduction of paper files

We have introduced paper-based files since January 2020. By switching some plastic files to paper files, we are able to reduce the volume of plastic used.

Use of photocopy paper or purchase of stationery materials

For photocopies, we perform print management, and a cloud storage system "BOX", which was introduced globally in October 2017, promoted paperless storage and reduced the volume of work required to store and share files. As for purchasing, we have indicated in an easy-to-understand manner whether the products listed in the purchasing system are in compliance with the “Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities” and promoted awareness within us so that each employee has environmental awareness.

External Evaluations & Awards Related to Resource Recycling

- In recognition of our efforts to reduce waste at our headquarters, we were awarded the Osaka mayor’s commendation in 2021.
- We received the Reduce, Reuse and Recycle Promotion Council President’s Prize during the FY2020 3Rs (Reduce, Reuse and Recycle) Promotion Merit Awards
- In recognition of our efforts to promote the reduction of business-related waste and encourage proper disposal at our headquarters, we were awarded the Osaka mayor’s commendation in FY2023 for the category of “Outstanding Waste Reduction Building.”
- In recognition of our efforts to promote the reduction of waste, encourage proper disposal, and maintain a clean living environment at the Joto Pharmaceutical Product Development Center, we were awarded the Osaka mayor’s commendation in FY2024 for the category of “Outstanding Waste Reduction Building.”

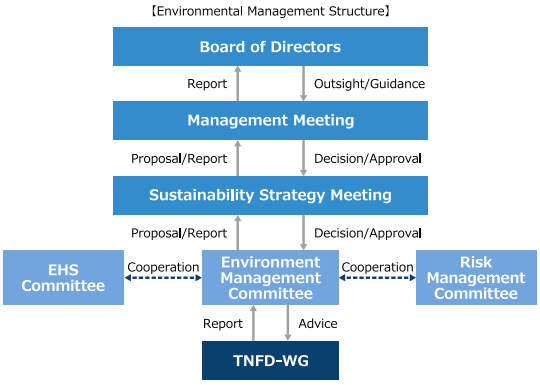
Information Disclosure Based on the TNFD Recommendations

In July 2024, we announced our support for the recommendations of the Task Force on Nature-Related Financial Disclosures (TNFD) and registered as a TNFD Adopter*. In line with the framework of the final TNFD recommendations (v.1.0), we assess the dependences and impacts of our business activities on nature, identify risks and opportunities based on the assessment results, consider countermeasures, and disclose information in an appropriate manner.

* For the TNFD Adopter, please refer to the TNFD homepage.

Information Disclosure in line with TNFD

Governance



This structure is as of August 2025.

We recognize the conservation of the global environment, including biodiversity, as one of our important management issues (materiality). Led by our Representative Director, President & COO as Chief Environmental Management Officer and Representative Director, Executive Vice President as Executive Director in Charge of the Environment, we are working to achieve our medium- to long-term environmental targets under our medium- to long-term environmental vision, “ECO VISION 2050.”
The assessment of the dependences and impacts on nature and the identification and management of risks and opportunities are reviewed by the TNFD Working Group (TNFD-WG) and reported to the Environment Management Committee which is chaired by the Executive Director in Charge of the Environment. Subsequently, these matters are proposed to the Sustainability Strategy Meeting also chaired by the Executive Director in Charge of the Environment. The identified nature-related risks and opportunities, and their countermeasures are reported or proposed to the Management Meeting, which is attended by senior management and others. The matters reported or approved by these senior meetings are reported to the Board of Directors at least once every half year for its management and supervision.
In this way, biodiversity initiatives are consistently overseen from the field level by the Executive Director in Charge of the Environment, under the supervision of the Board of Directors. Please refer to the “Governance” section of the "Information Disclosure Based on the TCFD Recommendations" for the roles of each committee.

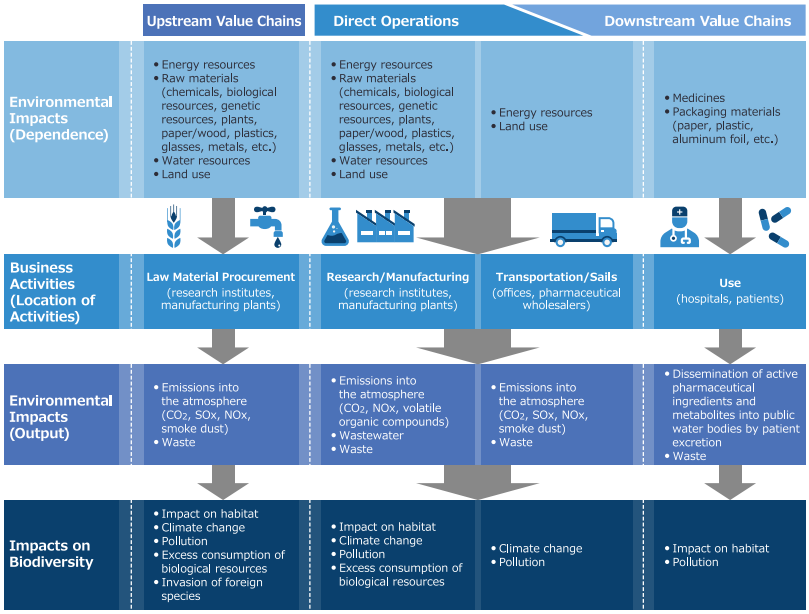
In July 2020, we established the Ono Group Human Rights Global Policy (revised in June 2023) based on the “United Nations (UN) Guiding Principles on Business and Human Rights” to ensure that we understand and respect the human rights, diverse values, personalities, and individuality of all stakeholders, including indigenous peoples and local communities, in all our business activities, both in Japan and abroad, and that we act accordingly. Furthermore, we established a system of human rights due diligence in accordance with the “the UN Guiding Principles on Business and Human Rights” to identify, prevent, and mitigate any adverse human rights impact that we may have on our stakeholders. In the process of advancing our human rights initiatives, we engage in sincere dialogue and consultation with our stakeholders.
For initiatives for human rights, please click here.

Strategy
- Analysis and evaluation of risks and opportunities related to biodiversity -

In line with the LEAP approach* recommended by the TNFD, the TNFD-WG took the lead in assessing the dependences and impacts of our business activities on nature, identifying risks/opportunities, and considering countermeasures.

* The LEAP approach is a systematic approach to assessing nature-related risks and opportunities and consists of four phases: Locate, Evaluate, Assess, and Prepare.

First, to understand how our business depends on and affects natural capital such as biodiversity, we assessed the dependences and impacts of our pharmaceutical business on nature, referring to the recommendations of the TNFD and the "Business and Biodiversity Interrelationship Map" developed by the Japan Business Initiative for Biodiversity (JBIB).



In FY2024, as in the previous fiscal year, we assessed the dependences and impacts of our business activities on nature in each of the processes of “raw material procurement,” (upstream value chains), “research and manufacturing” (direct operations), and “transportation and sales” (downstream value chains) in accordance with the procedures described below. Based on the assessment results, we identified risks and opportunities, and considered countermeasures.

Assessing the dependences and impacts of our business activities on nature, identifying risks and opportunities based on the assessment results, and considering countermeasures

Assessment procedure

We identified nature-related risks and opportunities in our business activities in accordance with STEPs 1 through 4, below.

STEP1: Assessment of the dependences and impacts on nature, which is of high importance to the pharmaceutical business, using ENCORE*

* ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool to assess dependence and impact of individual sectors on natural capital (https://encorenature.org/en).

STEP2: Comprehensive assessment of water-related risk (water stress and flood risk) and biodiversity risk

Targets: Upstream value chains (179 companies, 202 sites), direct operations (13 groups, 90 sites), downstream value chains (63 companies, 118 sites)

Criteria for assessing as "at risk"

- Water-related risk:
  We use the water risk assessment tool "Aqueduct*1" to assess the water stress (baseline/2050 [Pessimistic scenario, RCP 8.5]) and flood risk (river/coastal) for each site. Sites where any of these values are rated "High" or higher are confirmed for water-related risks using the WWF Water Risk Filter*2.
- Biodiversity risk:
  The WWF Biodiversity Risk Filter*2 is used to assess "Protect/Conserved Area" and "Key Biodiversity Area" for each site. In addition, TNFD-IBAT*3 is used to assess each site's "Indicators for Species Threat Reduction and Recovery (Resolution: 5 km, classified into 5 layers). Sites rated 4 or higher in the former 5-layer scale, or 3 or higher in the latter scale, were considered at risk.

*1 Aqueduct is an assessment tool developed by the World Resources Institute (WRI) that can identify global water risks based on location information (latitudes and longitudes) of business establishments (https://www.wri.org/aqueduct).

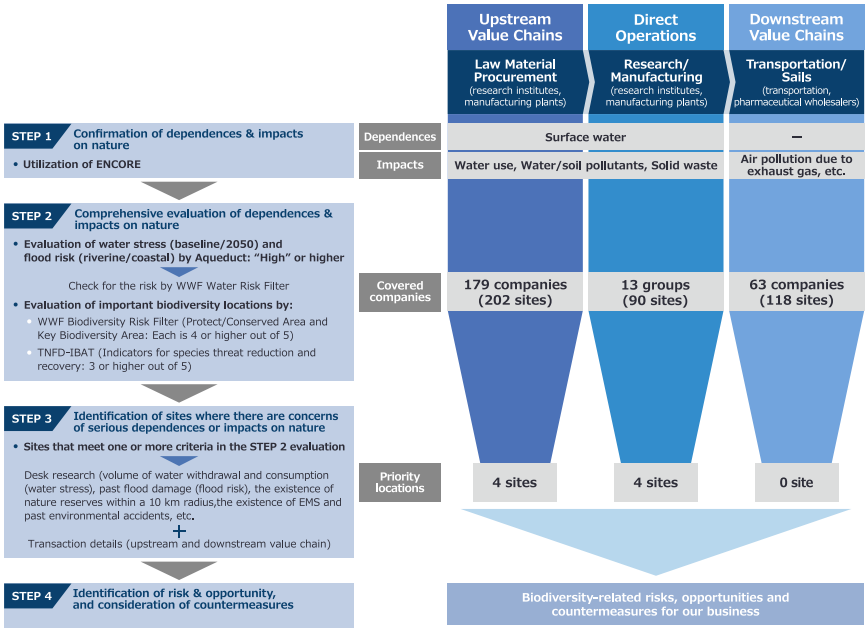
*2 WWF Water Risk Filter and WWF Biodiversity Risk Filter are assessment tools for water risks and biodiversity risks developed by World Wide Fund for Nature (https://riskfilter.org/).

*3 TNFD-IBAT is an assessment tool published in collaboration with TNFD and the Integrated Biodiversity Assessment Tool (IBAT) Alliance that can identify biodiversity risks (https://tnfd.global/guidance/locate-assessment-tools/).

STEP3: Identification of sites (priority locations) that are critical to our business continuity where there is concern about serious dependences and/or impacts on nature

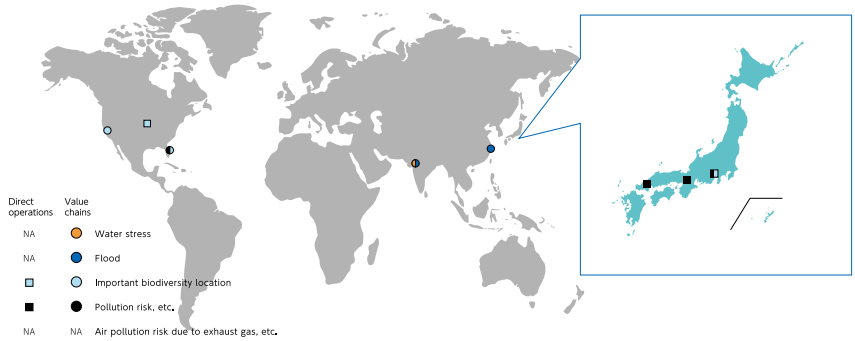
For sites assessed as being at risk of water stress and/or flooding in STEP 2, we check the amount of water intake/water consumption by water source and/or whether there has been flood damage in the past, respectively, through desk surveys. In addition, when it comes to business partners involved in the manufacture of pharmaceuticals (71 companies, 79 sites), we conduct desk surveys to clarify environmental pollution risks while taking into account factors such as the chemical substances handled by searching for whether they have acquired an environmental management system (EMS) and whether they have had any past environmental accidents or violations. For sites assessed as being at risk of biodiversity in STEP 2, we check whether there are any protected areas in the surrounding area (within a 10-km radius). Even when it comes to our directly operated sites, we assess whether there are any protected areas in the surrounding area (within a 10-km radius), and we also evaluate the risk of environmental pollution due to our business activities. Based on the above assessments, we identify sensitive locations on nature, and determined priority locations where a significant dependence or impact on nature is a concern, including in relation to our business activities.

STEP4: Identification of risks and opportunities, and consideration of countermeasures



Assessment results

Based on the results of the assessments in STEPs 1 through 3, we identified 4 sites in direct operations and 4 sites in upstream value chains as priority locations that are critical to our business and have concerns about serious dependences and impacts on nature.



Our priority locations that are critical to our business and have concerns about serious dependences and impacts on nature, identified in accordance with STEPs 1 through 3

NA: Not applicable

Value chains	Site	Country	Factors for determining that the site is a sensitive location	Relationship with our business
Direct operation	Fujiyama Plant	Japan	• Areas important for biodiversity • Risk of ecosystem destruction due to pollution	Our main manufacturing plant
	Yamaguchi Plant		• Risk of ecosystem destruction due to pollution	Our main manufacturing plant
	Minase Research Institute		• Risk of ecosystem destruction due to pollution	Our main research institute
	Deciphera Research Office	USA	• Areas important for biodiversity	Our main research institute
Upstream	Supplier 1	China	• Areas for flood risk	A supplier of pharmaceutical raw materials
	Supplier 2	India	• Areas for water shortage and flood risks	A supplier of pharmaceutical raw materials
	Supplier 3	USA	• Areas important for biodiversity	A supplier of pharmaceutical raw materials
	Supplier 4	USA	• Areas important for biodiversity • Risk of ecosystem destruction due to pollution	A supplier of pharmaceutical raw materials

In STEP 4, for the identified priority locations, we reconfirmed the interface with nature, and consider possible nature-related risks. After comprehensively identifying nature-related risks and opportunities based on our business activities, we prioritized them using the magnitude of their impacts on our business as an indicator, thereby identifying nature-related risks and opportunities that we believe should be addressed as a priority. For each nature-related risk and opportunity identified, we also examined measures to mitigate the risk and realize the opportunity.

〈Risks related to biodiversity〉

TNFD Risk Categories		Contents of Risks	Duration*	Main Countermeasures
Physical Risks	Acute	• Increased procurement costs for plant-based pharmaceutical excipient • Ecosystem restoration costs due to pollution caused by natural disasters (leakage of hazardous substances) and the spread of genetically modified organisms, etc.	Short, medium and long term	• Thorough implementation of business continuity plan (BCP) measures (securing sufficient API and product inventories/establishing a multiple-supplier system) • Enhanced management of chemical substances and genetically modified organisms, etc. • Efficient use of water resources • Identification of natural disaster risk and water scarcity risk in the business partner selection process, etc.
	Chronic	• Impact of water scarcity on production activities (interruption of manufacturing plant operations and increase in production costs)	Medium and long term	
Transition Risks	Policy	• Increased costs of responding to stricter regulations and their introduction in each country and region	Medium and long term	• Determining strategies and implementing responses that reflect regulatory trends • Reducing greenhouse gas emissions • Reducing the environmental impact of product packaging • Improving waste recycling rate • Thorough management of hazardous substances and wastewater • Identifying risks and promoting risk mitigation efforts in line with TNFD recommendations • Making efforts to achieve medium- to long-term environmental targets, etc.
	Market	• Loss of sales opportunities due to delays in responding to the shift in society's interest toward biodiversity-conscious products	Long term	
	Technology	• Increased costs to comply with mandatory wastewater analysis of chemical substances, etc. • Stagnation of business activities due to increased competition for the use of innovative technologies that reduce the impact on nature	Medium and long term	
	Reputational	• Decrease in corporate value due to lack of biodiversity initiatives	Medium and long term	
	Liability	• Liability in the event of environmental pollution due to natural disasters, accidents, etc.	Short, medium and long term	

* Short term (up to 3 years), medium term (3-10 years), and long term (10-30 years)

〈Opportunities related to biodiversity〉

TNFD Opportunities Categories	Contents of Opportunities	Duration*	Main Countermeasures
Resource Efficiency	• Reduction in costs, waste, etc. through efficient production activities	Medium and long term	• Saving resources by adopting highly efficient production processes such as continuous production methods • Promoting drug discovery technology in consideration of the concept of green and sustainable chemistry • Promoting biodiversity initiatives and information disclosure • Promoting biodiversity conservation activities (contributing to nature positive), etc.
Markets	• Creation of new businesses linking biodiversity and healthcare	Medium and long term	
Capital Flow and Financing	• Potential for inclusion in ESG index and financing through sustainable finance	Short, medium and long term	
Reputational	• Enhancing corporate value through advanced biodiversity initiatives	Short, medium and long term	

* Short term (up to 3 years), medium term (3-10 years), and long term (10-30 years)

The identification of risks and opportunities for FY2024 did not identify any items that would have significant impacts on the continuity of our business. Going forward, we will continue to closely monitor trends in the international community, and in line with the LEAP approach, we will regularly assess the dependences and impacts of our business activities on nature, identify risks and opportunities based on the assessment results, and consider countermeasures. We will also identify nature-related risks and opportunities arising from the use of pharmaceuticals by medical institutions and patients in the downstream value chain (use of pharmaceuticals), while taking the trends in TNFD and the Science Based Targets Network (SBTN) into account.

Risk and Impact Management

The TNFD-WG and the Environment Management Committee manage the identified nature-related risks, opportunities, and countermeasures, while the Board of Directors manages and supervises the management of these risks and opportunities through the environmental governance system described in the “Governance” section, above. Nature-related risks and opportunities will be reviewed at least once every two years by the TNFD-WG. If an item is identified that could have a significant impact on finance and business continuity, it will be shared with the Risk Management Committee to manage the risk. For more details about risk management system, please click here.
In addition, in the upstream value chain, when a new contract is entered into, STEPs 1 through 3 described in the strategy above will be followed to identify the presence or absence of nature-related risks, and engagement to mitigate the identified risks will be conducted.

Metrics and Targets

To strengthen and accelerate our efforts to address global environmental issues, we have been promoting activities under our medium- to long-term environmental targets (more information on our mid- to long-term environmental targets, please click here). While minimizing the negative impact of our business activities on nature, we will promote initiatives to contribute to the realization of nature positive by 2030 through the development of green spaces on company-owned land and positive activities for nature through new biodiversity conservation activities.
In addition, among the indicators established to assess and manage our dependences and impacts on nature, risks, and opportunities, those for which we have not yet established targets will be considered and disclosed in due course.

〈Comparison table of TNFD core global disclosure metrics〉

Metrics for dependences and impacts on nature

Metrics No.	Driver of Nature Change	Indicator	Metrics	Results of FY2024	Targets	References
-	Climate change	Green house gas (GHG) emissions	• Scope 1 • Scope 2 • Scope 3	• 7.7 thousand tons • 1.2 thousand tons • 100.5 thousand tons	• Scope 1+2 Achieve zero GHG by FY2035 • Scope 3 Reduce by 30% by FY2030 Reduce by 60% by FY2050 (Base year: FY2017)	• Realization of a decarbonized society • ESG Data
C1.0	Land/freshwater/ocean-use change	Total spatial footprint	• Total surface area controlled/ managed by our company • Total disturbed area • Total rehabilitated/restored area	• 0.32 km^2 • 0 km^2 • 0 km^2		• Annual securities report for FY2024 (Japanese) p.37, Status of major facilities/Submitting company
C1.1		Extent of land/freshwater/ocean-use change	• Total surface area of green space controlled/managed by our company	• 0.10 km^2		
C2.0	Pollution/pollution removal	Pollutants released to soil split by type	• Total amount of substance of very high concern (SVHC) under Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation released to soil • Number of soil pollution incidents • Periodic training to prevent environmental pollution for applicable employees	• 0 tons • 0 case • Completed	• No soil pollution incidents	

Metrics No.	Driver of Nature Change	Indicator	Metrics	Results of FY2024	Targets	References
C2.1	Pollution/pollution removal	Wastewater discharged	• Total volume of discharged water	• 171.9 thousand m^3	**Water pollution risk** • Conduct Whole Effluent Toxicity tests at all ONO's manufacturing plants & research institutes by FY2025 • Evaluate effects of development compounds and pharmaceuticals on aquatic organisms and disclose the results by FY2030 • Maintain stricter management of wastewater than that required by laws and regulations • No violations of related laws and regulations **Upstream value chains risk** • Initiate comprehensive water-related risk management for business partners that are critical to our business continuity by FY2026	• Realization of a water recycling society • Biodiversity
			• Discharged water volume including SVHC under REACH regulation and/or substances causing antimicrobial resistance (AMR)* discharged into public sewage and water bodies	• 0 m^3 * We have not manufactured any product causing AMR.		
			• Number of deviations from the reference values of the Water Pollution Control Act and the Sewerage Act	• 0 case		
			• Number of water pollution accidents due to handling of active pharmaceutical ingredient, etc.	• 0 case		
			• Periodic training to prevent environmental pollution for applicable employees	• Completed		
—		Use of hazardous chemicals	• Amount of SVHC under REACH regulation used in the manufacture of in-house pharmaceuticals	• 0 tons		
			• Amount of PRTR Class 1-designated chemical substances (Handled in an amount of 1 ton or more)	• 1.7 tons		

Metrics No.	Driver of Nature Change	Indicator	Metrics	Results of FY2024	Targets	References
C2.2	Pollution/pollution removal	Waste generation and disposal	• Total weight of industrial waste generated (ONO's manufacturing plants/research institutes/logistics centers) • Total weight of special management industrial waste (Hazardous waste) • Total landfill weight of our industrial waste (Final landfill rate of our industrial waste) • Recycling rate of waste (ONO's manufacturing plants/research institutes/logistics centers)	• 818.6 tons • 128.4 tons • 0.0 tons (0.0%) • 81.4%	• Final landfill rate of our industrial waste: Maintain 1% or less every year • Recycling rate*: 60% or more (FY2025) 80% or more (FY2030) * Calculation is based on the calculation rules of the Federation of Pharmaceutical Manufacturers' Associations of JAPAN (Coverage: wastes, valuables, free materials, etc.) • Reduce the environmental impact of product packaging: Use 100% eco-friendly materials for individual packing boxes of our pharmaceuticals (FY2030)	• Realization of a resource recycling society
C2.3		Plastic pollution	• Total weight of plastic used in packaging of our pharmaceuticals sold • Usage rate of recycled plastic or biomass-derived plastic in plastic packaging for our pharmaceuticals sold	• 207.6 tons • Calculating		• Realization of a resource recycling society
C2.4		Non-GHG air pollutants	• SOx • NOx • Smoke dust • Amount of volatile organic compounds released into the atmosphere	• 0.0 tons • 6.0 tons • 0.3 tons • 1.4 tons*		• ESG data * In-house data based on PRTR system in Japan

Metrics No.	Driver of Nature Change	Indicator	Metrics	Results of FY2024	Targets	References
C3.0	Resource use/replenishment	Water withdrawal and consumption from areas of water scarcity	• Water withdrawal and consumption from areas of water scarcity area • Number of business partners that are critical to our business continuity and are operating in water scarcity area concerned by Aqueduct (Baseline/Future 2050) Reference (Direct operations) • Water withdrawal volume • Number of days when water withdrawal was restricted due to drought	• 0 m^3 (No in-house worksite in water scarcity area) • One company • 202.8 thousand m^3 • 0 day (In-house manufacturing plants & research institutes)	• Initiate comprehensive water-related risk management for business partners that are critical to our business continuity (FY2026)	• Realization of a water recycling society
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	• Quantity of high-risk natural commodities	• Under survey		
C4.0	Invasive alien species and other	Measures against unintentional introduction of invasive alien species	• Usage rate of disinfected wood packing materials used for raw material import	• 100%	• Prevent introduction of invasive alien species by 100% use of disinfected wood packing materials	
C5.0	State of nature	Ecosystem condition	• Area covered by nature conservation activities	• 0.1 km^2		

The metrics, FY2024 results and targets for Ono Pharmaceutical Co., Ltd. on a non-consolidated basis are shown in this table.

General Requirements (References)

Six general requirements considered in the disclosure of information in line with the TNFD recommendations

Requirements	Considered content
Application of materiality	In order to realize the "conservation of the global environment," which we have identified as one of our key management issues (materiality), we have set medium- to long-term environmental targets under "ECO VISION 2050" and continue to take on the challenge of passing on a rich global environment for future generations. In this report, we assessed our dependence, impacts, risks and opportunities on nature based on a double materiality approach.
Scope of disclosures	In addition to direct operations (including group companies), this covers the unconsolidated ONO's upstream and downstream value chain. Note that downstream of the value chain, we have not been able to analyze the impact of stakeholders such as healthcare professionals and patients. In the future, we will deepen our analysis and expand the scope of disclosure to include the above stakeholders and the value chain of group companies.
Location of nature-related Issues	In the Ono Pharmaceutical Group's core pharmaceutical business, we used the ENCORE and LEAP approaches to assess how much our direct operations and upstream/downstream value chain operations depend and have an impact on nature. For more information about the analytic method, please see the "Strategy" section of this report.
Integration with other sustainability-related disclosures	We recognize that biodiversity initiatives are closely related to measures against climate change. In the future, we will consider how to integrate these with the TCFD recommendations.
Time horizons considered	The target period is from now until around 2050. Short-term is defined as within 3 years, medium-term as 3 to 10 years, and long-term as 10 to 30 years.
Engagement of indigenous peoples, local communities and affected stakeholders	To learn more about ONO's stakeholder engagement, please click here. For more information about our basic policy on human rights for all stakeholders, including Indigenous Peoples and local communities, as well as our promotion of human rights due diligence, please click here.

Biodiversity

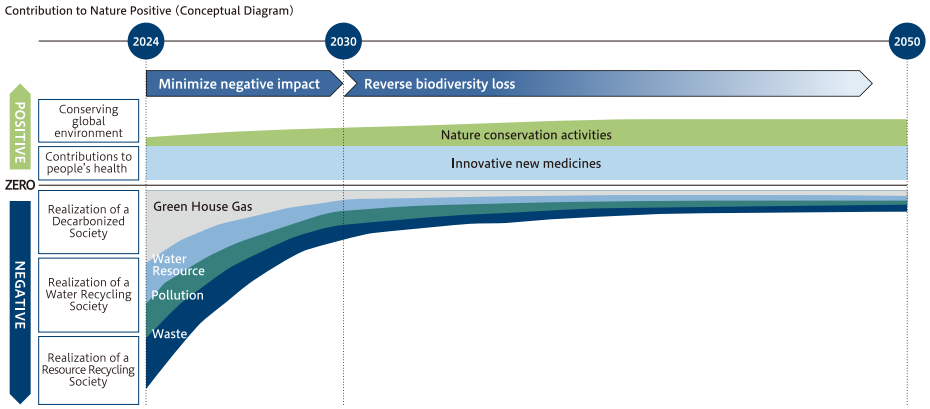
Recognizing that our business activities are supported by a sound global environment, we are working to reduce environmental risks that affect biodiversity and contribute to the maintenance and conservation of biodiversity, with the aim of realizing a sustainable and prosperous society. We have endorsed the “Keidanren Initiative for Biodiversity Conservation” by KEIDANREN (Japan Business Federation) and make donations to the Keidanren Nature Conservation Fund.

For information about the “Keidanren Initiative for Biodiversity Conservation” and the list of companies and organizations that have endorsed this initiative, please click here.

Our Position on Biodiversity

An abundant global environment (ecosystem) not only brings food, water, and other blessings to our lives, but it also contributes to mitigating climate change and disasters, restricting the generation of infectious agents, parasitic insects, etc., and stabilizing mental and cultural conditions, as well as plays an extremely important role for our health. So that we can pass on a rich global environment to the next generation, we assess the dependencies and impacts of our business activities on the global environment and promote a range of activities (environmental impact assessment of pharmaceutical products, management of chemical substances, management of genetically modified organisms and pathogens, pollution control of air, water, and soil, etc.) to minimize these impacts. While contributing to people’s health through the creation of innovative new medicines, we will also work together with local governments, NPOs, NGOs, and other stakeholders to help achieve “nature positive” by 2030 – halting and reversing the loss of biodiversity to put nature on track to recovery - through our ongoing initiatives.

In FY2024, we have identified the nature-related risks and opportunities within our business activities in line with the Taskforce on Nature-related Financial Disclosures (TNFD) final recommendations (v1.0). We will appropriately disclose information not only on climate change but also on biodiversity. For more details, please see the page of our website titled “Information disclosure based on the TNFD recommendations.”



Action policy

- We endorse the "Kunming-Montreal Global Biodiversity Framework" that was adopted at the 15th meeting of the Conference of Parties (COP-15) to the Convention of Biological Diversity (CBD) and promote activities that take biodiversity conservation into consideration. Furthermore, we aim to realize a sustainable society, while being mindful of the interplay with measures against climate change.
- We support the three principles of the CBD, whose objectives are: (i) the conservation of biological diversity; (ii) the sustainable use of the components of biological diversity; and (iii) the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, as well as the Japanese National Biodiversity Strategy. We also comply with laws and regulations concerning biodiversity conservation in each country and region.
- We appropriately use and manage chemical substances, genetically modified organisms and pathogens in accordance with relevant laws and regulations.
- We minimize the impacts of our business on biodiversity by applying the mitigation hierarchy (avoidance, minimization, restoration, and offsets).
- We aim to achieve zero loss (a net positive impact) on nature through our operations by 2050 in priority areas that are important from the perspective of biodiversity conservation and on which our businesses heavily depend or have a significant impact on.
- We avoid new activities in national parks, protected areas, and other areas that are important to biodiversity. We also encourage our major business partners to avoid activities in areas that are important to biodiversity.
- We strive to maintain and restore local ecosystem conservation efforts and ecosystem services by collaborating with local communities, governments, NGOs, etc.
- We enhance the awareness of our employees and promote biodiversity conservation activities with the participation of all employees.
- We evaluate our dependence and impact on natural capital in accordance with TNFD recommendations, and appropriately disclose identified risks and opportunities, as well as how they are managed.

Initiatives to Reduce Negative Impacts

Handling of the active pharmaceutical ingredient (API) and environmental impact assessment

The API (including its metabolites if it was administrated to human) produced by the manufacturing process, or discharged into the environment through excretion after the proper use and disposal of medicines may affect ecosystems due to their physiological effects, as well as their physicochemical and biological properties. In our manufacturing plants, we consider the scientific characteristics of API, implement deactivation treatments, such as oxidative decomposition, reduction, and alkaline hydrolysis and prevent the release of API into the environment. We also estimate occupational exposure limit (OEL) based the results of animal testing and human clinical trials and define an API in Category 4 (chemical substances with OEL lower than 10 μg/m^3) or higher as "highly active API." All wastewater containing highly active API is outsourced to be incinerated and we do not discharge it into the environment.
We appropriately conduct the environmental assessment of API in accordance with local guidelines. We predict the hazards to the environment of new drug application candidates and launched APIs based on the *in silico* quantitative structure-activity relationship (QSAR), and we list the results on safety data sheets (SDS). We also evaluate the effects on aquatic organisms sequentially for launched APIs and disclose the results on SDS.

Management of chemical substances

We are working to reduce the use of chemical substances. We are also committed to reducing emissions of chemical substances not only in compliance with laws and regulations but also in recognition that these emissions may impact human health and the ecosystem.

Controlling emissions of chemical substances into the environment

In accordance with the law concerning “Pollutant Release and Transfer Register (PRTR),” we have appropriately controlled chemical substances that may have harmful effects on human health and ecosystems. In FY2024, the amount of PRTR Class 1-designated chemical substances handled in an amount of 1 ton or more was 1.7 tons, and their associated emissions into the air was 0.0 tons (the vaporized solvent was adsorbed and removed by activated charcoal installed in the smoke control system). Even with the addition of acetonitrile, which has been excluded from the PRTR Class 1-designated chemical substances since FY2023, the handling amount and emissions into the air were 7.8 tons and 0.3 tons, respectively. Emissions into the environment remain at a low level. We also legally and appropriately manage chemical substances other than those reported. We will continue to work to reduce emissions into the environment through appropriate chemical substance management.

Management of waste containing polychlorinated biphenyl (PCB)

Waste containing PCB is disposed of appropriately in compliance with the "Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes." As of the end of March 2025, there is no high-level or low-level PCB-containing waste in our storage. We only have two electrical transformers containing low-level PCB (in use). We plan to entrust them to a treatment company that has permission to dispose of low-concentration PCB waste within the treatment deadline of March 31, 2027, which was stipulated in the above law, and dispose of them properly.

PCB waste	Type	Classification	Number of units
High-concentration PCBs waste (PCB concentration: Greater than 0.5%)	Capacitor, etc.	In use	0
		Storage	0
Low-concentration PCBs waste (PCB concentration: 0.5% or less)	Transformers, etc.	In use	2
		Storage	0

Management of radioisotopes

The management of radioisotopes is conducted appropriately in accordance with the "Act on Prevention of Radiation Hazards due to Radioisotopes, etc." and the results are reported to the Nuclear Regulation Authority as a radiation management status report every fiscal year.

Genetically modified organisms and pathogens

As for genetically modified organisms and pathogens used in drug discovery research and manufacturing activities, we are preventing their spread into the environment and their leakage by complying with in-house regulations based on relevant laws and regulations such as the “Act on the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms” (Cartagena Act) and the “Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases” (Infectious Diseases Control law). In addition, to promote the appropriate use of these research samples, the in-house committee on biosafety continues to provide education and training to laboratory staff and conduct examinations on the experimental applications.

Prevention of air and water pollution, and soil contamination

In the manufacturing plants and research institutes, we comply with the "Air Pollution Control Act", the "Water Pollution Control Act", the "Sewerage Act", the "Soil Contamination Countermeasures Act", the "Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement", and conclude agreements on pollution prevention with local governments, in order to reduce our environmental impact.
Nitrogen oxides (NOx), sulfur oxides (SOx), and smoke dust (particulate matter: PM) are measured as air pollution indices. NOx emissions in FY2024 remained low at 6.0 tons. Since none of our facilities use high-sulfur content fuels (heavy oil, coal, etc.), we are maintaining SOx emissions at a very low level of 0.0 tons. PM emissions in FY2024 were also maintained at a low level of at 0.3 tons.
To prevent water pollution, wastewater from manufacturing plants and research institutes is controlled under the stricter standards agreed with local governments or under our voluntary and stricter standards in addition to standards related to relevant laws and regulations. A public sewage system has not been developed at the Fujiyama Plant. Therefore, wastewater generated from business activities at the Fujiyama Plant is treated with sedimentation, activated sludge, pH adjustment, and disinfection at our on-site wastewater treatment facility. After cleaning wastewater, the water quality is checked, and then discharged to a river. Wastewater generated from business activities at the Yamaguchi Plant is treated with primary processes such as disinfection at on-site facility, followed by secondary processes at a treatment facility in the industrial park, and then discharged to a river. The biochemical oxygen demand (BOD), an index of wastewater quality, of wastewater discharged to public rivers in FY2024 was remained low at 0.14 tons. In addition, we conducted Whole Effluent Toxicity (WET) tests, which are toxicity tests using the biological responses of daphnia, algae and fish, on wastewater discharged into rivers or public sewage systems from the Fujiyama Plant, the Yamaguchi Plant and the Tsukuba Research Institute, and confirmed that there were no toxic effects on aquatic organisms. We plan to conduct the WET tests at all manufacturing plants and research institutes by FY2025. In preparation for an emergency event in which wastewater containing hazardous substances could flow into the drainage system, we have installed a storage tank to store wastewater, and for the wastewater containing highly active API, we have separated the possible flow from the drainage system by setting up a dedicated collection tank.

Changes in BOD (biochemical oxygen demand)

	Drainage site	Scope	Unit	FY2021	FY2022	FY2023	FY2024
BOD	Total	Production and research sites	Ton	1.3	1.2	0.79	0.77
	Sewerage system			1.1	1.0	0.66	0.64
	River			0.22	0.15	0.12	0.14

We provide thorough control of hazardous substances to prevent soil pollution. Measures are taken to prevent reagent bottles containing dangerous or hazardous materials from falling over on storage shelves. We also implement regular leakage checks on drainpipes and are replacing them with quake-resistant flexible pipes. If soil pollution is found, we will consult with the government and take appropriate measures, such as for the prevention of spreading and for purification measures, etc.

In recent years, extreme weather events are occurring as a result of global warming. We have formulated manuals to prepare for accidents and emergency situations caused by such weather, and we organize training sessions to minimize environmental impacts. In addition, we conduct drills every year in preparation for accidents and emergencies that may lead to water pollution and soil contamination.

Quantification of environmental impact

The impact of our business on the environment was converted into monetary values using the Life-cycle Impact assessment Method based on Endpoint modeling (LIME) 3, a type of Life Cycle Assessment (LCA). We divided our business activities into four damage assessment categories and assessed them. Namely, these categories were human health, social assets (impact from the consumption of fossil fuels and mineral resources), biodiversity, and primary production (impact from wastes and the use of land and forests). The environmental impact from the consumption of social assets was the highest (358 million yen), followed by human health (76 million yen), biodiversity (59 million yen), and primary production (0.6 million yen). The main factors affecting the environment in our business were energy consumption, such as electricity and city gas in terms of inputs such as resources and raw materials required for our business activities, as well as greenhouse gas emissions in terms of outputs generated by our business activities. We will strive to reduce our environmental impact based on these results.
On this occasion, we quantified the environmental impact of each business site, such as factories and laboratories, using a simplified LCA. In the future, we will conduct a simplified LCA for each of our products to evaluate their environmental impact.

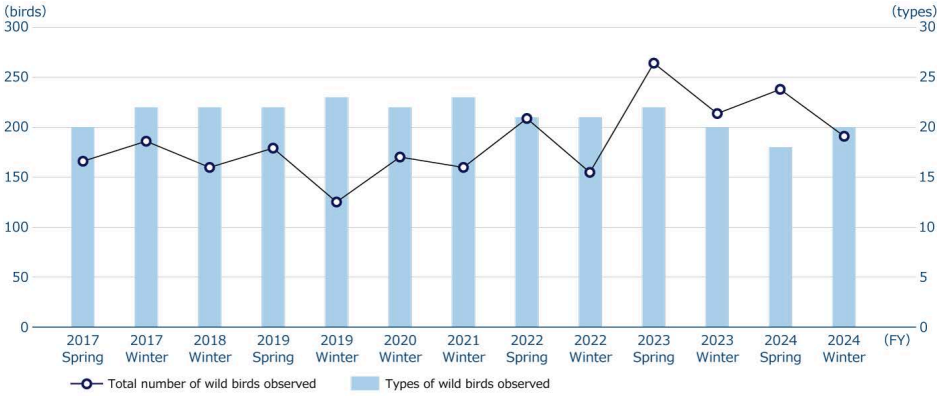
Initiatives to Increase Positive Impacts

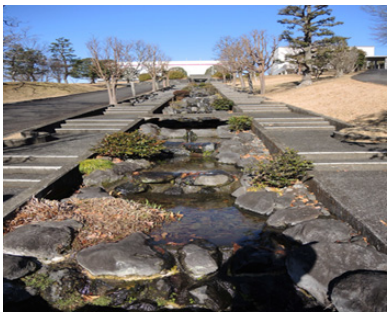
Conservation activities through wild bird surveys

The Fujiyama Plant, one of our main plants, has a green space (36,000 m^2) on its premises that is almost equivalent to the size of a baseball stadium. Since 2017, we have adopted conservation activities (community contribution activities) through wild bird surveys as an environmental goal based on our environmental management system (ISO14001). Every year, during the spring breeding and wintering seasons, we request the Wild Bird Society of Japan to conduct surveys* (up to four times a year) and use the results of those surveys as the basis for efforts to protect the abundance of biodiversity in the Fujiyama Plant (establishing green zones that are intentionally not mowed, planting trees that birds like, maintaining ponds and waterways, etc.). There has been no significant change in the species and total number of birds observed over an eight-year period, which can be interpreted to mean that ONO's production activities have not had a significant impact on nature. These results are also shared with Fujinomiya City and utilized in conservation activities related to biodiversity in local communities.

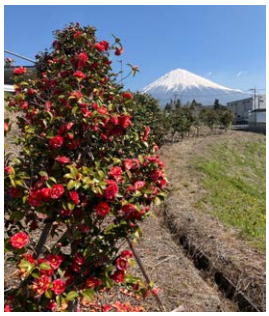
* We make one round of the plant's environmental facilities (green zones, ponds, and waterways) in the early morning and record the species and number of birds observed.

Wild birds surveys in the Fujiyama Plant





Waterways within the factory (watering holes for wild birds)



Planting camellia trees favored by Japanese white-eyes and brown-eared bulbuls

A common buzzard (Accipitriformes, Accipitridae) observed in December 2024

A meadow and thicket within the factory

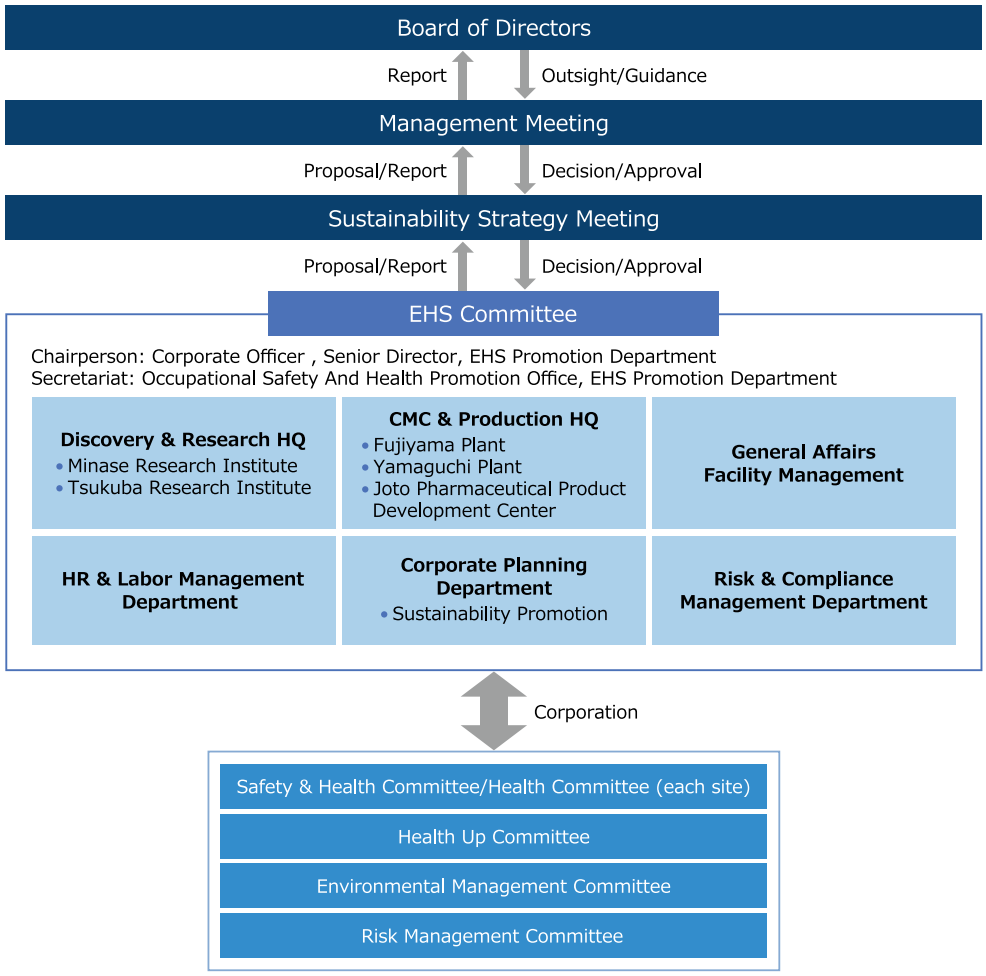
Pheasants that live in the meadow (Galliformes, Phasianidae) observed in May 2024

EHS (Environmental Health and Safety) Global Policy

For ONO group, to realize a sustainable society and continuous growth, it is important to conduct business activities that address EHS (environment, hygiene/health, safety). Therefore, we established EHS global policy.

> EHS Global Policy

EHS (Environmental Health and Safety) Promotion System*



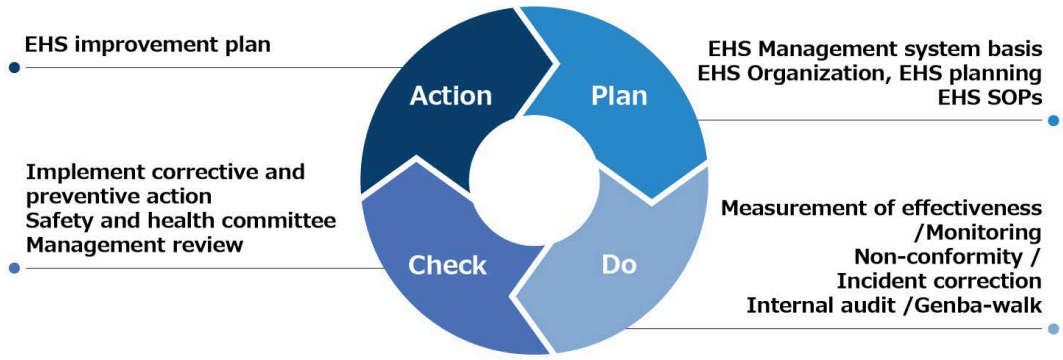
At the EHS Committee consisting with members of production sites, research institutes, headquarters, and other major sites, we share information on amendments to the law, improve risk assessment skill, and share the best practices on the corrective action of occupational injuries. The EHS Committee works with the safety and health committee of each site. In addition, the EHS Promotion Department implements internal audits (EHS self-checks), reports the results at the EHS Committee, and implements management review. In this way, management members are involved in EHS management.

* The Organization names are as of June 1, 2025.

Building the EHS Management System

We set targets for sustainability, including environmental and occupational safety and health and promote building the EHS (Environmental Health and Safety) management system with the aim of achieving these targets.
The EHS Management System that we are building is stipulated by the departments involved in EHS promotion of headquarters concerning entire company requirements related to EHS as the SOP (standard operating procedure). In addition, based on the SOP, operations of the SOP are stipulated for each department. Thereby, concrete actions for the achievement of entire company targets that have been established are stipulated at the same level throughout the company. Based on ISO45001 (Occupational Safety and Health Management System) and ISO14001 (Environmental Management System), the SOP stipulates compliance with laws and regulations related to occupational safety and health, the environment, and fire-prevention and disaster-prevention, etc. and technical requirements that are not provided for by laws and regulations but require actions to be taken. In addition, by stipulating and implementing internal audits, it plans to implement PDCA to promote continuous improvement. In addition, it stipulates management review so that management members are involved.
We started to build the EHS Management System in FY2021, aiming to complete the creation of 99 SOPs by the FY2024 and to issue all of them in the FY2025, with the goal of completing the system.
In addition, along with the creation of an SOP, we started internal audits for compliance with laws and regulations in FY2021 and management review in FY2022.
We will continue to promote the building of the EHS Management System, protect occupational health and safety, and maintain and improve the environment in our operation areas so that we can be a company that can obtain trust from stakeholders as well, including the community and employees.

EHS Management system flamework



Status of acquisition of ISO 14001 certification*

Production site name	
Fujiyama Plant	Certified
Yamaguchi Plant	Certified
Scope of ISO 14001 certification at production sites	100%

* The Joto Plant of TOYO Pharmaceutical Co., Ltd., one of our group companies, has also acquired ISO14001 certification.

Safety and Health

As safety and health risk management, we are implementing potential risk management by "compliance with laws and regulations," and industrial safety risk management for potential risks that are "matters exceeding laws and regulations."
Concerning compliance with laws and regulations, we carefully inspect the action status for legal requirements that have been organized for each plant, laboratory, office, and other bases. In addition, the departments involved in EHS promotion conduct risk analyses at each site and promptly visit sites with particularly concerning risks to perform internal audits (EHS Self-Inspection). At sites with lower risk concerns, the departments described above conduct internal audits at least once every three years. Through internal audits, we assess the appropriateness of operations based on laws and regulations and check for any omissions. Any deficiencies are corrected to ensure continuous improvement towards full compliance with laws and regulations related to occupational health and safety.
Matters exceeding laws and regulations, such as the fact that the pharmaceuticals we manufacture are not subject to occupational exposure limits set by the government, pose potential risks. For example, employees handling these pharmaceuticals may be exposed to quantities that exceed the levels at which the pharmaceuticals exert their effects. Concerning the aforementioned risks where employees are exposed to chemical substances handled at plants and laboratories, we implement risk assessment and exposure measurement and take appropriate measures based on the risk. In addition, concerning potential risks in daily operations and risks leading to accidents, we implement risk assessment to identify issues. For risks at the middle level or higher, we are working to improve them. These activities are shared and opinions on them are exchanged at the safety and health committee at each site and at the EHS committee that is held semi-annually. We thereby strive to provide a safe work environment for employees. In addition, at the safety and health committee, the correction of issues identified during safety and health patrols, which are implemented from the perspectives of checking fire prevention measures and disaster-prevention equipment, such as fire, etc., checking the safe handling of machines, checking the completeness of safety operations, checking transfer operations, checking sorting, organizing, and cleaning, etc., are discussed.
At offices in headquarters where a health committee is established, various measures to maintain employee health are examined at monthly health committees based on the results of work environment measurements. In addition, a central health committee is held semi-annually to share information and exchange opinions concerning reporting on health management activity status, company-wide health matters, and details and issues examined at safety and health committees at each site.

In FY2024, the number of lost time injuries (not less than 1 day off) was 2 and lost-time injuries frequency rate was 0.31. For details including past data, please click here.

Emergency Management

To respond to any emergency situation, such as large earthquakes, natural disasters caused by climate change and fire, etc., we have established disaster prevention plans and hold regular training in line with the “crisis response/business continuity manual” to secure people’s lives and minimize asset losses.

Employee education and training

To promote EHS, each employee should understand its meaning correctly and be aware of their role and responsibility in promoting EHS. We educate our employees regularly (legal interpretation, EHS management system, work-related accident examples, control of chemicals, etc.). In FY2024, in response to the major revision of the chemical substance management section of the Industrial Safety and Health Act, we conducted special education on chemical substances and training on first aid for chemical injuries, with a total of 973 employees (43% of the eligible attendees) participating.

Environmental Accounting

We conduct environmental efficiency assessments to quantitatively measure the efficiency of environmental conservation activities at our production and research sites. We also disclose information on environmental accounting in reference to the Environmental Accounting Guidelines 2005, issued by the Ministry of the Environment of Japan.

Environmental Costs (Including Depreciation Costs)

(Thousands of Yen)

Category	Environmental costs		Amount of investment in environmental equipment	
	FY2023	FY2024	FY2023	FY2024
1: Pollution prevention cost (air, water, soil, groundwater, hazardous chemicals, noise, vibration, and odor)	88,302	105,682	38,724	21,036
2: Global environment conservation cost (cost for preventing global warming, cost for environmental conservation activities)	537,150	580,750	585,324	611,594
3: Resource circulation cost (waste reduction, proper treatment of waste, efficient use of resources)	116,219	142,578	0	16,477
4: Administration cost (time and cost spent for committee and ISO activities, and environmental management)	13,815	12,812	—	—
5: Research and development cost	0	0	—	—
6: Social activity cost (cost for environmental improvement activities, including beautification and tree-planting, with the exception of those conducted at or in the vicinity of the business sites)	9,014	10,369	0	0
Total	764,500	852,190	624,048	649,107

Environmental conservation effects

Environmental performance indicators		Environmental impact		Change from the previous year
		FY2023	FY2024	
Effects corresponding to key business area costs	SOx emissions (tons)	0.0	0.0	0.0
	NOx emissions (tons)	5.0	6.0	1.0
	Water use (1,000 m^3)	189.9	202.8	12.9
	BOD load (tons)	0.8	0.8	0.0
	CO_2 emissions (1,000 tons-CO_2)	16.0	8.9	-7.1
	Energy use (MWh)	82,285.0	83,748.9	1,463.9
	Total waste discharge (tons)	569.7	818.6	248.9
	Final landfill disposal (tons)	3.2	3.5	0.3

Economic Effects Associated with Environmental Conservation Activities

(Thousands of Yen)

Details	Economic effects	
	FY2023	FY2024
1: Reduction in costs through energy-saving activities	3,299	6,147
2: Reduction in waste costs through recycling activities	640	240
3: Profit from sale of recycled materials	8,701	2,927
4: Others	0	267
Annual total	12,640	9,582

Innovative Pharmaceutical Products

For more than 300 years since our foundation, we have walked hand in hand with society. Based on our corporate philosophy of "Dedicated to the Fight against Disease and Pain," we have created a series of innovative new medicines that had been thought to be impossible in order to realize our passion to help people who are suffering from disease. We will take on the challenge of research and development of innovative medicines in collaboration with the world's top scientists, contribute to people's health by providing the innovative medicines that are safe, secure, and appropriate, and take on the challenge of realizing a sustainable society through responsible business activities.

For more details about our business activities, please click here.

Action Policies for Improving Access to Healthcare

Even today as we see remarkable developments in the medical field, there are many diseases against which no effective treatment exists. Also, in low- and lower middle-income countries, there are many people who have difficulty receiving necessary medical care due to various reasons such as inadequate medical infrastructure and poverty.
Under the corporate philosophy “Dedicated to the Fight against Disease and Pain,” we aim to improve access to healthcare by pursuing these goals: Research and development of innovative new drugs and strengthening healthcare infrastructure.
In "Research and Development of Innovative New Drugs," we are actively engaged in the research and development of drugs for NCDs (noncommunicable diseases), including cancer, where medical needs have yet to be met, as well as for rare diseases. In addition, we are also strengthening our efforts so that we can provide new drugs to patients around the world, including Europe, the United States and Asia.
In the area of "strengthening healthcare infrastructure," we are working on medium- to long-term initiatives to train medical personnel and improve the medical environment in low- and middle-income countries through partnerships with NPOs, public institutions, pharmaceutical companies, and other organizations.

Promotion Management System

We set the improvement of access to healthcare as one of the themes included in the materiality "Enhancement of Social Trust" and the Board of Directors and the Management Meeting are managing targets and progress (Please click here for detail). In addition, in terms of implementation, the Sustainability Promotion Committee, consisting of members of each division, mainly promotes implementation under management by the Sustainability Strategy Meeting.

Research and Development of Innovative New Drugs

Based on our corporate philosophy of "Dedicated to the Fight against Disease and Pain," we have created a series of innovative new drugs that had been thought to be impossible in order to realize our passion to help people who are suffering from disease. We will take on the challenge of research and development of innovative drugs in collaboration with the world's top scientists, contribute to people's health by providing safe, secure and appropriate drugs, and take on the challenge of realizing a sustainable society through responsible business activities.
For more details about our business activities, please click here.

Clinical Development for Rare and Pediatric Diseases

We believe that our efforts in the clinical development of pharmaceuticals for rare and pediatric diseases are critical to improving access to healthcare, and we are working as follows:

Efforts made against rare diseases

(The situation in Japan As of April 1, 2025)

Product name	Therapeutic indication*	Date designated as an orphan drug	Development Status
OPDIVO intravenous infusion	Malignant melanoma	June 17, 2013	Approved
	Hodgkin lymphoma	March 16, 2016	Approved
	Malignant pleural mesothelioma	December 1, 2017	Approved
	Cancer of unknown primary	March 11, 2021	Approved
	Malignant mesothelioma (excluding malignant pleural mesothelioma)	February 22, 2023	Approved
	Unresectable advanced or recurrent epithelial skin malignancies	May 23, 2023	Approved
	Unresectable advanced or recurrent microsatellite instability-high (MSI-High) colorectal cancer	September 20, 2024	Filed
Demser Capsules	Improvement of catecholamine excess and various symptoms in pheochromocytoma	May 25, 2015	Approved
Kyprolis for intravenous infusion	Relapsed or refractory multiple myeloma	August 20, 2015	Approved
Onoact for intravenous infusion	Life-threatening refractory and emergent cardiac arrhythmias: ventricular fibrillation and hemodynamically unstable ventricular tachycardia	August 24, 2016	Approved
Mektovi Tablets	NRAS or $BRAF^{V600}$ mutation-positive malignant melanoma	December 4, 2013	Approved
Braftovi Capsules	$BRAF^{V600}$ mutation-positive malignant melanoma	December 4, 2013	Approved
	Unresectable, advanced or recurrent colorectal cancer with BRAF-mutation	June 19, 2024	Filed
Velexbru Tablets	Primary central nervous system lymphoma	August 20, 2019	Approved
	Waldenström's macroglobulinemia, Lymphoplasmacytic lymphoma	November 19, 2019	Approved

* Anticipated indications or diseases on the designation

Efforts to obtain approval for pediatric use

(The situation in Japan As of April 1, 2025)

Product name	Therapeutic indication	Status
Onon Dry Syrup	Bronchial asthma, allergic rhinitis	Approved
Emend Capsules	Digestive symptoms (nausea, vomiting) resulting from the administration of antineoplastic agents (cisplatin, etc.) (including the delayed phase)	Approved
Proemend for intravenous injection	Digestive symptoms (nausea, vomiting) resulting from the administration of antineoplastic agents (cisplatin, etc.) (including the delayed phase)	Approved
Orencia for intravenous infusion	Active polyarticular juvenile idiopathic arthritis	Approved
Demser Capsules	Improvement of status of catecholamine excess secretion in patients with pheochromocytoma	Approved
OPDIVO intravenous infusion	Relapsed or refractory classical Hodgkin lymphoma	Approved
	Rhabdoid tumor	Phase 2
Onoact for intravenous infusion	Tachyarrhythmia (supraventricular tachycardia, atrial fibrillation and atrial flutter) in patients with low cardiac function	Approved

Our Policies on Intellectual Property Rights and on Patents in Countries with Limited Access to Healthcare

We strive to continually develop innovative drugs through appropriate protection and use of various types of intellectual property generated during the course of drug development, while at the same time respecting intellectual property rights owned by third parties. In some countries, people have difficulty access to healthcare due to economic reasons. To deliver our innovative drugs to more patients worldwide, we will neither apply for nor enforce patent rights in Least Developed Countries defined by the United Nations*1 and Low Income Countries defined by the World Bank*2. We also will not file patent applications or enforce rights in Lower Middle Income Countries defined by the World Bank*3 with the exception of some countries.
In addition, we continue to examine applicability of our patented compounds to Neglected Tropical Diseases (NTDs) and other diseases in the aforementioned countries (use of the existing patent pool, the provision of voluntary licenses to generics manufacturers, etc.).
In the situation of a public health national emergency, such as a pandemic, etc., we understand that the compulsory right will be granted as one of the options. We also understand that the compulsory right will be granted in accordance with Article 31-2 of the TRIPS Agreement (the Agreement on Trade-Related Aspects of Intellectual Property Rights) in order to export pharmaceuticals to countries with insufficient or no capacity to manufacture pharmaceuticals. We will consider licensing patents flexibly and appropriately on a case-by-case basis. In order to improve access to pharmaceuticals, granting the compulsory right alone cannot resolve the fundamental problems. We consider that comprehensive activities are necessary, including activities that include the correction of economic discrepancies, training of healthcare professionals, and development of the healthcare system, healthcare infrastructure, and drug supply system.

*1 https://www.un.org/development/desa/dpad/least-developed-country-category.html

*2 https://data.worldbank.org/income-level/low-income

*3 https://data.worldbank.org/income-level/lower-middle-income

Patient Support Program

We aim to create innovative pharmaceuticals and provide a variety of support so that patients can receive the treatment they need. The purpose of the Patient Support Program is to support patients and their families by providing information on treatment and financial support. Our U.S. subsidiary, Deciphera, leverages Deciphera Access Point™ to understand the unique situation of each patient in the U.S. and provides them with a dedicated case manager who helps resolve a wide range of issues covering everything from understanding insurance to financial issues and starting and continuing treatment.

* Patient Support Program：Deciphera Access Point™ (https://www.decipheraaccesspoint.com/)

Strengthening Healthcare Infrastructure – Capacity Building –

There are still countries and regions in the world where the healthcare infrastructure is immature and many people who cannot access necessary healthcare are left behind. We are working to support NPOs to strengthen the healthcare infrastructure in these regions (local capacity building: Building a healthcare infrastructure where healthcare can be delivered continuously by local capabilities).

Under the "ONO SWITCH Project" that was implemented from FY2018 to FY2021, we have provided support in Cambodia, Myanmar, Bangladesh, and Bhutan for the training of local healthcare personnel, educating local citizens on diseases, and assisting with scarce healthcare facilities and supplies (for more details, see "ONO SWITCH Project (FY2018 to FY2022)" on this page below). We have achieved steady results in strengthening healthcare infrastructure through the activities of the NPOs that we supported under this project.
In consideration of the lessons learned from this project, we started a new healthcare access improvement project, the "ONO Bridge Project," in FY2022.

With the new project, and not only through financial support necessary for NPO measures, we will also increase the social recognition of issues related to access to healthcare, have our employees participate in volunteer activities, take measures for collaboration using our know-how, etc. At the same time, we will increase the input of non-financial capital into the project and thereby maximize our social impact and strengthen our human resources, etc. For example, we will increase employee understanding, empathy, and desire to take on the challenge of resolving issues related to healthcare access and we aim to disseminate the mission statement and to increase engagement in the association thereto. In addition, we consider this project as to be an opportunity to broaden our understanding of patients and healthcare issues around the world and thereby aim to support our growth strategy.

Our thoughts on the project name:

To serve as a bridge between healthcare and patients.

As the hope of patients for the future,we aim to create a society where people who need healthcare and people who want to deliver healthcare are connected and overcome the healthcare access gap.

In this project, we works with NPOs to implement the following two programs:Through the programs, we not only contribute to the financial support necessary for NPO measures but we will also increase the social recognition of issues related to healthcare access and take measures for collaboration using our know-how, among other things.

Cambodia: Program to Improve Access to Advanced Pediatric Medical care

Japan Heart
目の前のひとりの生まれてきて良かったを、
日本の医療から

Partner

Specified Nonprofit corporation Japan Heart
(hereinafter referred to as "JH")

› https://www.japanheart.org/en/

In response to the shortage of medical personnel and knowledge in Cambodia and issues related to accessing medical care in rural areas (economic strength, infrastructure, and local customs), we work with Japan Heart to improve access to medical care for local residents, including pediatric cancer patients, by training medical professionals, educating patients, and providing support to medical facilities through programs.

Please see below for details of our activities

Program to Improve Access to Advanced Pediatric Medical care in Cambodia (Overview and Progress)

Corresponding SDGs

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

3.8 Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all

3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States

Issues related to Access to Healthcare in Cambodia and Activities of Japan Heart

Name of the hospital
Japan Heart Children's Medical Center (JHCMC)

Year constructed
2016: JHCMC built
2018: JHCMC Expansion (increase in pediatric oncology beds)

Number of staffs
131 (as of March., 2024)

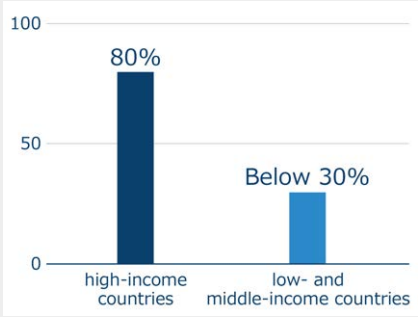
Number of beds
94 beds (Adult: 39 beds/ Pediatric: 55 beds)

Diagnosis and treatment department
Internal medicine, Pediatrics, Obstetrics & Gynecology, Pediatric Hematology & Oncology, Pediatric Surgery

Performance
Provide medical care: Adult 20132, Pediatric 3,859
Hospitalization: Adult 947, Pediatric 268
Surgery: Adult 1,022, Pediatric 275

The United Nations World Health Organization (WHO) has indicated that 80% of patients with pediatric cancer survive in high-income countries, while the percentage of patients who achieve remission in low- and middle-income countries is below 30%*.

Survival rate of pediatric cancer



Many pediatric patients who cannot access advanced medical care have also been left behind in Cambodia.
A major cause is the shortage of medical institutions and healthcare professions that can provide advanced medical care. In particular, due to the impact of history, including the slaughter and civil war that occurred in the past in Cambodia, skilled medical care professionals who train the next-generation of medical care professionals are in short supply and issues related to healthcare access may remain in the future. In addition, the lack of economic power of people in the community, hospital visitation habits, and trust in healthcare are barriers to accessing healthcare.

Japan Heart opened the Japan Heart Children's Medical Center independently in the Ponnel District, Kandal Province, Cambodia, which provides advanced medical care for free to patients with pediatric cancer and other diseases. In addition, Japan Heart also trains local healthcare professionals through its activities. The Medical Center also engages in building the local healthcare system in the Ponnel District and provides free mobile medical services in the district.

- In Japan there were 2.3 physicians per 1,000 people as of 2014, while in Cambodia, there were only 0.2 physicians per 1,000 people as of 2014. The number of general beds per 1,000 people is 13.1 beds in Japan, while it is only 0.9 beds in Cambodia in 2016*.
- For example, at the Japan Heart Children's Medical Center, the medical fees for one patient with pediatric cancer are approximately eight hundred thousand to one million yen. The average annual income in Cambodia is 1,625 US dollars (approximately two hundred and twenty thousand yen; 2021, World Bank survey). Therefore, the standard treatment for pediatric cancer cannot be covered by an average household in Cambodia*.
- There are only a few medical institutions that have a department specialized in pediatric oncology in Cambodia. In particular, the number of medical institutions that can provide expert treatment of pediatric solid tumors is very limited. Therefore, patients with pediatric solid tumors come to the Japan Heart Children's Medical Center from all over Cambodia.

* Source: Japan Heart "State of Pediatric Cancer"

Programs that ONO supports

[Target area]

Target area: Ponnel District, Kandal Province and surrounding rural areas in Cambodia

[Support period]

From 2022 to 2027

[Issues, measures, targets]

1. Training skilled healthcare professionals

Issues

- In order for local healthcare professionals of Japan Heart Children's Medical Center to provide medical treatment without the support of Japanese staff and to train the next generation of healthcare professionals, it is necessary for them to accumulate more advanced and wider knowledge and experience. The Medical Center is one of the few facilities in Cambodia where healthcare professionals can experience advanced healthcare; however, clinical experience is limited at the Medical Center alone. In addition, the advanced healthcare that is provided at medical facilities and the environment in advanced countries cannot be acquired at the Medical Center.
- Local nurses of the Medical Center have insufficient knowledge and skills to provide advanced nursing care (e.g., caring for patients who are under postoperative ventilator management, etc.).
- The Medical Center has no local radiology technicians. Therefore, Japanese technicians are engaging in treatment, meaning that local technicians are not trained.

Measures

- Training physicians:
  - Provide training at a medical institution in Japan (National Hospital Organization Okayama Medical Center) in order to learn advanced medical care for pediatric patients (5 months).
  - Expand the scope of clinical experience by providing training at other medical institutions in Cambodia.
  - Create opportunities to learn the latest knowledge, such as participation in international academic conference of cancer, etc.
- Training nurses:
  - Provide clinical training for advanced healthcare mainly for postoperative management through training at other medical facilities in Cambodia.
  - Create opportunities to learn the latest knowledge by participating in internal academic conference of cancer, etc.
- Employing local radiology technicians: Employ local radiology technicians.

Targets

- Training physicians:
  - Training in Japan: 1 person
  - Training at other medical facilities in Cambodia: 2 persons
  - Participation in international academic conference of cancer: 5 persons
- Training nurses:
  - Training at other medical facilities in Cambodia: 5 persons
  - Participation in international academic conference of cancer: 5 persons
- Employing radiology technicians: 1 person

2. Improvement of access to healthcare in rural areas

Issues

- There are public healthcare facilities, such as health centers, in rural areas in Ponnel District, Kandal Province and surrounding areas. However, the healthcare that can be provided is limited and patients do not regularly use the public healthcare facilities. In addition, there is a hospital with medical devices on site located at more than an hour's drive away. Local people are not accustomed to visiting the hospital regularly and they do not fully trust medical care.

Measures

- Provide free on-site medical care at core public medical facilities in rural areas away from the Japan Heart Children's Medical Center. Staff (doctors, nurses, etc.) of the Japan Heart Children's Medical Center will be dispatched for several days to provide medical care and perform surgery, etc. Raise awareness of diseases among patients through medical treatment and surgery, and train healthcare professionals and build trust in medical care by providing medical care in cooperation with local staff.

Targets

- Free On-Site Medical Care: 8 times per year; Local Medical Care and Number of Surgical Procedures: 50 (from April 2024 until the end of the program)
  * Until March 2024, the goal was to provide 1 free mobile medical service per month in rural areas, but as of April 2024, the goal has been revised as shown above because some activities have been changed to free on-site medical treatment, including surgeries

3. Enhancement of advanced medical devices

Issues

- Japan Heart Children's Medical Center is one of few facilities that can provide advanced healthcare to pediatric patients in Cambodia; however, their medical devices are insufficient when compared with advanced countries.
- There are issues where internal diseases (such as intussusception) cannot be diagnosed due to the absence of an X-ray fluoroscope or where there may be a greater burden on patients since a surgery requiring an X-ray fluoroscopy room is substituted with X-ray imaging machines.

Measures

- Introduce an X-ray fluoroscope.

Targets

- Purchase an X-ray fluoroscope and prepare an X-ray fluoroscopy room.

[Progress]

Initiatives	Target (FY2022-2026)	FY2022 (~Mar 2023)	FY2023 (Apr 2023 – Mar 2024)	FY2024 (Apr 2024 – Mar 2025)	Status
Training skilled healthcare professionals	• Training physicians				
	Training in Japan: 1 person	One physician received five months of clinical training at a Japanese medical institution.	—	—	Completed
	Training at other medical institutions in Cambodia: 2 persons	—	One physician underwent 3 months of clinical training in anesthesia at a medical institution in Cambodia	Two physicians conducted training at a medical institution in Cambodia	Completed
	Participating in international academic conference of cancer: 5 persons	One physician attended Singapore academic conference.	Two physicians attended Singapore academic conference.	Two physicians attended in an international pediatric cancer conference held in Japan.	Completed
	• Training nurses				
	Training at other medical institutions in Cambodia: 5 persons	—	—	—	—
	Participating in international academic conference of cancer: 5 persons	Two nurses attended Singapore academic conference.	One nurse attended Singapore academic conference.	—	on schedule
	• Employing radiology technicians: 1person	Started recruiting activities	Ongoing recruitment activities	Ongoing recruitment activities	—
Inprovement of access to healthcare in rural areas	• Free mobile medical service • Once a month (～ Mar 2024)	Held free mobile medical service three times, providing 143 people with free medical exams.	Held free mobile medical service seven times, providing 522 people with free medical exams.	—	Completed
	• Free on-site medical care and surgeries • Conducted 8 times per year, with 50 surgeries performed (from April 2024 until the end of the program)	—	—	Conducted a total of 5 times to 2 rural areas (Kroch Chhmar and Chamkarleu), treated 317 patients and performed 85 surgeries	on schedule
Enhancement of advanced medical devices	• Added exam room for X-ray fluoroscopy	Completed construction of an operating room in order to add X-ray fluoroscopy equipment.	The X-ray fluoroscopy equipment (C-arm) has been installed, protective clothing and other preparations for operation have been made, and operation of the equipment started in January 2024.	In operation and currently being used by patients	Completed

[Our Annual Activities]

FY2023 Activity Report (2.69 MB)

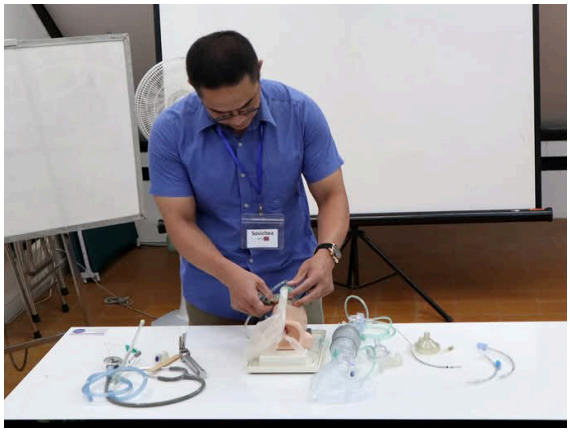
FY2022 Activity Report (542 KB)

Activities in FY2024

1. Training skilled healthcare professionals

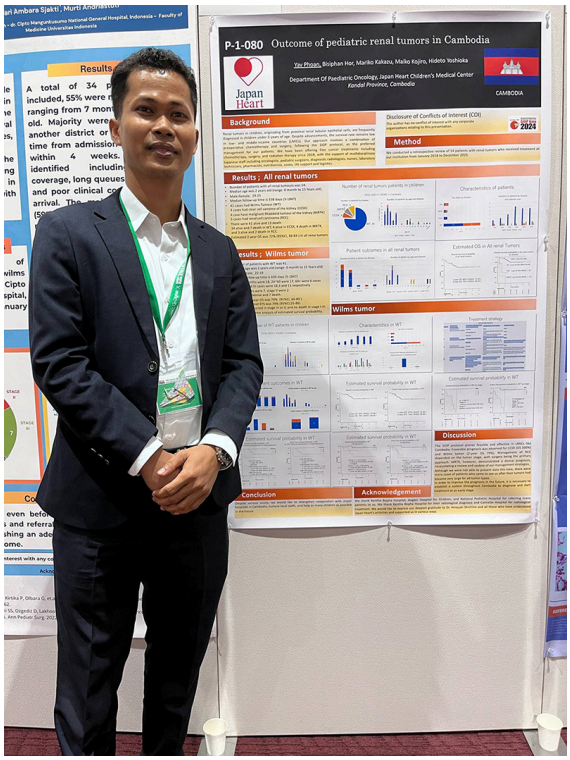
- Training physicians and nurses:
  - Domestic training for physicians:

    2 Cambodian physicians received clinical training at a medical institution in Cambodia (Angkor Hospital for Children). The clinical training included a training program on pediatric emergency care, which led to the acquisition of knowledge and skills to deal with pediatric-specific situations.



  - Participation in international academic conference of cancer by physicians and nurses:

    2 local physicians from Japan Heart participated in the Congress of Asia continental branch of International Society of Pediatric Oncology (SIOP Asia), which was held in Yokohama, Japan. It was a great opportunity to learn and be inspired through the cases presented at SIOP Asia and exchanges with many medical professionals.



- Employing radiology technicians: Regarding the recruitment of local technicians, we are mainly using SNS to conduct our recruitment activities, which is mainstream in Cambodia, and reach out to educational institutions and other organizations. In Cambodia, there are only a limited number of educational institutions that train radiology technicians, and since there are so few human resources in that particular field, it is very difficult to recruit personnel. We will continue to promote recruitment activities using various methods and consider matters such as in-hospital staff training.

2. Improvement of access to healthcare in rural areas

- In FY2024, medical staff were dispatched a total of 5 times to 2 rural hospitals in the Kroch Chhmar and Chamkarleu districts, which are located 2 hours away from the Japan Heart Children's Medical Center, to provide free medical care (317 patients) and surgery (85 cases). By educating patients about diseases through medical treatments, we are able to prevent diseases from worsening, and for patients who are eligible for surgery, we collaborate with local staff to perform surgery, which leads to saving patients to whom it has been difficult to perform surgery on until now. We also contribute to the development of healthcare professionals through medical activities conducted in cooperation with local staff, and we are gradually gaining the trust of patients and local residents in medical care.

3. Enhancement of advanced medical devices

- In FY2023, a surgical X-ray imaging device (C-arm) was introduced and installed in an X-ray-compatible operating room completed in FY2022.
  In addition, we prepared equipment, conducted training, and otherwise put systems in place and began full-scale operation in January 2024. This has enabled us to provide medical care to patients who previously could not undergo surgery due to a lack of equipment, and it continues to benefit many patients in FY2025.

Myanmar: Maternal and child health service improvement program

Partner

Specified Nonprofit corporation People's Hope Japan
(hereinafter referred to as "PHJ")

https://www.ph-japan.org/en/

To address the issue of maternal mortality in Myanmar, we will work with PHJ to train maternal and child health care promoters in an aim to help local residents understand the risks of childbirth, strengthen local health service networks that connect local residents and midwives, and to improve access to maternal and child health care services for pregnant and nursing mothers.

Please see below for details of our activities

Program to Improve Maternal and Child Health in Myanmar (Overview and Progress)

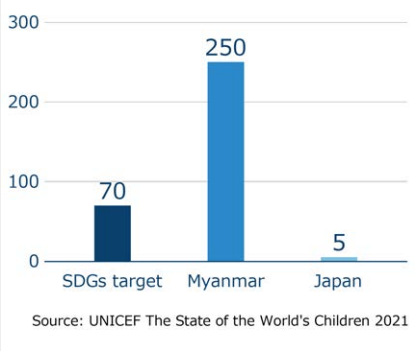
Corresponding SDGs

3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births

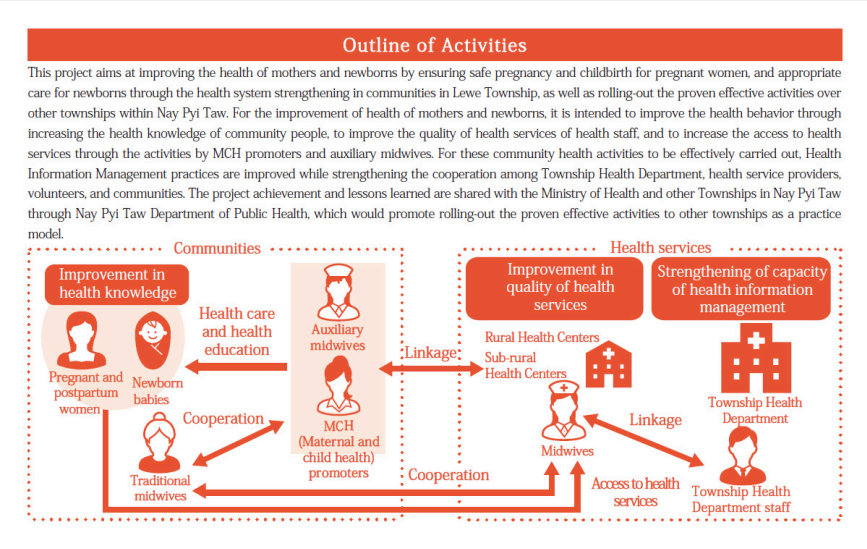
Issues related to healthcare access in Myanmar and PHJ's activities

The maternal mortality rate in Myanmar is considered to be 250/100,000 live births (source: UNICEF, The State of the World's Children 2021). There is a big gap from the goal: "SDGs 3.1: By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births." One of the causes is childbirth without assistance from healthcare professionals. In addition, the causes include a shortage of healthcare professionals, a shortage of appropriate devices at medical institutions, barriers to physical access, traditions of at-home childbirth, lack of community understanding of the risks associated with childbirth, etc. In addition, this issue is more significant in rural areas and there are differences in access to healthcare even within Myanmar.

Maternal mortality ratio(Per 100,000 live births)



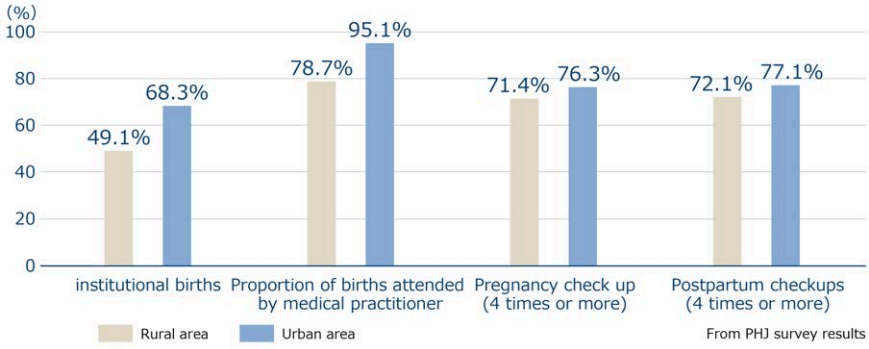
PHJ has engaged with this issue in Tatkone Township, Nay Pyi Taw Union Territory for approximately six years starting in 2014 and achieved results in promoting the use of maternal and child health services in rural areas. PHJ has been expanding the effective models obtained from this activity into Lewe Township Nay Pyi Taw Union Territory since 2020 (we have supported part of this activity).



Source: Extracted from PHJ Annual Report 2022

PHJ aims to increase four indicators (pregnancy check up rate, rate of proportion of births attended by medical practitioners, institutional births rate, and postpartum checkups rate) for which the use rate is particularly low in rural areas.

Percentage of maternal and child health services accessed in the target area (before the start of the program)



Programs that ONO supports

[Target area]

Target area: Lewe Township, Nay Pyi Taw

[Support period]

Phase I: January 2023-December 2024
Phase II: January 2025-December 2026

[Issues]

- Lack of local people's knowledge of the risks of childbirth: Lack of appropriate knowledge of the risks associated with childbirth, such as hypertension due to pregnancy, postpartum bleeding, etc. leads to delays in identifying danger signs during pregnancy or at the time of childbirth and in deciding to see a hospital.
- Difficulty accessing health services: There are significant differences in the use status of maternal and child health services between urban areas and rural areas. The network between local people and health services, such as midwives, etc., is insufficient.

[Phase Ⅰ]

Measures

- This program trains maternal and child health promoters, monitors their activities, provides instructions, and provides re-training six months later.
  * "Maternal and child health promoters" are volunteers. After they complete a two-day training session specified by the Ministry of Health, they provide health education and visit pregnant women in their homes, and they serve as a bridge between local people and health services under the supervision and instruction of a midwife. After the training, they cooperate with midwives and auxiliary midwives and collect information on pregnant women, postpartum women, and children below the age of 5 in their villages, visit pregnant women in their homes, support vaccination by midwives, prepare reports, and more.

Targets

- Train new maternal and child health promoters: 600 promoters by FY2024
- Provide re-training to trained maternal and child health promoters: 300 promoters by FY2024
  One maternal and child health promoter will be assigned per five pregnant women to all villages (178 villages) based on the approximate number of childbirths in one year.

[Progress]

Initiatives	Target (FY2022-2024)	FY2022 (Jan - Mar 2023)	FY2023 (Apr 2023 – Mar 2024)	FY2024 (Apr – Mar 2024)	Status

Training maternal and child health promoters	• Train new maternal and child health promoters: 600 promoters
	  • Conduct two-day training stipulated by the Ministry of Health
	  • Assign maternal and child health promoters(1 promoter for every 5 pregnant women) to all 178 villages in the covered territory
		Selected 401 new candidates for next training session
		Provided trainer education for 55 local healthcare professionals so they ca train maternal and child health promoters
			Train 425 new maternal and child health promoters (108 villages)
			Training is conducted by local medical professionals who have attended trainer training
				Train 140 new maternal and child health promoters	Completed

	• Provide re-training to maternal and child health promoters. Target: 300 promoters	—	Preparation and coordination with the Lewe Township Health Department for the re-training of trained maternal and child health promoters.	Conducted re-training for 360 trained maternal and child health care promoters	Completed
	• Activity monitoring and instructions Target: Every year	Midwives and maternal and child health promoters conducted a total of 150 health education sessions in rural areas within the township	Midwives and maternal and child health promoters conducted a total of 477 health education sessions in rural areas within the township	Midwives and maternal and child health promoters conducted a total of 392 health education sessions in rural areas within the township Skills monitoring for 36 auxiliary midwives and re-training for 38 within the township	Completed

[Our Annual Activities]

FY2023 Activity Report (1.65 MB)

FY2022 Activity Report (460 KB)

Activity status in FY2024

140 maternal and child health promoters were trained in FY2024. Those who completed the training worked together with midwives and auxiliary midwives to visit the homes of pregnant and postpartum women (at least once a month) in the rural areas of the township, encouraged the women to receive health checkups, raised awareness toward infectious disease prevention, and provided support for child vaccinations, among other activities. In addition, a total of 392 health education sessions were conducted.
In addition, for 360 of the maternal and child health promoters we have trained to date, we are re-training them so that they may reacquire knowledge and skills, including reconfirming appropriate health knowledge and learning how to conduct health education sessions and home visits.
Furthermore, amidst an absolute shortage of midwives, skill monitoring (36 midwives) and re-training (38 midwives) were conducted to improve the knowledge and skills of auxiliary midwives (45 in total in the Lewe Township), who play a major role in local maternal and child health care (maternal health checkups, postpartum examinations, childbirth assistance, etc.). This was done to develop health care personnel overall who are responsible for providing maternal and child health care in the region.

Health Education for Pregnant and Childbearing Women

Skill Monitoring Training for Assistant Midwives

[Phase Ⅱ] (From January 2025)

1. Improving access to maternal and newborn health services

Measures

- Conduct re-training to support capacity building of maternal and child health promoters, as well as health education sessions by maternal and child health promoters, home visits to pregnant and nursing mothers, and awareness-raising activities at medical facilities, etc.

Targets

- Re-training of Maternal and Child Health Promoters: 450 by FY2026
- Health Education Sessions and Awareness-Raising Activities: 1,000 times by FY2026

2. Strengthening local health systems

Measures

- Technical assistance that will include monitoring and evaluation meetings at the Lewe Township Health Department and assisting in conducting technical learning for health staff at the township health department.
- Community medical personnel meetings will be held regularly to promote collaboration among the township health department, healthcare professionals, and the community, with a view to create an environment in which maternal and newborn care is carried out throughout the entire community.

Targets

- Monitoring and Evaluation Meeting at the Lewe Township Health Department, Technical Learning: 2 monitoring and evaluation meetings and 18 technical studies by FY2026
- Community Medical Personnel Meetings: 8 times each at 40 rural medical facilities by FY2026

[Progress]

Initiatives	Target (FY2025-2026)	FY2025 (Jan - Dec 2025)	FY2026 (Jan - Dec 2026)	Status
Improving access to maternal and newborn health services	• Re-training of Maternal and Child Health Promoters: 450	—	—	on schedule
	• Health Education Sessions and Awareness-Raising Activities: 1,000 times	—	—	on schedule
Strengthening local health systems	• Monitoring and Evaluation Meeting at the Lewe Township Health Department, Technical Learning: 2 monitoring and evaluation meetings and 18 technical studies	—	—	on schedule
	• Community Medical Personnel Meetings: 8 times each at 40 rural medical facilities	—	—	on schedule

Please see below for past access to healthcare projects

ONO SWITCH Project from FY2018 to FY2021

We engaged in the ONO SWITCH Project from FY2018 to FY2021 as an initiative to promote both medical system support and work style reform. Under this initiative, donations are made to the medical-related NPOs/NGOs mentioned below who use the money saved by reducing overtime payments through the promotion of our work style reform. The project aims to contribute to the promotion of work style reform, healthcare, and people's health around the world, thereby further promoting our corporate philosophy "Dedicated to the Fight against Disease and Pain."

—Project name and concept—

Save the **W**orld by our work style **I**mprovemen**T** and **CH**ange

The project name also expresses switching working styles, switching the funds obtained through work style reform to donations, and switching in the process of reviewing our working styles.

Please see the results for each fiscal year below.

- FY2018 results (270KB)
- FY2019 results (278KB)
- FY2020 results (288KB)
- FY2021 results (1.27MB)

Participation in Access Accelerated

Since 2023, ONO has been participating in Access Accelerated, a global partnership that aims to improve access to non-communicable diseases (NCDs) prevention, treatment, and care in low- and lower-middle income countries.
Access Accelerated is an international initiative which was established at the World Economic Forum in 2017. Its member companies consist of more than 10 pharmaceutical companies in Japan, the United States and Europe. In partnership with organizations such as the World Bank Group, Access Accelerated is working to achieve one of the United Nations' Sustainable Development Goal (SDG) targets, namely “By 2030, reduce by one third premature mortality from NCDs through prevention and treatment and promote mental health and well-being” in low- and lower-middle income countries.
For more information on Access Accelerated activities, please visit the following website.
https://accessaccelerated.org/

Respect for Human Rights

Basic Policy for Human Rights

Our Approach to Human Rights

In all its business activities in and outside Japan, Ono Pharmaceutical Group understands and respects the human rights of each individual in terms of diversity of values, personalities, and characteristics, and we act accordingly. At Ono, we also uphold and respect the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, conventions on the human rights of workers, such as wages and working hours, etc., the OECD Guidelines for Multinational Enterprises, the United Nations Declaration on the Rights of Indigenous Peoples, and other international codes of conduct related to human rights, and the Ten Principles of the United Nations Global Compact.

In July 2020, we established the ONO Pharmaceutical Human Rights Global Policy based on the United Nations Guiding Principles on Business and Human Rights. In order for Ono Pharmaceutical Group to fulfill its responsibility to respect the human rights of its stakeholders, we apply this ONO Pharmaceutical Human Rights Global Policy to all executive officers and employees of the group, and we also encourage all of our business partners involved in the businesses, products, and services of Ono Pharmaceutical Group to comply with the policy. This Policy has been revised and was disclosed after obtaining the approval of the Board of Directors meeting held in March 2023.

> Ono Group Human Rights Global Policy

We also consider that respect for human rights by employees is a foundation of business activities, and thus includeed respect for human rights in the ONO Group Code of Conduct, which all the group's employees should follow as a guideline in their daily operational activities.

> ONO Group Code of Conduct

In addition, considering further development of our global business activities, we have revised the Procurement Activities Basic Policy and established the Sustainable Procurement Code for ONO's Business Partners in which we explain the matters concerning global human rights issues, such as forced labor and child labor, for which we need cooperation from our business partners throughout the entire supply chain. With these, we are requesting cooperation of our business partners and strengthening collaboration with them.

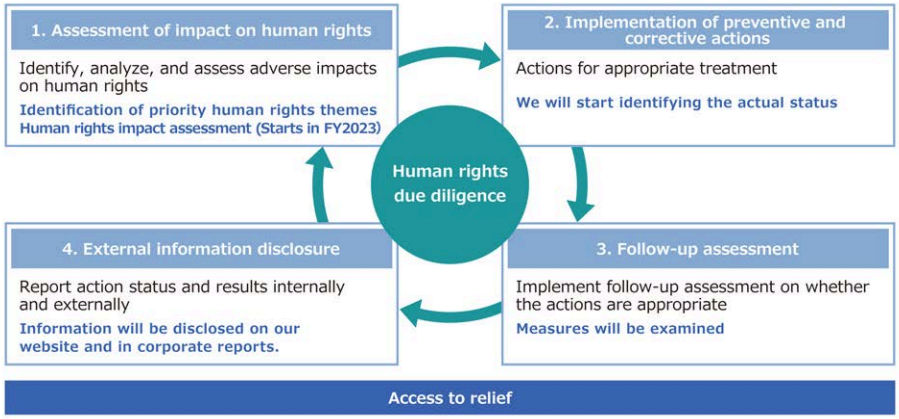
> Procurement Activities Basic Policy

Sustainable Procurement Code for ONO's Business Partners (189KB)

Human Rights Due Diligence

Human Rights Due Diligence Promotion System

We recognize that we may have adverse impacts on human rights directly or indirectly through our business activities. In accordance with the United Nations Guiding Principles on Business and Human Rights, we have established a human rights due diligence system to prevent or reduce adverse impacts on human rights that Ono's business activities may have in society. We will continue to implement the system, and will externally disclose the results as well as its progress.



Assessment of Impact on Human Rights

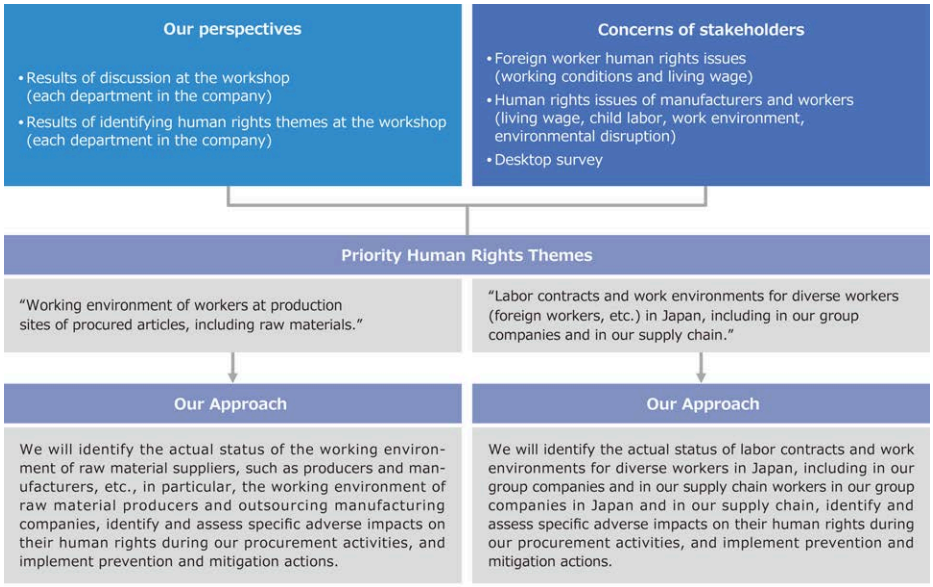
• Human Rights Risk Assessment and Risk Identification

In FY2022, we conducted an impact assessment of potential risks to human rights (human rights risk assessment) in our group and value chain in collaboration with the Caux Round Table (CRT Japan Committee) and specified our priority human rights themes to address intensively.
To identify these themes, we first conducted a desktop survey* to extract potential human rights risks associated with our business activities throughout our value chain.
In addition, we held a two-day human rights due diligence workshop with 25 participants in total from relevant departments to find out themes and areas with high potential human rights risks and to identify our risks.
In the workshop, we considered social requirements and changes, and listed out potential human rights issues that may have impacts on our business and that may occur among rights holders or anywhere in the value chain.

Target value chain	R&D	Procurement	Manufacturing	Logistics	Sales	Consumption	Disposal
Rights holders who may be impacted	Workers in the supply chain, workers of our business partners, our employees, local communities, patients						
Potential areas of risks of concern	• Access to healthcare • Access to pharmaceuticals • Pharmaceutical safety and health damage • Provision of appropriate pharmaceutical information • Risks during development • Human rights issues related to the environment and climate change • Pharmaceutical distribution • Human rights issues under supply chain		• Industrial safety and health • Waste treatment • Discrimination • Race, age, sex • Human rights issues related to gender (including sexual minorities) • Various forms of harassment • Excess and unfair working hours		• Foreign worker rights • Child labor • Forced labor • Privacy rights • Equal pay for equal work • Impact on indigenous peoples and local residents • Compliance • Human rights issues related to technology and AI		

* Assessment report by PSCI (Pharmaceutical Supply Chain Initiative) and survey by CRT Japan Committee, Nippon CSR Consortium "Important Human Rights Issues for each Industry" (Pharmaceutical Industry), etc.

As a result of the assessment we conducted on the potential human rights issues that are of concern identified through the desktop survey and the human rights due diligence workshop, it turned out that there were some issues for which the details of the risks were not known to us. We are currently working together with our group companies and business partners to grasp the actual status regarding the two issues mentioned below. In addition, while implementing preventive and corrective actions as necessary, we are also working to establish a system in which high priority human rights issues and potential future human rights issues can be promptly recognized.



Based on the themes identified in FY2022, we first checked the status regarding labor contracts and work environments for diverse workers in the supply chain. In particular, we focused on packaging-related suppliers who are likely to employ foreign workers using Japan's foreign technical intern training system, and conducted a survey. We will continue our efforts to grasp the actual situation of foreign workers in fields other than packaging as well.

Human Rights Theme	FY2022	FY2023	FY2024	Future Initiatives
[Labor contracts and work environments for diverse domestic workers, including group companies and supply chain (e.g., foreign workers)] Checked Industry (Packaging)	—	We conducted a survey of each of the printing companies who are our major suppliers to check the actual status of foreign workers. At one of the companies, we interviewed the managers/supervisors of technical intern trainees with the cooperation of the CRT Japan Committee to confirm the employment status, as well as the status of respect for human rights of technical intern trainees. As a result, we confirmed that there were no negative impacts on the human rights of technical intern trainees at that company.	We conducted a survey of several suppliers of direct materials related to packaging to check the actual status of foreign workers. At one of the companies, we interviewed six technical intern trainees with the cooperation of the CRT Japan Committee to confirm the employment status, as well as the status of respect for human rights of technical intern trainees. As a result, we confirmed that there were no major concerns regarding the respect for human rights of technical intern trainees.	Continue to confirm, in cooperation with suppliers, whether any negative impacts have occurred in accordance with the human rights theme.

Please see here about our approach to supply chain

Implementation of Preventive and Corrective Actions

・Actions for Urgent Matters Related to Human Rights

We have established a system to take action promptly for high priority human rights issues in cooperation with CRT Japan Committee.

[Forced labor issue at a rubber glove manufacturing plant in Malaysia]

In 2022, Kimberly-Clark Corp (U.S. company) and Ansell Ltd (Australian company) were sued by International Rights Advocates (IRA), a legal support group in Washington, D.C., on the grounds that the abovementioned companies knowingly profited from forced labor at Brightway Holdings, a rubber glove manufacturer and supplier in Malaysia.

Response to forced labor confirmation	FY2022	FY2023	FY2024	Future Initiatives
Work environments for workers at production sites for procured goods, including raw materials	We conducted an investigation through our agents. As a result, we confirmed that, as of the investigation date (September 15), Kimberly-Clark had discontinued transactions with Brightway, had no longer handled Brightway's products, and is conducting third-party audits regularly with all their outsourcing manufacturing companies. We determined that we would continue to use the products of Kimberly-Clark while watching the progress of the lawsuit and their actions, and if further concerns arise in the future, we will reexamine transactions with Kimberly-Clark and may also consider the possibility of using substitutes.	Continue to watch closely.	Continue to watch closely.	We will continue to monitor the situation, and if further concerns arise in the future, we will reexamine the use of substitutes.

・Employee Training

While encouraging each employee to deepen their understanding and acquire correct knowledge regarding human rights, we are striving to create comfortable work environments through training on human rights awareness and other various programs for all the employees aiming to prevent human rights violations including various forms of harassment.

FY2024 Training Content

- We conducted an e-learning program on the theme of “Business and Human Rights” in the aim of deepening employees’ understanding of international rules on human rights and the group's efforts based on those rules. (About 3,500 employees attended the training)
- With the aim of deepening employees’ understanding of harassment and preventing it from occurring, we conducted an e-learning program on the theme of “Respect for Human Rights in the Workplace” twice in FY2024 (once in the first half of the year and another in the second half). We also conducted workshop training for each department based on case studies on the themes of power harassment, sexual harassment, and customer harassment. A lecture-based training program on the theme of “Harassment in the Workplace” is also provided to new recruits, employees who have been promoted to key positions, as well as newly appointed managers. Please click here for more information on our efforts against harassment.

Access to Relief and Response to Violations and Corrective Actions

Reporting System

We have established internal and external points of contact for reporting to prevent the occurrence and recurrence of compliance violations, including harassment, to secure an appropriate work environment, and to minimize loss and the erosion of public trust by taking swift action and measures in the event of a violation. The external contact point, "ONO Group Compliance Hotline," is available 24 hours a day and can be used by all officers and employees of our group, as well as external parties, in multiple languages. Additionally, we have established a system that enables direct reporting and consultation with management, including the Representative Director, President & COO, the Officer in Charge of Compliance, and the Audit & Supervisory Board Member.

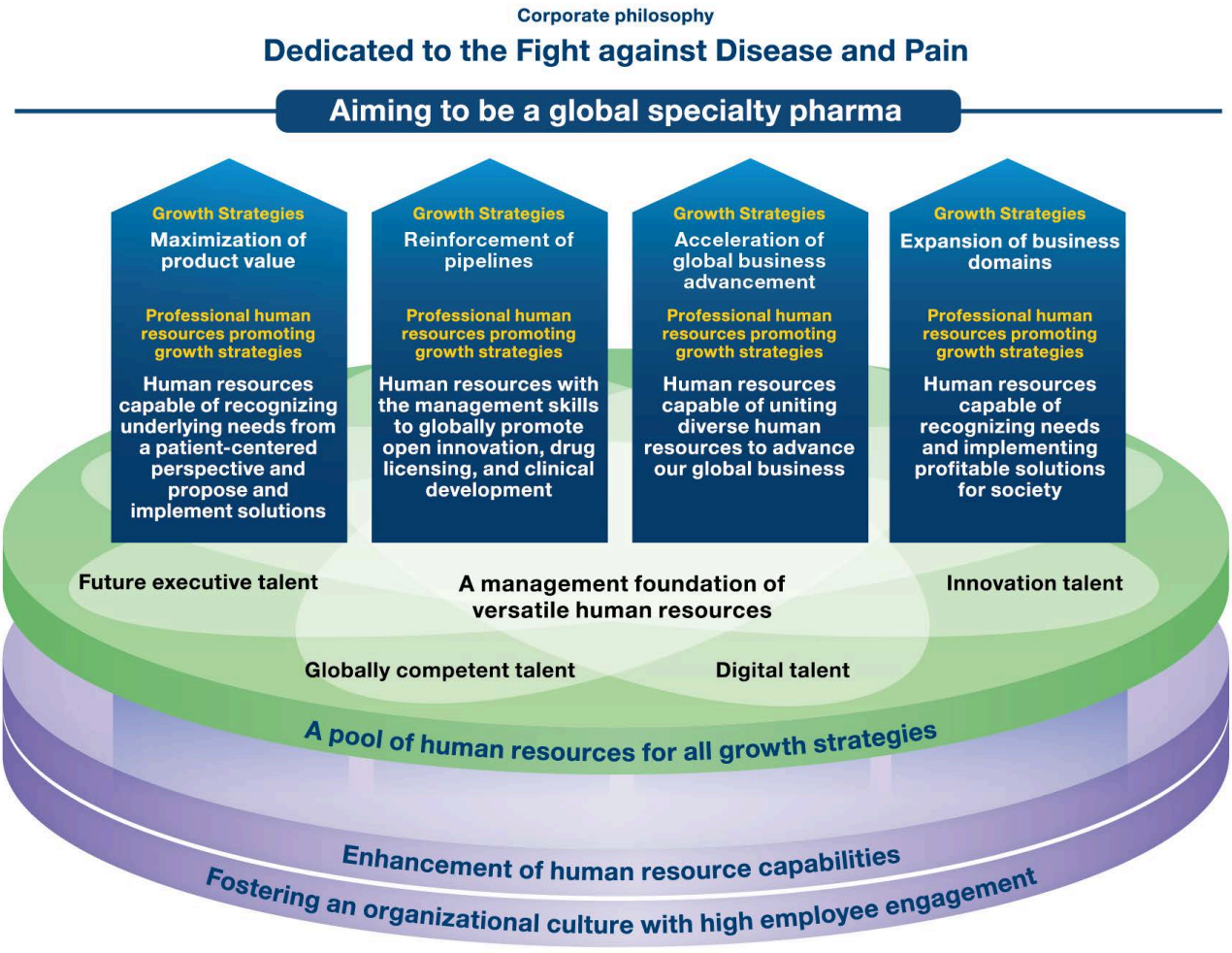
Response to Violations and Corrective Actions

The Risk & Compliance Management Department investigates any violations that occur. As a result, those who are found to have violated compliance are subject to disciplinary action, including termination of employment. We are also working to prevent recurrences by strengthening our compliance management system and thoroughly raising employee awareness through training, etc. Please refer to the ESG data for the number of violations.

Expansion of Human Capital (Talent Development and Employment)

We have established four growth strategies to realize our corporate philosophy, "Dedicated to the Fight Against Disease and Pain," and are actively engaged in our business activities. It is our "talent" who implements these strategies and supports the sustainable development of the company. Therefore, we are promoting activities that consider the expansion of human capital to be one of our important business challenges, and report on the progress of these efforts regularly to the Board of Directors and other organizations.

Growth Strategy and Talent Strategy Towards Achievement of Corporate Philosophy



Talent who execute strategies to realize our corporate philosophy are essential to achieving sustainable growth. For this reason, we are expanding our human capital for sustainable growth in all of our growth strategies in a way where diversified talent, namely, "Versatile Human Resources," that support the management foundation inter-departmentally" Professional Human Resources," who have the skills and expertise to promote each growth strategy, collaborate with each other through training and employment, and drive members of organizations/projects.

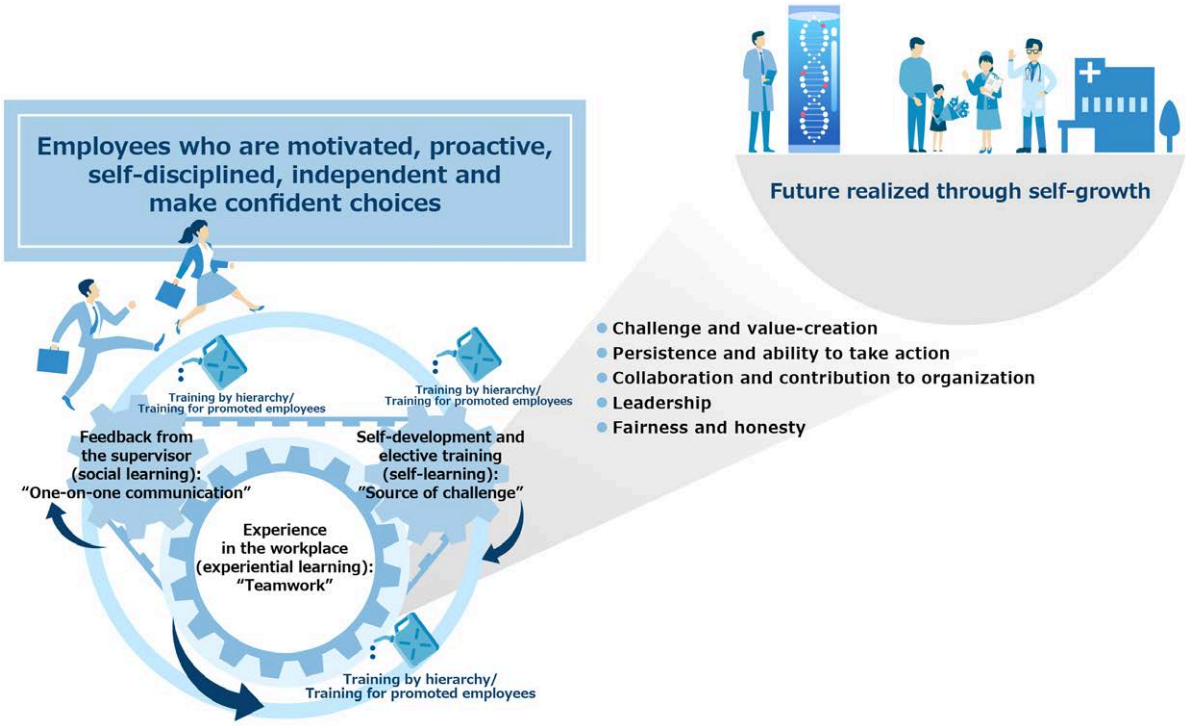
Desired Talents

The talents we desire are motivated, proactive, self-disciplined, independent and make confident choices. We aim to employ and develop talents who become source for us to grow to be an R&D-based global pharmaceutical company (Global Specialty Pharma) as well as act in an ethical manner with a strong sense of responsibility as a member of a pharmaceutical enterprise involved in pharmaceutical products, which are closely related to the lives of people.

Desired characteristics of ONO Employees are those who:

are motivated, proactive, self-disciplined, independent and make confident choices

- are innovative, aspirational and persistent
- can work collaboratively in a global team environment
- have a strong sense of ownership for, and take pride in their roles
- always has a positive attitude and seeks opportunities for professional growth
- act in an ethical, honest and trustworthy manner



Training " Versatile Human Resources " that Supports the Management Foundation Inter-departmentally

" Versatile Human Resources "are human resources that support the management foundation across divisions in all growth strategies. We are training the human resources in four categories: "Next generation executive talent," "Global talent," "Digital talent," and "Innovation talent" respectively.

	Training method	Indicators and goals: Number of talents to be pooled by FY2026	Progress: (by FY 2024)
Next generation executive talent	Candidate talents who may become future executives are trained by dividing them into four levels, including general employees, mid-level employees, managers, and senior managers, through training and planned tough assignments. For more information, please visit here.	250 or more	200
Global talent	They are trained through the Global Skill Improvement Program (GSIP) or with planned dispatch overseas, etc. to acquire international perspective, cross-cultural communication, language skills, and other skills necessary to perform in a global business. For more information, please visit here.	300 or more	194
Digital talent	Business side (research, development, marketing, and other departments) other than Digital Technology departments are also engaging in activities to train talents with high digital literacy through DX promotion. For more information, please visit here.	700 or more	872
Innovation talent	We started our unique activity, Ono Innovation Platform (OIP), in FY2021 and are conducting training by providing a program consisting of three fields that include learning, experience, and challenges. For more information, please visit here.	180 or more	108

Employment and Training " Professional Human Resources " that Promote Our Growth Strategy

Professional Human Resources are individuals who possess the skills and expertise necessary to drive our four growth strategies. For each strategy, we define the required qualifications and skills as shown in the table below, and are advancing recruitment and development accordingly.

Strategy	Requirements for talents and skills	Indicators and goals: Number of talents to be employed and trained by FY2026	Progress: (by FY 2024)
Maximization of product value	Talents who can identify needs from a patient-centered perspective, propose solutions, and execute the solutions.	About 700 persons	353
Reinforcement of pipelines	Talents who can globally implement and manage open innovation, in-licensing, and clinical developments.		
Acceleration of global business advancement	Talents who can implement business by supervising a diversity of talents who can actively work globally.		
Expansion of business domains	Talents who can identify needs and conduct social implementation of solutions with economic rationality.		

In addition to these employment and training programs, training sessions to acquire the specialized skills required by each division have been provided separately.

Improving the Capabilities of Our Talent

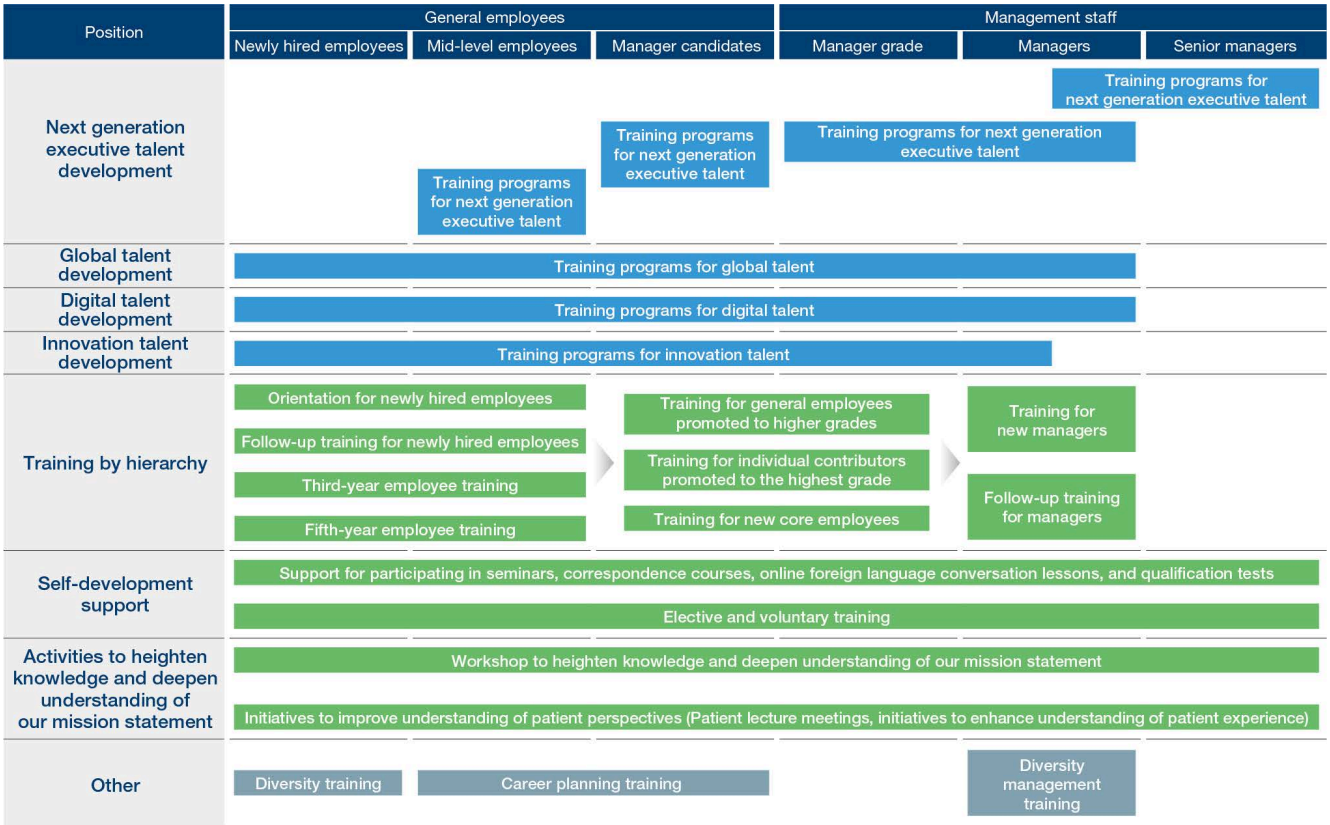
We believe it is important to improve the capabilities of all employees in order to continuously produce Versatile Human Resources and Professional Human Resources who can promote and realize our growth strategies. In addition to mandatory training by hierarchy, we offer many training programs that allow employees to proactively participate on a volunteer basis to shore up their autonomous career development. The annual training hours per full-time employee in FY2024 was 63.1 hours at a cost of JPY 141,000. Click here for more details on training conducted each fiscal year. We will continue to develop human resources contributing to our business by further enhancing training programs that support skill improvement and autonomous career development.
As an indicator to measure training results, we will set a hierarchy-based post-mandatory-training average behavioral change, and offer higher quality training to improve the capabilities of employees and promote career autonomy.

Indicators and Goals

Indicators	Results of FY2024	Goals
Percentage of hierarchy-based post-mandatory-training* average behavioral change (evaluation by a superior)	84%	Maintain at least 85%

* Four Training programs for promoted employees, Follow-up training, and Third-/Fifth-year employee training

Education and Training Programs for Talent Development



For more details on each type of training, please see below.

Training Programs for Next Generation Executive Talent (for Selected Employees)

For the purpose of training the next executive talents necessary for the continued development of our business, we have implemented this program for employees selected from candidates who can implement a growth strategy by dividing them into four levels, from general employees to senior managers.
The common theme of this program is "learning the perspectives and ideas of management," but the curriculum is set up by level, so the training period ranges between 10 months to 4 years. In the training for general employees, leadership development is conducted for employees in their 30s before they become managers, and job rotation is conducted after completion of this training. For the senior manager level, we provide training aimed at fostering awareness of being future executive candidates, and they also take part in discussion-based opinion exchange meetings with executives from other companies that transcend industries. We established 29 requirements for the next business leaders (creation of social value, foresight into the future, developing strategies, etc. based on corporate philosophy) for each level and provide training to acquire a management mindset and management skills based on the requirements while fostering company-wide management viewpoints.
With regard to next generation executive talent, we leverage a meeting structure in which all Executive Directors are able to hold discussions from the same perspective so that discussions and decisions are made regarding matters such as personnel requirements, training policies, the selection of candidates, and training content.

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 Manager	ETP Senior Manager
Term	10 months	14 months	2 year	4 year

Actual number of participants for next generation executive talent training programs

Employee level /Training	Number of participants in FY2024	Total number of participants from FY2016
Mid-level employees/ILT ILT: Initial Leadership Training	24	43
Manager candidates/LIP LIP: Leadership Improvement Program	25	102
Manager/MMD MMD: Middle Manager Development Program	20	53
Senior manager/ETP ETP: Executive Training Program	0	51

Training Programs for Global Talent

We provide training to develop global talent who are essential for achieving our vision of becoming "Global Specialty Pharma." This program targets employees who are nominated by their department head as talent who can succeed as future global leaders. After their skill gaps are identified, we provide language programs and the Global Skill Improvement Program (GSIP) based on their identified skill gaps. GSIP participants spend approximately one year acquiring the ability to adapt to their surrounding environment, cross-cultural communication skills, leadership, logical thinking, and global business skills. We measure the results of GSIP by having GSIP participants take a BISA Test* by GLOBUS, which measures their communication skills in global business.
Including 25 employees who participated in FY 2024, 194 employees (Period 1 to Period 7) participated in GSIP by the end of FY2024. Of these, the number of employees who scored 700 or above (the level required to be eligible for overseas assignment) in the BISA test was 13 before the program, and 131 after the program. We assign GSIP participants as global human resources to appropriate positions, including overseas assignments, while taking into account their own career vision and how it best matches the company's tasks. Of the 194 employees who took part in GSIP, 50 have been assigned to overseas posts, and GSIP also contributes to the development of employees assigned overseas.

* BISA test: An abbreviation of Business Interaction Simulation and Assessment test.

Training Programs for Digital Talent

In order to use new technologies such as AI, we have actively been working on training talents with digital transformation (DX) and IT skills. These training activities are carried out in three separate categories: DX understanding, DX participation, and DX leadership. First, all of our employees aim to understand DX, then we provide training that encourages them to have a better understanding on an overview of digital technology and the importance of business transformation. Next, we are working to train around 500 DX participants throughout the entire company who can take on the challenge of incorporating DX into their daily business activities, and progress is being achieved ahead of schedule. Furthermore, we are working to train two groups of 100 DX leadership talent (a total of 200 talents) who are well versed in digital technology and business transformation, and the progress of these efforts is also exceeding our initial plans.

Definition	**Understanding DX** Able to understand DX	**DX participation** With the participated DX project Active	**DX lead** 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

DX talent category	Number of participants in FY2024	Total number of participants from FY2022	Indicators and goals: Total number of participants by FY2026
DX understanding	3,340	3,340	All employees
DX participation	309	764	500
DX leadership Technology	63	94	100
DX leadership Business	76	154	100

Training Programs for Innovation Talent

Innovation is crucial for a pharmaceutical company to continue to deliver novel drugs to patients and we dedicated the most training to innovation talents. We launched the Ono Innovation Platform (OIP) in June 2021 as a place to generate innovation in a multifaceted and intensive manner in addition to conventional development measures. At OIP, we develop innovative talents through programs, such as the Innovation Cafe, a training program to learn the mindset and skills needed for taking on challenges; Voyage to Venture (V2V), which sends employees to venture companies on secondment to acquire an overwhelming sense of ownership through cross-border experiences; and HOPE, a business competition in which employees challenge new businesses based on their own awareness of issues. All employees are eligible to participate in OIP, and we are working to create an organizational culture that fosters innovative talent in all departments.

〈Opportunities for learning: Innovation Cafe〉

Our training program, Innovation Cafe, is a variety of seminars and workshops designed to give employees the opportunity to encounter new perspectives and ideas and expand their own potential. In FY2024, a total of 7 programs were held with 412 participants. These programs focused on themes such as the latest trends in business and healthcare, and how patient-centered medicine should be. We will continue to provide employees with opportunities to think about “what we can do” to address the unresolved “pain” of patients and society in all forms, not just limited to pharmaceutical products.

〈Opportunities for experience: V2V, outsight〉

The secondment program for venture companies, V2V, was established based on the idea that it is important to acquire an overwhelming sense of ownership, capability to take action, and resilience by experience in overcoming tough situations to develop talents who can create innovation. Employees are seconded to venture companies for one year and up to five persons per year. A total of 18 employees have participated in the program so far, including 4 in FY2024. They are expected to gain experience in venture companies in business fields different than our business field, healthcare business, and to be able to create innovation when returning to their worksite compared to before secondment.
We have participated in an online cross-border program, "outsight," where participants propose solutions to the management issues of venture companies and earnestly discuss them since FY2022. A total of 44 employees have participated in the program so far, including 20 in FY2024. We expect participants to acquire the mindset and skills to take on unknown challenges by facing realistic issues from different industries several times. We also aim to hone their problem-solving skills by putting them into practice and cultivating a spirit of challenge and courage through external study.

〈Opportunities for taking on challenges: HOPE〉

In the course of selecting a theme for "HOPE," a business competition to challenge new businesses, participants are not only judged on their ideas but also receive support to acquire the skills and mindsets necessary for the development of new businesses. HOPE aims not only to create an environment in which participants can grow to become innovators and create new businesses, but also to provide them with opportunities for self-realization and the ability to spearhead change. Proposers of themes adopted through HOPE are transferred to departments that promote new projects, where they examine ways to commercialize those themes. The three themes selected from FY2021 to FY2022 are currently undergoing preparations to verify their market receptivity, while the two themes selected in FY2023 are in the process of developing service designs and business plans. In this manner, HOPE is fostering innovative talent while at the same time helping to create new businesses.

Program		Number of entries in FY2024	Total number of entries from FY2021	Indicators and goals: Total number of entries by FY2026
Innovation Cafe (seminars, workshops)		412	1,407	1,000
HOPE (business creation program)	Number of entries	32	226	
	Those who passed the paper screening among them	10	41	Total: 180
V2V (secondment program to venture companies)		4	18	
outsight (venture proposal program)		20	44	

Training by Hierarchy

Orientation for Newly Hired Employees, Follow-Up Training for Newly Hired Employees, Third-Year Employee Training, and Fifth-Year Employee Training

In the orientation for newly hired employees, participants spend two weeks learning about the Mission Statement, basic business etiquette and rules, and the division of roles and collaboration within a team, with the aim of providing newly hired employees with the common knowledge, skills, and mindset they will need to be successful after being assigned to their respective job sites. We also incorporate global training and diversity training in order to broaden the vision of employees, after which they undergo education specialized for the divisions they are separately assigned to. In addition, after 10 months of being employees, follow-up training for newly hired employees is provided for them to take time to review events in their first year at the company as members of society, reflect on themselves, and to refresh their minds for their second year. At the same time as the follow-up training, we also provide opportunities for new employees to experience external EAP (Employee Assistance Program) interviews in an effort to maintain their mental and physical health.
In the training for the newly hired employees of the sales department, which takes half a year after they enter the company, they acquire knowledge of medicine, pharmacology, the medical system and knowledge on diseases that have to do with our products, all of which are necessary for MRs (Medical Representatives), and take practical output-focused training. In addition to becoming MRs, who are required by the medical field, we provide opportunities for them to accompany senior MRs in on-site training, learn about the duties of MRs and the rules used in the medical field, and hear directly from doctors and wholesalers. As for the MR accreditation test, with the aim of having all our examinees pass, we support them with a carefully operated backup system not only during the training period but also after assignment to a specific post, which allows us to maintain a top-class pass rate in the industry.
The third-year employee training is designed to help third-year employees realize the necessity of changing their mentality—more specifically, moving one step forward from being independent to being autonomous— and to promote their voluntary actions and proposals as well as more active involvement in training junior colleagues. This training focuses on improving communication skills and other abilities necessary to perform their assigned job functions.
The goal of the five-year employee training is to further raise motivation for work by having employees view their work in a multifaceted manner and review it from creative perspectives. The training includes experiential learning cycles for them to grow themselves while achieving outcomes, and contents that help the participants digest tacit knowledge to establish their cherished opinions, leading to effective practices and outward development.

Training Programs for Promoted Employees

In the training for those who are promoted to higher grades, they will understand the roles required of leaders, and foster the awareness and attitude of proactively engaging in team management. In addition, the training helps participants acquire the skills to identify problems and understand what is necessary to become an influencer.
In the training for employees promoted to core employees, as a candidate for the next candidates for managers, they will acquire management skills that will enhance their understanding of the personnel evaluation system, the ability to build trust with those around them, and the ability to take action.
In the training for new managers who are appointed from among core employees, participants review the personnel evaluation system, deepen their understanding of labor management, and learn the roles that managers are expected to play, as well as team building, and team management. These training sessions for those promoted are held with members who go beyond the framework of their level or department, which has led to enhanced awareness of cross-functional collaboration.
Furthermore, in addition to briefings after the training sessions, we are also holding briefings before training for the supervisors to motivate the trainee to receive training, thereby increasing the return on investment in training. In addition, we hold a training briefing session for supervisors after the training, with the objective of increasing the effect of the training by connecting them to OJT after the training sessions.

Activities to Heighten Knowledge and Deepen Understanding of Our Mission Statement

In line with our Mission Statement as a common guidance that all employees can share for realizing our corporate philosophy, "Dedicated to the Fight against Disease and Pain," we aim to ensure that each individual employee acts with a certain understanding of how patients and their families feel about and confront the illness and treatment. These activities are aimed at having employees gain a deeper understanding of the true needs of patients, and identifying the significance of the company's existence and the challenges each employee faces. This contributes to creating a sense of oneness as an organization and promotes involvement from employees, and it is considered as one of the most important measures at our company.

Workshop to Heighten Knowledge and Deepen Understanding of Our Mission Statement

This workshop aims to ensure that all employees embrace our Mission Statement and act accordingly. In the workshop, the CEO talks about the background to the establishment of our Mission Statement and the history of ONO's bold endeavors which lie behind it over 300 years, or managers talk to their subordinates about the challenges they have experienced. Such talks evoke empathy and inspire employees to voluntarily put the Mission Statement into practice.

› Click here to view our Mission Statement.

Activities for Understanding Patient Experiences

It is important for employees of a pharmaceutical company to be aware of what it means to be a member of medical staff and to have the patient perspective. We have collaborated with Association for Patient experience Japan* and have provided educational video materials and training on basic knowledge with the aim of acquiring the patient perspective by understanding the value of the patient experience in various situations.

* First organization in Japan that aims to contribute to the improvement of the quality of medical care by conducting activities related to the spread and promotion of patient-centered medical service provision.

Patient Lecture Meetings

The opportunity to have direct contact with patients is very important for employees of pharmaceutical companies that are responsible for the research, development, manufacturing, and marketing of ethical drugs. At a lecture by patients, the patients will give a speech on how they managed their feelings when a disease was diagnosed along with the disease symptoms, the impact on the quality of their daily lives, the effects and adverse effects of the drug, and how they live every day with their disease. We consider that when we listen to patients' opinions directly, we can understand patients' feelings and it leads to behaviors based on the patient perspective in our daily operations. In FY2024, we spoke to patients with lung cancer and stomach cancer through our "Patient voice sharing meetings."

Self-development support

Self-Development Learning (Correspondence Courses/Online Foreign Language Conversation/Support for Qualification Tests)

For employees who are self-motivated and have a strong awareness of growth, we provide opportunities for self-development learning and provide partial financial support. Through correspondence education, we have over 500 courses such as leadership and management, accounting, finance, and English conversation, and we arrange an environment on a steady basis for those proactive learners with a wide range of fields. In addition, we promote self-development learning by aiding online foreign language conversation classes and qualification tests.

Elective and Voluntary Training

For employees who are self-motivated and have a high awareness of growth, we provide opportunities for self-directed learning. We offer training in marketing, accounting, finance, and other areas that some departments have little exposure to in their daily operations, as well as training in leadership and team building to lead other employees and organizations.

Other Trainings

Diversity Management Training

We are always pursuing innovation to continuously create innovative pharmaceuticals. As a source of ideas leading to the creation of innovation, broad diversity regardless of specialized fields, gender, and nationality is very important. In this seminar, we not only understand the significance of diversity, but also improve interviewing skills to make better use of it, and acquire management capabilities. For this purpose, the training is conducted for all of new management positions. In addition, in FY2024, we provided training to division head-level managers on how to understand and practice unconscious bias.

Career Planning Training

We provide training opportunities for employees to review their individual careers and think positively about their future careers. In order to develop future career plans and translate them into results by discovering qualities and strengths that employees did not recognize themselves, challenges, and values that they treasure, we organized career dialogue workshops, interviews with external career consultants, and training for supervisors to assist their subordinates with their careers, including training that leads to career coaching. In FY2024, we conducted e-learning for all employees and training for all employees who wished to take part in the training and Senior Director-level managers. By hierarchy, training was provided for new employees, employees in their 5th year, employees in their 20th year, and employees in their 30th year of employment.

Essential education and training as an employee of a pharmaceutical company

We conduct education and training through e-learning for all employees regarding the essential matters required as employees of a pharmaceutical company, such as education on drug-induced sufferings, collection of safety information, handling of personal information, and prevention of bribery.

Participants in each training (2024)

Training program name	Participants
Training programs for selected employees （next generation executive talent, global talent）	94
Training programs for digital talent	3,788
Training programs for innovation talent	1,300
English speaking skill training program	120
Orientation for newly hired employees Follow-up training for newly hired employees	67 66
Third-year employee training Fifth-year employee training	65 57
Training for general employees promoted to the highest grade Training for new core employees Training for new managers	68 55 91
Self-development (support for correspondence courses, online foreign language conversation, qualification tests)	853
Elective and voluntary training	1,931
Career planning training (including e-learning)	181
Workshop to heighten knowledge and deepen understanding of our mission statement	97
Initiatives to improve understanding of patient perspectives (Initiatives to enhance understanding of patient experience, Patient lecture meetings)	2,382

Employment of Talent

We aim to be an organization that embraces diversity in human capital as a driving force to fulfill our mission statement and achieve continuous business growth.
We conduct our selection process without discrimination based on characteristics such as race, nationality, ethnicity, gender/sex, sexual orientation, gender identity, gender expression, age, skin color, religion, belief or creed, and disabilities.

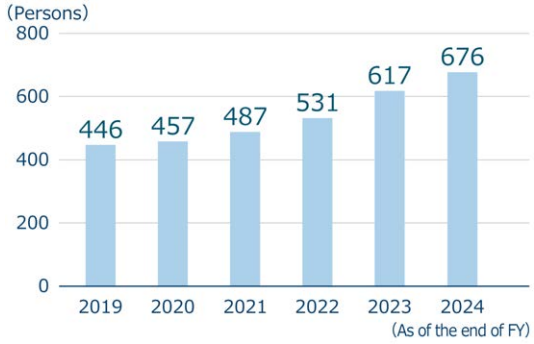
Hiring of New Graduates

To maintain our organization's personnel and age structure, we hire a stable number of new graduates every year based on our medium-term HR plan.
In our recruitment activities, we strive to secure diverse talent through direct contact with individuals, such as via company information sessions and internships, as well as through the use of digital tools to promote understanding of our company. For more information, please visit here (Japanese).

Hiring of Mid-Careers

In order to achieve continuous business growth, we actively hire mid-career professionals with the necessary experience to immediately begin contributing to our business activities. In particular, in order to promote growth strategies geared toward achieving our medium-term management plan, we mainly hire talent who possess knowledge, know-how, etc., that our company does not have in-house, as well as talent in areas where resources are in short supply. For more information, please visit here (Japanese)

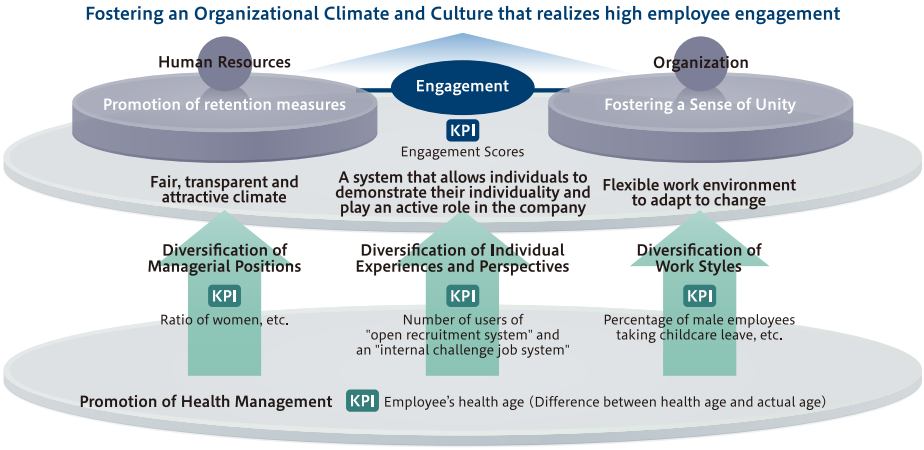
Number of mid-career hires enrolled



Activities for the Development of Future Talent (Internship Program)

We offer an internship program for undergraduate and graduate students looking to gain work experience. In addition to providing an introduction to the pharmaceutical industry, our internship program provides students with various opportunities such as introducing activities in each job category and interacting with employees, to allow them to gain firsthand experience working at a pharmaceutical company. We hope that by participating in the internship program, students will understand the mission that pharmaceutical companies should fulfill and feel the significance and value of working at a pharmaceutical company. We also hope that the internship experience will help interns shape their future career plan.
We also use the results of the engagement surveys when planning new development programs and introducing various systems. We will continue to improve the issues identified from those results and improve employee engagement through initiatives linked to activities that disseminate our mission statement

Expansion of Human Capital (Fostering an Organizational Climate and Culture that realizes high employee engagement)



As we accelerate the global expansion of our business, the environment in which our employees operate is becoming more diverse than ever, which is why it is important for us to promote Diversity, Equity, and Inclusion (DE&I) so that all employees can play an active role in the company while demonstrating the full extent of their abilities. Specifically, in order to achieve continuous business growth, it is important to employ, train and retain human resources and to achieve the status where "employees can work safely and actively while respecting different and diversified values." For this reason, we are promoting a wide range of initiatives, including a system that allows each employee to demonstrate their individuality, a fair, highly transparent, and attractive corporate culture, as well as a flexible work environment that can adapt to change. We established "Difference" × "Sense of Unity" as a theme for promoting DE&I. New awareness and ideas will emerge when human resources with different backgrounds and ideas work together. Our aim is to become a company that has a sense of unity and is attractive to people outside the company, and to create an organization full of human resources who desire to work actively in our company for a long time by fostering a corporate culture that embraces diversity. Click here to see the results of the engagement survey.

DE&I Initiatives (Promotion of diverse human resources)

Our efforts to promote diversity focus on three main areas: management*, individual experiences and perspectives, and work styles.

Diversification of Managerial Positions

When it comes to the diversification of managerial positions, we promote diversification particularly in three main areas: young employees, mid-career recruits, and female employees. Specifically, effective FY2025, we have eliminated the required years of service for promotion, which had previously been a condition for advancement. This makes it possible for talented employees to be selected for promotion at an early stage regardless of age or company history, and also ensures that taking childcare leave or other similar absences does not become an obstacle to career development. We also actively appoint mid-career recruits to managerial positions. There are currently around 160 mid-career recruits who are playing an active role as managers, which is 22% （in FY2024） of all managerial positions within our company. As for the active engagement of female employees in managerial positions, the ratio of female managers still remains at 7.4% (FY2024) and this continues to be one of the challenges our company. In order to our targets of raising the ratio of female managers to a 10% by FY2026 and 20% by FY2031, we have implemented new initiatives since FY2024. These include training programs for female employees (aimed at fostering growth opportunities for future female managerial candidates, in which participants work on stretch assignments together with their supervisors and receive coaching from external instructors), and a mentoring system (where Exective Directors and Division Directors serve as mentors to female employees, helping to broaden their perspectives and encouraging them to take on managerial roles). In addition , we conducted for all Senior Directors-level-managers on how to control unconscious bias and apply these insights to their management practices. We will continue to develop systems and environments that enable recruitment, training, and retention of talent in a fair manner regardless of age, company history, or gender as we strive to achieve our goals.

* From FY2024, both management and specialist positions are included in the figures for managerial position.

Goal	Action plan	Annual Results
Increase the percentage of female employees at managerial level to 10% or higher by FY2026.	1. Develop a system and working environment that can respond to life events and diversified working styles. 2. Develop and implement measures contributing to fostering a corporate culture related to the appointment of female employees as core human resources or at the managerial level (determining policies, training for management members, etc.). 3. Develop and implement measures contributing to training the next female employees at the managerial level.	The percentage of female employees at managerial level FY2024: 7.4%

Diversification of Individual Experiences and Perspectives

- We have established an "open recruitment system" and an "internal challenge job system" so that individual employees can acquire diversified experiences and perspectives.
- We also began to allow our employees to engage in "side （concurrent）business" in order to acquire new knowledge and experience that cannot be obtained from internal operations.
- By acquiring diversified experiences and perspectives regardless of whether they are obtained from inside or outside the company, we aim for further improvement of productivity and the creation of revolutionary innovation.

[Systems that promote employee challenges]

- **Open recruitment system**

  Up until now, we have been utilizing an internal recruitment system in order to encourage employees to take on new challenges and to further revitalize the organization. Since FY2022, we have eased application requirements based on employee needs and have greatly expanded the number of job openings to foster a culture that encourages employees to take on new challenges. A total of 191 employees applied in FY2024, and 48 employees have been transferred to other departments through open recruitment.

- **Internal challenge job system**

  Based on the needs of employees who wish to expand their horizons by learning about work in areas other than their own department, to grow professionally, or to deepen person-to-person exchanges across departments, we have introduced an internal challenge job system with the aim of challenging employees to work in another department for 20% of their prescribed working hours while still being in their current department, and raising employees' skills and providing career support. In FY2024, 62 employees applied, and 31 took on the challenge of working concurrently in other departments, thus diversifying their experiences and perspectives.

- **Side (concurrent) business**

  We allow employees to engage in side business with the aim of maintaining the careers of employees with diverse backgrounds, improving productivity, and creating innovative breakthroughs by enabling them to acquire new knowledge and experience in various fields that cannot be obtained through our company’s operations.
  In addition, we allow contract employees who have retired from our company to engage in side business with the purpose of achieving a more flexible work style and forming their second career after retirement. In FY2024, 67 employees have side business.

- **Temporary assignment program to venture companies**

  To create opportunities to gain experience that is not possible in our company, we have introduced a temporary assignment program to venture companies, V2V (Voyage to Venture). For more details, please see here ("Training for Innovative Human Resources" in "Training for Human Resources").

- **HOPE**

  We are holding an internal business competition, "HOPE," for the creation of new business as a voluntary opportunity to bring the lessons and experiences of employees into practice. For more details, please see here ("Training for Innovative Human Resources" in "Training for Human Resources").

Diversification of Work Styles

In promoting the diversification of managerial positions, individual experiences, and perspectives, we believe it is important to not only diversify work styles, but to also continuously develop work environments to make it easier for our employees to work. We constantly strive to improve work-life balance by reforming work styles that contribute to recruiting and securing excellent talent. We have also been promoting DX and improving our systems by utilizing IT to further streamline our operations, and in order to create an attractive work environment, we introduced several systems that eliminates core time, such as a super-flex time system, a telecommuting system, and a work interval system. In FY2024, we increased the number of annual paid leave days granted (uniformly 20 days) regardless of length of service, and we have revised our dress code to office casual. In addition, we have introduced “Casual Fridays,” which allow employees to wear even more casual attire, such as jeans, every Friday. Through these initiatives, we aim to create a more flexible and comfortable working environment and to promote a work style with a better work-life balance.　Through such efforts to diversify work styles, we will create an attractive work environment, which will help to enhance our company’s competitiveness in recruitment and secure excellent talent.

Childcare Support Initiatives

We believe that society as a whole should support families raising children and that creating an environment that supports childbearing and childrearing is one of the challenges that companies should address. We formulated an action plan based on the "Act on Advancement of Measures to Support Raising Next-Generation Children," and are working to support employees in balancing their work and childrearing.
We are currently working toward our goal of having at least 80% of our male employees take either childcare leave or reduce the amount of hours that they work.
To foster a workplace culture where it is easy to take childcare leave, we have posted a video on our internal web portal site that summarizes the details of our maternity and childcare leave systems, as well as our support programs for balancing work and childcare. We also conduct a childcare leave return-to-work orientation to help reduce anxiety and support a smooth transition back to work after leave. In addition, to promote and raise awareness of childcare leave among male employees, we have published the "ONO Father Childcare Leave SUPPORT BOOK" on our internal portal site, which introduces the current status of paternity leave and shares experiences from male employees who have taken childcare leave.
In recognition of these activities to support a balance of work and childcare and create a supportive work environment, we were certified by the Minister of Health, Labor and Welfare as a standard-compliant general company, and we were awarded the mark of certification (Platinum Kurumin certification) as a childcare support company.

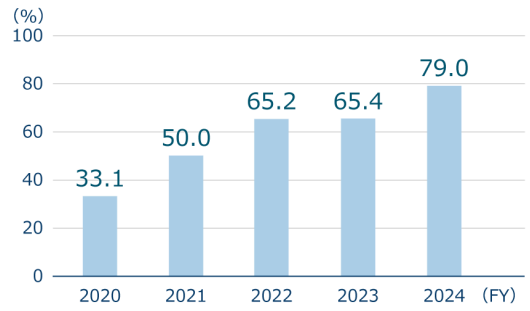
Medirabi-san ONO’s mascot promoting diversity initiatives

Features in ONO’s booklet on systems for balancing work and child-raising. Promotes initiatives to improve diversity.

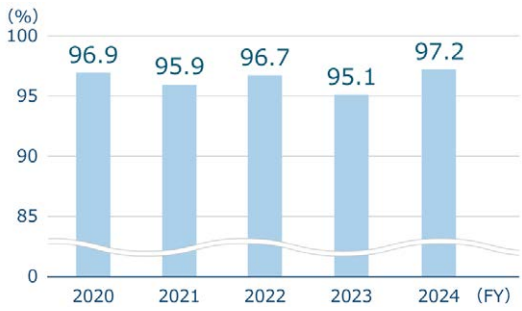
"Platinum Kurumin certification"

Goal	Action plan	Annual Results
Increase either the percentage of childcare leave or the percentage of reduced working hours taken by male employees to 80% or higher by FY2026.	1. Develop and implement measures contributing to fostering a corporate culture where male employees can easily participate in childcare (disseminating the systems and information related to childcare leave or reduced working hours for employees and management members, etc. who desire to participate in childcare, etc.) 2. Develop and implement a system and structures relating to balancing work and childcare.	Percentage of Male employes taking childcare leave FY2024: 79% Average number of days of male employees taking childcare leave: 58.9days Retation rate of female employees: 97.2%

Percentage of Male Employees Taking Childcare Leave



Retention rate of female Employees*



* Retention rate＝100-(Turnover rate of each years)

[Promote for flexible working styles]

- **Flexible working hours**

  We have introduced a super flexible working hours system that eliminates core time throughout company, excluding some job types, departments and ranks. By allowing employees to choose diverse work styles, we improve their work efficiency and help them better balance work obligations and family obligations, such as childcare and nursing care.

- **Telecommuting system**

  In order to achieve "fostering a sense of unity" and "various work styles" at the same time, we have introduced a telecommuting system

- **Flexible Acquisition of Summer Holidays**

  With the exception of some certain positions, employees can flexibly take summer holidays on any three days between July and September.

- **Hourly paid leave system**

  Although annual paid leave may be taken in half-day units, we have made changes so that up to five days' worth (eight hours per day) of paid leave per year can be taken in hourly units. This system is designed to enable employees to work flexibly to suit their needs.

- **Selective retirement system**

  The retirement age is 60 years old, but under certain conditions, if they wish to retire when they reach 55 years old, a special surcharge will be paid in addition to the retirement allowance to support their life planning.

- **Support of the transfer**

  Under certain conditions, if they are between the ages of 45 to less than 55 retire for independent self-employment, a special surcharge will be paid in addition to the retirement allowance for the purpose of supporting the start-up of a new life.

[Employee support that exceed the standards specified by labor-related laws]

- **Childcare leave**

  The statutory period of childcare leave is, in principle, until the child reaches 1 year of age (maximum 2 years of age for certain reasons). However, our employees can take childcare leave until the last day of the month when the child reaches 3 years of age.

- **Shortened work hours for childcare**

  Although Japanese law stipulates that shortened work hours for childcare can be utilized until the child becomes three years old, we allow employees to shorten their working hours by up to two hours per day until March 31 of the year in which their child finishes the third grade of elementary school. In addition, as support for employees who desire to be reinstated from childcare leave earlier than scheduled, moving up the scheduled end date of childcare leave (moving up reinstatement) is allowed in principle.

- **Nursing care leave**

  Although Japanese law stipulates that nursing care leave can be taken up to 93 days in total per family member in need of care, we allow employees to take nursing care leave for up to a year in total.

[Legally required systems]

- **Shortened work hours for nursing care**

  An employee caring for a family member in care-requiring condition may shorten his/her working hours by up to two hours per day, aside from the period of nursing care leave.

- **Nursing care leave system**

  Within the law, employees can take care leave to care for a child who has not yet entered elementary school and to care for a family member in need of assistance. Furthermore, our employees can take sick/injured childcare leave until the end of March of the third year of elementary school. Our employees can take 5 days off per year if they have one family member, or 10 days off (unpaid) on a day, or half day basis if they have two or more family members.

[Various leave and subsidy systems]

While employees may take leave when they cannot come to work due to attendance to weddings, funerals, and other ceremonies of their own or their family members, moving for job transfer, and accidents, disasters, and other events of force majeure, we also have systems in which special paid leave can be taken under other circumstances.

- **Accumulated leave**

  Under this system, our employees can set aside expired annual paid leave under certain conditions and use the time for reasons such as personal injury/illness, family care, infertility treatment, or secondary examination of regular health checkups. Some employees take paid leave for sudden diseases of children.

- **Childcare participation encouragement leave**

  We allow employees to take up to two days of leave for child-raising until the child reaches the age of 1. This system can be used in a wide range of situations such as regular health checkups and immunization.

- **Maternity protection leave**

  A female employee who is pregnant or within one year after childbirth can take leave up to the number of days specified according to the pregnancy period to receive health guidance or a health examination. Besides reasons such as health guidance and a health examination, this leave may be taken up to five days during the pregnancy period when work is not possible due to morning sickness, threatened premature delivery, etc.

- **Volunteer leave, and bone-marrow donor leave**

  To encourage employees to participate in volunteer activities, we have introduced a volunteer leave system, under which special paid leave of up to five days a year may be granted. We have also introduced a bone marrow donor leave system to grant special paid leave (necessary period for bone marrow donation) to employees who donate bone marrow.

- **Subsidies for day-care centers and babysitting**

  A subsidy is available upon application to eligible employees with preschool children whose spouse is also working when they use day-care centers or babysitting services. Even if the spouse is not working, a subsidy will be provided when such a facility or service is used due to the spouse's illness.

- **Subsidies for sick child care**

  A subsidy is available upon application to eligible employees with children under the age of two whose spouse is also working when it becomes necessary to use a sick child care facility or service. Even if the spouse is not working, a subsidy will be provided when such a facility or service is used due to the spouse's illness.

- **Support for medical checkup**

  Our employees who are 35 years of age or older can take a comprehensive medical examination in lieu of an annual legal health checkup, and we bear all expenses. Furthermore, we also support comprehensive medical examination for dependent spouses who are 35 years of age or older.

[Other employee benefits and systems]

- **Support for employees with cancer**

  Employees who are diagnosed with cancer will work in the midst of many challenges, including regular hospital visits, side effects from various treatments, and financial problems. To support employees who wish to continue working while receiving cancer treatment, we have established various systems, including a leave of absence extension system, an income guarantee system to eliminate non-earning periods, a system that allows employees to take their accumulated leave in half-day units, and a system that allows employees to work shorter hours for cancer treatment. Furthermore, we have established a workplace support system to ensure employees with cancer receive adequate support in their workplace. To disseminate this workplace support system widely to our employees, we have created a handbook and posted it on our intranet. We are also working to improve colleagues' understanding and provide necessary work adjustments to enable employees with cancer to continue working while receiving treatment. Thus, we are implementing multifaceted initiatives to support employees with cancer.

- **Use of company cars to pick up and drop off children**

  MRs are allowed to use company cars for the purpose of drop-off and pickup of their children from day-care centers.

- **Childcare Future Concierge [day-care center enrollment support system]**

  In order to support the smooth reinstatement of employees who have been taking childcare leave, our employees can use information provision services by external institutions, such as providing a daycare center matching service, various consultation services and other content..

- **Re-employment registration system**

  We provide an opportunity for former employees who left the company because of difficulty in balancing work and family life due to major life events, such as marriage, childbirth, childcare or family care, to return to the company when certain conditions are met.

- **Temporary re-employment system**

  Employees who have retired after reaching the mandatory retirement age of 60 may be reemployed as temporary employees up to the age of 65 when certain conditions are met.

- **Employee stock ownership association**

  When employees join the treasury stock investment association, they receive incentives from the company according to the number of reserves. We recommend it as part of employee asset management.

- **Using the Welfare Website (Fukuri Kosei Club)**

  Employees will be able to utilize a benefit package that includes international and local travel, hotel accommodations, leisure facility tickets, car services, interior accessories, shopping for items such as sundry goods, movie theater tickets, fitness, and restaurants at special prices and plans.

- **Use of contract recreation center**

  Contract recreational facilities such as Tokyu Harvest Club (37 facilities nationwide) and ANA Crowne Plaza Resort Appi Kogen, etc. are available.

- **Residential Support**

  A variety of residential supports for employees are available including leased company dormitories for single employees and company housing for transferred employees.

- **Congratulation or condolence payment system**

  Payment supports for employees' life events are available, such as marriage congratulatory money, childbirth congratulatory money, and children's entrance congratulatory money. In case of illness and injury, illness and injury allowances, condolence money and/or disaster condolence money etc. will be paid.

- **Group long-term disability (GLTD) system**

  If an employee is absent from work for a long period of time due to an illness or injury, and the period of payment of illness and injury allowance and additional illness and injury allowance provided by the health insurance society has expired, the employee will have no income. For such a case, we have introduced a system in which the company pays the premium and the insurance company compensates for a certain amount of income up to the age of 60.

- **[Selective employee benefits - Cafeteria Plan]**

  We have introduced a Selective Benefits Program that allows employees to choose from a menu* established by the company to receive assistance according to their personal lifestyles.

  ***List of the Menu**

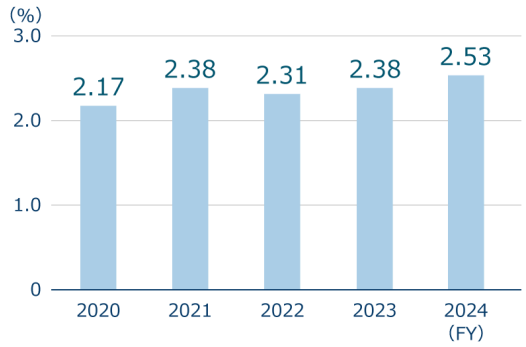
Category	Menu
Childcare & Nursing Care	Childcare Support
	Nursing Care Assistance
Health Support	Optional Medical Checkup Subsidy
	Sports Facility Usage Subsidy
Self-Development Support	Self-Development Facility/Service Subsidy
	Academic Society & Certification Maintenance Fee Subsidy
Life Support	Housing Loan Subsidy
	Rental Housing Subsidy
	Infertility Treatment Subsidy
Leisure Support	Travel Subsidy
	Entertainment & Leisure Facility Usage Subsidy

Other Initiatives related to DE&I

Effort made for promoting active participation of persons with disabilitiest

We have been proactively promoting the employment of persons with disabilities and creating a work environment where persons with disabilities can work easily. In April 2022, we established a 100% subsidiary, Ono Pharma UD Co., Ltd., in order to provide more working opportunities for persons with disabilities. In October 2022, it was certified as a specified subsidiary and engaged in printing business at the beginning. In the future, we will expand it as a place where employees with disabilities can fully show their abilities and work actively in a greater variety of businesses. As mentioned above, we would like to contribute to a sustainable society by providing worksites where employees can engage in meaningful work. Currently, more than 40 employees are working actively.

Employment rate of persons with disabilities



LGBTQ+ Initiatives

We are engaging in creating worksites where our employees respect diversity, such as sexual orientation and gender identification (SOGI), sexual expression, where individuals who are LGBTQ+ can ensure their psychological safety and work, as part of promotion of DE&I.
Additionally, we regularly implement e-learning courses for all employees, seminars with external speakers and our LGBTQ+ individuals , and training specifically designed for managers in order to promote employees' understanding of SOGI and enable them to respond appropriately based on accurate knowledge.
In addition, in order to visually convey to all parties concerned that there are Allies (people who understand and support LGBTQ+) within the company, we have created original Ally stickers, which we distribute to employees who wish to receive them.
In recognition of these activities, we were awarded the "Silver" designation in the "PRIDE Index 2024," organized by the General Incorporated Association Work with Pride. This index evaluates the initiatives of companies and organizations regarding LGBTQ+ inclusion.
We will continue to steadily implement each of our initiatives to create a comfortable working environment for our LGBTQ+ individuals.
For more information on PRIDE indicators, please see here.

Introduction of the Global HR System

In October 2023, we rolled out the Global HR System with the aim of enabling our diverse workforce to play an active role globally with a common set of values. Specifically, we aim to standardize HR policies and business processes such as talent management by globally unifying the concepts and processes of each system, namely grade, evaluation, and compensation, which comprise the framework of the system.

Overview of the Global HR System

(1) Grade System

The duties and responsibilities of each employee are clarified, and grades are determined according to common global standards. This will foster a sense of satisfaction regarding the required roles, achievements, and compensation, and will encourage employee career autonomy by clarifying the requirements for each position.

(2) Evaluation System

We have established common global competencies (a clear statement of the way we expect our employees to think and act), and concurrently standardized evaluation items, scales, and processes. This will promote the activities and development of talent across countries and locations, and encourage employees to demonstrate their competencies. In addition, we have included "fairness and integrity" in competencies and included compliance in all employees' personnel evaluations in an effort to improve employees' awareness of compliance by directly linking it to their compensation. Individual goals are set at the beginning of each fiscal year, cascading down from higher-level goals. In addition to quarterly interviews held during the fiscal year, these goals are updated as necessary by communicating according to changes in each employee's circumstances. At the end of the fiscal year, a summary interview and evaluation feedback interview are held to discuss the individual strengths and weaknesses of each employee, and to discuss future career development.

(3) Compensation System

We are establishing global common guidelines that define the overall approach to compensation for the Ono Pharmaceutical Group, as well as the key principles for designing compensation systems at each group company. We will reward employees who produce results and demonstrate competency, and help motivate employees, attract top talent, and promote talent retention by utilizing a market-competitive compensation system.

Efforts made regarding wages

We pay wages to our employees in compliance with the Labor Standards Act and all other relevant laws and regulations concerning wages. We protect the lives of our employees and promote the creation of workplaces where employees can work with peace of mind.

Relationship with the Labor Unions

We have two labor unions: the ONO Pharmaceutical Labor Union, which is a nationwide organization, and the ONO Pharmaceutical Chemical & General Workers' Union at the Joto Pharmaceutical Product Development Center. As of March 31, 2025, the ONO Pharmaceutical Labor Union has 1948 members and the ONO Pharmaceutical Chemical & General Workers' Union has 11 members. Both unions have good relationships with the company.

Expansion of Human Capital (Health Management)

As a company that contributes to people's health, it is important for us to provide our employees with an environment where they can work with peace of mind, which is why we also actively engage in health management. In order to contribute to society through the creation of innovative pharmaceutical products, it is vital that all employees and their families stay healthy (both physically and mentally), that employees' workplaces enable them to demonstrate their abilities to their fullest extent, and that the lives of employees and their families are fulfilling. As a highly unique indicator, we have established the difference between the health age of our employees and their actual age. In FY2022, the difference was -1.8 years, but we have set a goal of making it -3.0 years by FY2026. In addition, in an aim to improve the health literacy of our employees, we are working to promote KENKO Investment for Health management through various activities.
In recognition of such activities, Ono Pharmaceutical has been recognized for seven consecutive years as a "Outstanding Organization of KENKO Investment for Health 2025-White 500", We will continue our efforts to expand human capital by promoting KENKO Investment for Health management.

Efforts made to promote employees' health

Health Up Declaration 2018

Based on our corporate philosophy, Dedicated to the Fight against Disease and Pain, we desire to contribute to society through the creation of innovative drugs. In order to continue to make bold efforts toward the realization of our corporate philosophy, it is important to ensure that all employees are both mentally and physically healthy, that their workplaces allow them to fully demonstrate their abilities, and that the daily lives of employees and their families are fulfilling. We declare that employees, companies, labor unions, occupational health staff, and health insurance society will actively engage as a single team in maintaining and improving the health of employees and their families.

April 2018
Gyo Sagara
Representative Director, Chairman of the Board & CEO
ONO PHARMACEUTICAL Co., Ltd.

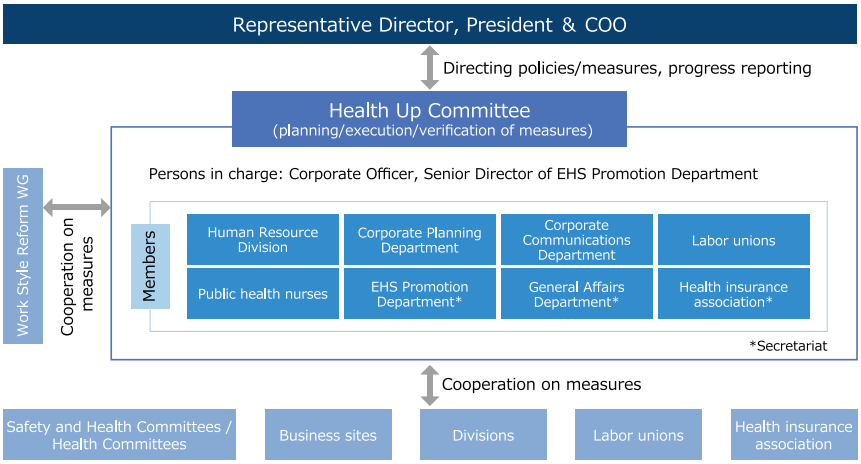
Basic policy

1. We will promote the maintenance and improvement of the health of employees and their families through the Health Up Committee, consisting of representatives from the company, labor unions, occupational health staff, and health insurance society.
2. Employees will actively engage in health management for themselves and their families.

Major efforts being made:

1. To realize completely non-smoking premises according to passive smoking countermeasures.
2. To proactively support measures from disease prevention and early detection and treatment to reinstatement.
3. To promote supports for the prevention of mental disorders, early detection, and prompt responses, to reinstatement and the prevention of recurrence.
4. To develop an environment where employees proactively work on health maintenance/improvement.

Organizational structure to promote health management



Support for Disease Prevention, Early Detection and Early Treatment

- All our employees are required to undergo health checkups once a year, and of these, employees aged 35 years or older can undergo a comprehensive medical examination in lieu of statutory health checkups. Excluding unavoidable reasons such as absence from work, the proportion of subjects undergoing comprehensive medical examination in FY2024 was 99.9%.
- We hold contracts with medical facilities nationwide for thorough medical checkups. The number of contract facilities as of May 2025 was 222. We work to make it easier for our employees and their family members to receive thorough medical checkups.
- We assist with expenses for cancer screenings. Many employees receive optional cancer-related screenings at the time of a thorough medical checkup.
- It is recommended that women be screened for cervical cancer (a disease which is common among young women) once every two years, and we also allow our female employees under the age of 35 to be screened for cervical cancer at the same time as their regular health checkups.

	Cancer screening rate in FY2024*1	Target
Stomach cancer screening	96.2%	100%
Lung cancer screening	99.5%	100%
Colorectal cancer screening	93.9%	100%
Breast cancer screening	89.9%	100%
Cervical cancer screening*2	70.0%	70%

*1 The age range for calculating the consultation rate is set at 40 years or older (20 years or older for cervical cancer screening) in accordance with the standards of the National Livelihood Survey by the Ministry of Health, Labor and Welfare.

*2 Regular screenings for uterine cancer are recommended every two years.

- We strongly encourage employees who have been identified as having a high risk of lifestyle-related diseases or have shown abnormal findings in various screenings but have not undergone re-examination or detailed examinations, to receive medical examination recommendations and health guidance from our occupational health staff. We also recommend their participation in specific health guidance programs. In addition, since FY2023 we have also been offering lifestyle (health guidance) programs for those seconded overseas who are undergoing major changes in their living environment, including dietary habits.

	Implementation rate of specified health guidance	Treatment continuation rate*
FY2024	76.6%	21.4%

* The treatment continuation rate refers to the percentage of individuals aged 40 and above who have undergone health checkups and are currently taking medication for conditions such as hypertension, dyslipidemia, and diabetes.

The rate of employees on leave due to illness or injury in FY2024 was 1.6%. We will continue to promote health promotion initiatives in order to enhance employees' health literacy and well-being.

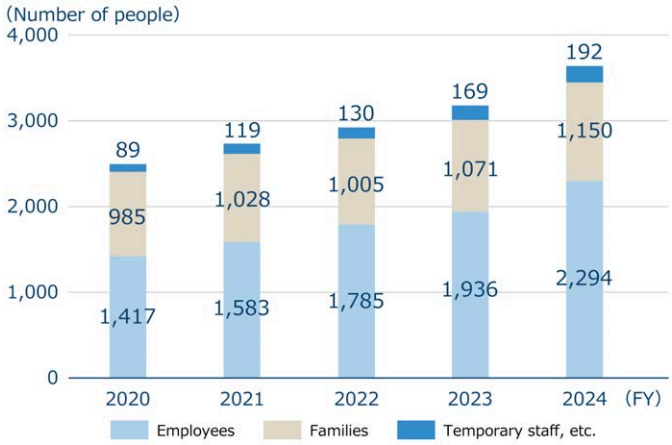
Mental Health Measures

- To promote prevention, early detection, and early treatment of mental health problems, we conduct in-house training on mental health and individual consultations by industrial health staff. We also work with industrial physicians to ensure employees feel supported and reassured when returning to work after a leave of absence.
- Stress checks for all employees are conducted once a year. The percentage of employees who underwent stress checks was 98.3% in FY2023 and 98.2% in FY2024, compared to our target of 100%. Subsequently, we organize and conduct workplace improvement training to review the organizational results and develop action plans aimed at organizational growth. Furthermore, we continuously promote workplace improvement based on the results of organizastional analyses , with dedicated counselors conducting site visits. The percentage of high-stress employees in FY2024 was 5.0%.
- In addition to the stress check, which is performed once a year, we encourage employees to answer a simple self-check questionnaire, which can be taken whenever necessary.
- We have established a free external consultation service for mental and physical health, providing an environment where not only employees but also their families can consult with experts through face-to-face consultation, phone calls or email.

Measures against Passive Smoking and Promotion of Health

- Since April 2019, we have completely banned smoking on its premises. In addition, smoking is prohibited both on and off the premises during working hours, including lunch breaks. We also conduct in-house questionnaire surveys on tobacco and publicize the results to raise awareness and motivate employees to quit smoking. We are promoting awareness-raising activities systematically, including producing and displaying original posters that use illustrations written by employees.
- To support employees who try to quit smoking, we promote their health by providing assistance such as subsidies for smoking cessation aids. We are taking various anti-smoking measures to promote and maintain our employees' health. The percentage of our employees who were smokers in FY2024 was 11.1%, down from 11.7% in FY2023. Moving forward, we will promote activities with the aim of achieving 10% or less by FY2026.
- To promote health and enhance workplace communication, we hold a company-wide walking campaign. This event is open not only to all employees, but also to their families, temporary employees, and subcontract workers. Participation is voluntary, and employees can join individually or as teams with family members or volunteers. In addition, those who achieve certain goals receive achievement awards, such as local specialties (including rice) from earthquake-affected areas. We distributed approximately 6 tons of rice (equivalent to 6 million yen) as prizes, and the campaign has become increasingly popular in Japan each year, helping to foster the habit of walking. Since FY2023, the campaign has been expanded to include the entire Ono Pharmaceutical Group, including overseas subsidiaries. To further energize the event, group company leaders share messages about their own health initiatives and encourage employees, and we provide opportunities for employees to interact and exchange ideas via our internal social network. In FY2024, we also introduced a social contribution element, donating a certain amount to the Union for International Cancer Control (UICC) based on the number of participants and steps taken. As a result, a record 295 teams and 3,636 participants joined the campaign, achieving our goal of a participation rate of over 60%. In FY2025, we aim to maintain a participation rate of at least 60% among all Ono Pharmaceutical Group employees, as we did last year.

Number of participants in walking campaign



- We work in cooperation with the Safety and Health Committee and the Health Committee to organize health events. At our major business sites, we hold sessions to measure body composition, blood vessel age, and bone density, as well as exercise seminars and walking events. These activities aim to maintain muscle strength, prevent osteoporosis, and improve issues such as stiff shoulders, lower back pain, and eye strain, thereby enhancing labor productivity. In 2024, we expanded these activities to include smaller business sites with fewer than 50 employees, resulting in a total of 1,199 participants throughout the year. We will continue to promote activities that support employee health and encourage communication among employees.

Health Management Support

- In October 2021, we opened a health management portal site that integrates the transmitting and sharing of health information and health promotion content. According to an internal questionnaire conducted in FY2024, 76% of employees are satisfied with our company's health promotion activities, and 86% of employees are aware of their own self-care. We will promote efforts to encourage employees to consider self-care as their own issues by bringing together interviews of 3 Representative Directors on health promotion and other health-related contents, and will improve the quality of activities.
- We have linked the health management portal site with an existing site where employees can check the results of their thorough medical checkups and periodic health checkups at any time via their terminals. The contents of the portal site include information to help employees accurately understand their medical checkup results and improve their lifestyle habits and personalized advice on lifestyle according to individual health conditions. We are working to enhance the contents of the portal site to raise employees' awareness of their health.
- We plan and promote effective initiatives with a focus on the PDCA cycle to improve employee presenteeism*1 and absenteeism*2 by utilizing the annual questionnaire on health management effectiveness verification. In 2024, we held a participatory health seminar for middle-aged employees (MiddleAge), focusing on sleep improvement. During the seminar, we also introduced and highlighted employees who actively engage in daily health activities as "Lively people at workplace", in order to encourage proactive health management among all employees.

*1 Calculate the monthly loss per employee using QQmethod as the measurement method.
If there is any health problem, we ask questions such as "What is the health problem that has the most impact on your work", "How many days in 30 days have you had the symptom?" etc, After understanding how much work you will have compared to when you have no symptoms, multiply the percentage of performance reduction when you have symptoms by the average hourly wage to calculate the amount of loss per person per month.
FY2023: 64,962 yen (response rate 78.7%), FY2024: 55,119 yen (response reate 79.1%)
FY2025 target: 50,000 yen (90% compared to FY2024)

*2 Calculate the average number of days used for sickness absence and sick leave system for all employees.
FY2023: 1.33 days, FY2024: 1.52 days
FY2025 target: ≤ 1.00 days

External Evaluation

In March 2025, we were accredited for seven consecutive years as an "Outstanding Organizations of KENKO Investment for Health 2025 – White 500 (Large Enterprise Category) ", which is jointly implemented by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi*.
This system was established with the aim of "visualize" corporations, including large enterprises and small- and medium-sized enterprise, that excel in health management practices. It aims to create an environment where these organizations can receive recognition from employees, job seekers, business partners, and financial institutions.
We set the difference between an employee's health age® and actual age as a KPI item as one of our activities to enhance human capital in FY2023, and are working to promote our employees' awareness on their health. We set the goal of increasing the difference between an employee's health age and actual age from -1.8 years in FY2022 to -3.0 years in FY2026 and will continue to engage in health management through different types of activities.

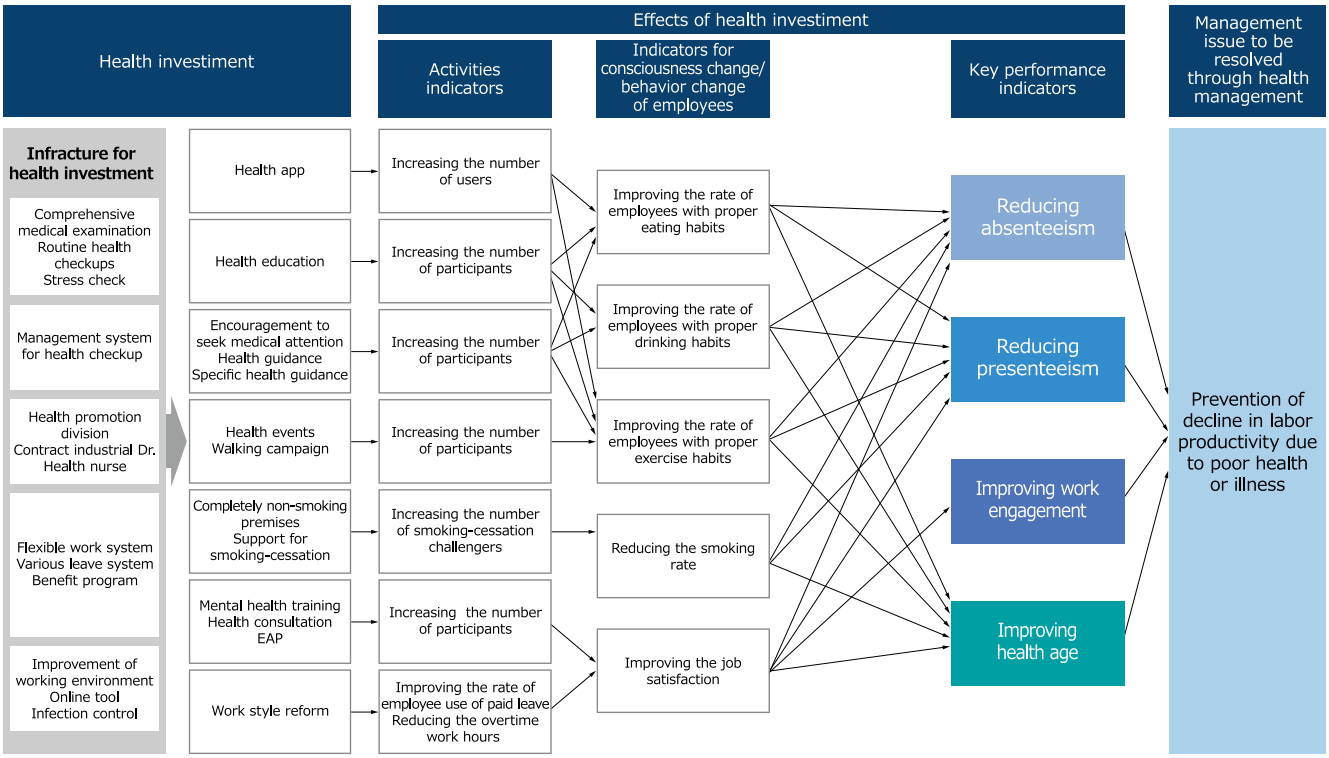
* The Nippon Kenko Kaigi is an organization aiming to encourage workplaces and communities to achieve specific measures to overcome health-related challenges under collaboration among private organizations, e.g., economic associations, medical-care associations and insurers, and municipalities.

› External Evaluation

Strategic Map (Visualization of Health Management Strategies)

For effective and efficient health management, we have clarified the important issues and evaluation indicators (KPI) that we want to solve, and we have visualized the flow of initiatives toward the resolution of important issues as a story.

Strategic map of health management



Social value: Dissemination of health management to suppliers and local communities

Corporate value: An increase in the market capitalization of stocks

Health resource: Human and environmental health resources

Sustainable Procurement

Our Stance on Sustainable Procurement

As social structures evolve due to factors such as technological innovation and globalization, the importance of sustainable procurement has increased for continuing business activities. Under this external environment, in order to respond to emerging social issues, such as human right abuses, issues related to the working environment, etc., and to contribute to achieving a sustainable society, it is important to develop management systems and enhance initiatives along with all the business partners in our supply chain.

We have taken up “improving public trust” as one of ONO’s materialities. In addition to the sound network we have built with our business partners until now to ensure the quality and stable supply of our drugs, we aim to solve societal issues together with our business partners by promoting sustainability-related initiatives such as human rights, labor environments, and the natural environment through stronger collaboration. ONO will promote these initiatives with the Representative Director, Executive Vice President in charge, and are working to promote activities to improve public trust. Furthermore, important matters requiring consideration and decision making by management are reported and examined at the Sustainability Strategy Meeting, etc., after which they are reported to the Board of Directors, where they are supervised by the Board of Directors.

We require all of our employees involved in procurement activities to comply with the “Procurement Activities Basic Policy” in order to engage in fair, just, and highly transparent procurement activities. We established the “ONO Sustainable Procurement Code for Business Partners” (hereinafter referred to as the “Code”), compiling matters for which we request cooperation from our business partners, and we request their cooperation to strengthen alliances. The “Procurement Activities Basic Policy” and the Code are revised appropriately according to changes in society and the global environment. Through these activities, we will work together with our business partners to contribute to achieving a sustainable society.

- Procurement Activities Basic Policy
- Ono Sustainable Procurement Code for Business Partner (187KB)

Sustainability Management with Business Partners

In light of changes in the external environment and the importance of sustainable procurement, we are intensifying our activities with a view to prioritizing signing contracts with business partners who are willing to cooperate with our sustainable procurement activities. Prior to entering into a new contract, we check country-specific risks based on the Corruption Perceptions Index (CPI).
Furthermore, as a pharmaceutical company that handles ethical drugs, we are characterized by many specialized activities, including not only scientific activities such as research and development and manufacturing, but also the distribution of pharmaceuticals and providing information on such drugs. Therefore, we believe it is important to manage risks that are specific to the pharmaceutical business and products throughout the entire value chain, including not only general compliance items such as corporate ethics, respect for human rights, and information management, but also health and safety management at each stage of drug discovery research, clinical development, drug manufacturing, and drug distribution, as well as the impact on the local environment. Accordingly, in our sustainability management with business partners, we select important business partners by assessing sustainability risks based on third-party data for each transaction amount and industry sector, and promote activities for direct and secondary business partners.
We hold briefing sessions with important business partners to share our way of thinking and Code regarding sustainable procurement, request their cooperation, and obtain their written consent. In addition, we conduct risk assessments to identify potential risks in the supply chain and, depending on the situation, conduct on-site audits and request for corrective measures to be taken. Moreover, when signing contracts with new business partners, we include sustainability risks among other items in checklists, and for companies in industries where risks are a concern, we obtain a letter of consent from such companies and progressively request that they conduct risk assessments.

We use EcoVadis's sustainability assessment system (hereinafter referred to as "EcoVadis") as our first choice for risk assessment. EcoVadis comprehensively evaluates companies in four areas, namely, environment, labor and human rights, ethics, and sustainable procurement, through questionnaires customized for each industry, company size, and country. The company also offers scorecards with detailed feedback to help assessed business partners improve their sustainability performance. Business partners who request to participate in the assessment can evaluate their sustainability performance based on highly objective, reliable, and comparable assessment results.
For business partners who share their EcoVadis results with us , we introduce them to e-learning and other educational materials provided by EcoVadis depending on their scores, and ask them to re-take the assessment. For business partners whose scores do not meet our standards, we conduct on-site audits to confirm the status of those companies and provide support for improving sustainability performance.
As an alternative option, we also utilize our own SAQ, which complies with our Code and the principles of the PSCI, a non-profit organization consisting of global pharmaceutical companies. This SAQ includes questions related to matters such as management systems, occupational health and safety, human rights, the environment, ethics, information security, and the sustainable procurement of materials, among others.

Progress

	Activity target			
	FY 2021	FY 2022	FY 2023	FY 2024
INFORMED CONSENT		• Important business partners within the top 80% or more in transaction value	• Important business partners within the top 98% or more in transaction value • New business partners • Drug discovery partners	• Important business partners within the top 99% or more in transaction value • New business partners • Drug discovery partners • Secondary business partners of direct materials
Risk Assessment	• Important business partners in direct materials	• Important business partners within the top 80% or more in transaction value	• Important business partners within the top 98% or more in transaction value • New business partners • Drug discovery partners	• Important business partners within the top 99% or more in transaction value • New business partners • Drug discovery partners • Secondary business partners of direct materials

* From FY2022 onward, activities were expanded to include indirect materials and outsourced business

By FY2024, we selected 426 important business partners (77% of transaction value) and promoted activities. Furthermore, with regard to active pharmaceutical ingredients (APIs) and formulations indispensable for the manufacture of pharmaceuticals, which are the most important products for our line of business, we have started carrying out activities for our secondary business partners of products with the highest sales value. As a result, consent forms were collected from 333 companies, and risk assessments were conducted and responses were received from 238 companies. Furthermore, we conducted on-site audits for three business partners whose EcoVadis score did not meet our standards. We have confirmed that there is no need for corrective action plans and have requested our business partners to further improve their sustainability performance, a request to which they agreed to.

	FY2021-FY2024 progress (as of the end of March 2025)
Number of companies subject to consent form	426 companies
Number of companies submitting consent	333 companies
Number of companies subject to risk assessment	259 companies
Number of companies participating in risk assessment	238 companies
Number of companies that have conducted on-site audits	3 company
Number of companies requested corrective actions	0 company
（Number of companies discontinued based on audit results）	0 company

In-house Education for Sustainable Procurement

In FY2023, we conducted an e-learning course for all employees to promote a better understanding of sustainable procurement. The aim of this e-learning course was to disseminate the importance of, and our way of thinking regarding, sustainable procurement.This e-learning course is posted on our internal website so that all of our employees can access it at any time.

Joining the PSCI (Pharmaceutical Supply Chain Initiative)

In September 2023, ONO joined PSCI (Pharmaceutical Supply Chain Initiative). PSCI is a non-profit organization established in 2006 by 21 major pharmaceutical companies. Through the supply chain, it aims to improve results for society, the economy, and the environment, while maintaining working environments for workers, safe processes and plant facilities, economic development, and a clean environment for local communities. Through PSCI, suppliers can avoid the duplication of receiving risk assessments and audits by multiple pharmaceutical companies, while pharmaceutical companies can operate efficient and effective audit systems. It therefore results in advantages for both pharmaceutical companies and suppliers. We will engage in activities to conform to PSCI's principles of responsible sustainable procurement in terms of ethics, working conditions, health and safety, environment preservation and related management systems in order to enhance sustainable corporate value for both ONO and our partner companies.

Declaration on Building Partnerships

We agree with the purport of the "Council on Promoting Partnership Building for Cultivating the Future," promoted by the Cabinet Office and the Small and Medium Enterprise Agency and we announced the "Declaration on Partnership Building." We aim to build new partnerships by implementing alliances as well as coexistence and co-prosperity with our business partners in the supply chain and companies promoting the creation of value.

Anti-bribery due diligence for third parties

When newly appointing third parties, such as contractors or agents, we conduct due diligence using an anti-bribery checklist to confirm whether there are any red flags regarding risks, including checking country-specific risks based on the Corruption Perceptions Index (CPI), prior to signing the contract. We have developed a process through which we submit the third party's replies to our detailed question sheet to the Corporate Compliance Officer to get his/her approval before appointing the third party in case we identify a red flag.

Animal experiment outsourcing policy

When we outsource animal experiments, we ensure that the outsourcing contractor complies with the laws and standards of the relevant country concerning animal welfare. We also make every effort so that such an outsourcing contractor complies with our standards as much as possible. Please click here for our thoughts on ethical considerations in animal experiments.

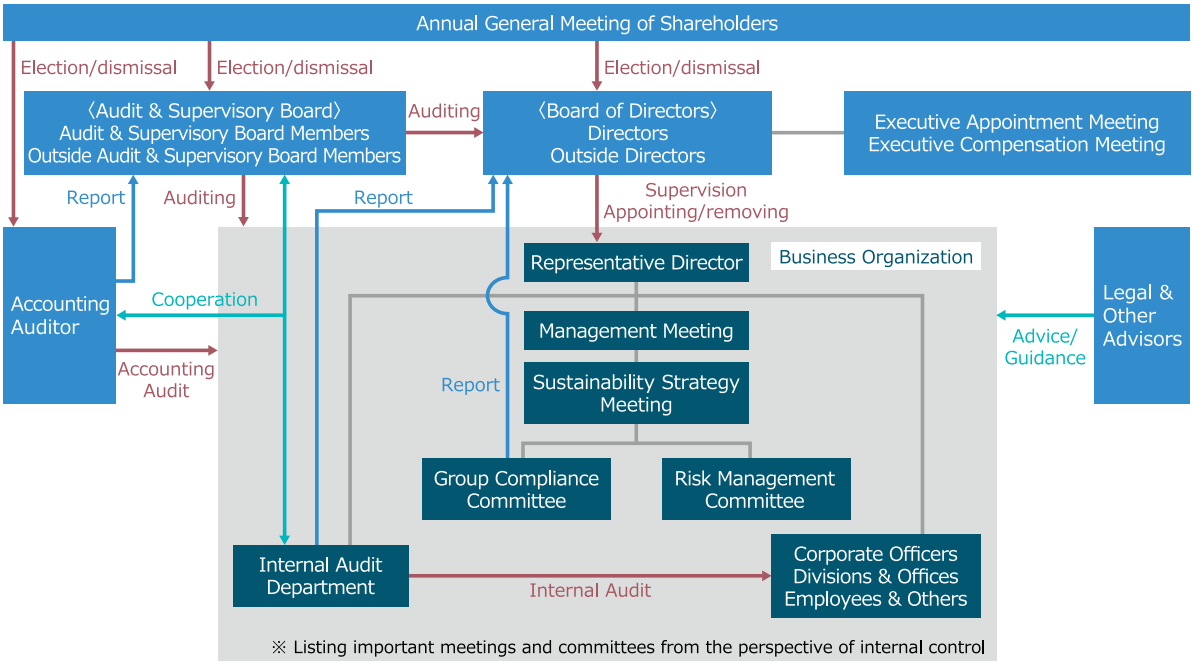
Corporate Governance

We believe that, in order to earn the trust of all stakeholders and to improve our corporate value, it is important not only to comply with laws and regulations, but also to increase the transparency of management and strengthen corporate governance.

Corporate Governance Structure

We have adopted an organizational framework with Audit & Supervisory Board Members (or the Audit & Supervisory Board), focusing on the enhancement of functions of the Board of Directors and the Audit & Supervisory Board, as part of endeavors to bolster corporate governance. In addition, in order to ensure independence and objectivity with regard to the appointment and remuneration of the senior management and Members of the Board of Directors, we have established "the Executive Appointment Meeting", a majority of whose members are outside directors and chaired by an outside director, and "the Executive Compensation Meeting" which is comprised of outside directors.
Regarding business execution, we have adopted the Corporate Officer System to improve management efficiency and expedite the decision-making process. Furthermore, important matters regarding business execution are deliberated and determined at Management Meetings and other meetings chaired by Representative Directors and Corporate Officers in charge etc., depending on the importance and content of the management issues. Overall, we strive for optimal business operations in consideration of mutual supervisory functions.

Corporate Governance Structure



Board of Directors

The Board of Directors should be appropriate in size and organization to improve transparency in management and supervision and to ensure accurate and quick decision-making.
We nominate candidates for Member of the Board of Directors by taking into consideration the balance of their knowledge, experience, and capability, as well as diversity, so that the Board of Directors as a whole can make technical and comprehensive management decisions. In addition, we nominate candidates for Independent Outside Director from those who have high level of expertise in corporate management on the premise that they satisfy the standards for Independent Directors set out by Tokyo Stock Exchange, with a basic policy of at least one third of Members of the Board of Directors being Outside Directors (currently, three of the six Members of the Board of Directors are Outside Directors, including one female Member of the Board of Directors). The term of office for Members of the Board of Directors is set at one year to maintain clarity of the responsibilities of management and to ensure we can respond quickly to changes in the business environment.
The meeting of the Board of Directors is held once every month in principle, with the attendance of Members of the Board of Directors and Audit & Supervisory Board Members, to decide on important management issues and to supervise the status of the execution of duties by Directors. In order for Members of the Board of Directors and Audit & Supervisory Board Members to appropriately fulfill their roles and responsibilities, the attendance rate at the meeting of the Board of Directors is, in principle, set at 75% or more. Taking into account the time required to be devoted on duties as our Member of the Board of Directors or Audit & Supervisory Board Member, we set a limit on the number of companies its Members of the Board of Directors and Audit & Supervisory Board Members are allowed to concurrently serve as officers or in other capacity (appointment as officers of listed companies, etc.) at up to, in principle, four companies not including us.

Attendance of all Directors at the Meeting of the Board of Directors (FY2024)

Positions*	Name	Assignments or Important Concurrent holding of Positions*	the Meeting of the Board of Directors	
			Attendance / holding	Attendance rate
Representative Director, Chairman of the Board and Chief Executive Officer	Gyo Sagara	—	12 / 12	100%
Representative Director, President and Chief Operating Officer	Toichi Takino	—	12 / 12	100%
Representative Director, Executive Vice President	Toshihiro Tsujinaka	Executive Director, Corporate Strategy & Planning / HR Division	12 / 12	100%
Member of the Board of Directors, Outside Director	Masao Nomura	Advisor, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd.	12 / 12	100%
Member of the Board of Directors, Outside Director	Akiko Okuno	Professor, Faculty of Business Administration, KONAN UNIVERSITY	12 / 12	100%
Member of the Board of Directors, Outside Director	Shusaku Nagae	Special Corporate Advisor, Panasonic Holdings Corporation Chairman, Audit & Supervisory Board Member, Nikkei Inc.	12 / 12	100%

* Positions, Assignments or Important Concurrent holding of Positions are as of April 1, 2025.

Audit & Supervisory Board

From the perspective of strengthening audit functions, the Audit & Supervisory Board is composed of two independent Outside Audit & Supervisory Board Members (including one female Audit & Supervisory Board Member) along with two Full-time Audit & Supervisory Board Members who have expert knowledge on our business operations and who are highly skilled in collecting auditing information. These Outside and Full-time Audit & Supervisory Board Members work together to achieve high auditing efficiency. The Audit & Supervisory Board, which has regular meetings, cooperates with the Internal Audit Department to ensure organized and efficient auditing, and cooperates with the Accounting Auditors to enhance the effect of auditing and improve management supervision.

Attendance of all Audit & Supervisory Board Members at the Meeting of the Board of Directors / the Meeting of the Audit & Supervisory Board (FY2024)

Positions*1	Name	Assignments or Important Concurrent holding of Positions*1	the Meeting of Board of Directors		the Meeting of the Audit & Supervisory Board	
			Attendance / holding	Attendance rate	Attendance / holding	Attendance rate
Full-time Audit & Supervisory Board Member	Hironobu Tanisaka	—	12 / 12	100%	15 / 15	100%
Full-time Audit & Supervisory Board Member	Kiyoaki Idemitsu	—	12 / 12*2	100%	11 / 11*2	100%
Outside Audit & Supervisory Board Member	Yasuo Hishiyama	Partner Attorney at Law, TANABE & PARTNERS Outside Audit & Supervisory Board Member, Yoshimoto Pole Co., Ltd. Member or appraisal committee (Land Lease Non-Contentious Cases) at Tokyo District Court	12 / 12	100%	15 / 15	100%
Outside Audit & Supervisory Board Member	Akiko Tanabe	Representative, Akiko Tanabe CPA office Outside Director, OIE SANGYO CO., LTD. Partner of Midosuji Audit Corporation	12 / 12	100%	15 / 15	100%

*1 Positions, Assignments or Important Concurrent holding of Positions are as of April 1, 2025.

*2 At the conclusion of the 76th Ordinary General Shareholders' Meeting held on June 20, 2024, Kiyoaki Idemitsu retired as a Member of the Board of Directors due to the expiration of his term and was newly appointed as an Audit & Supervisory Board Member at the same meeting. Therefore, in the fiscal year 2024, he attended the Board of Directors' meetings 3 times as a Member of the Board of Directors and 9 times as an Audit & Supervisory Board Member. Additionally, since his appointment as an Audit & Supervisory Board Member, the Audit & Supervisory Board meetings have been held 11 times.

Skill Matrix of Members of the Board of Directors and Audit & Supervisory Board Members

With the corporate vision of “Dedicated to the Fight Against Disease and Pain,” we aim to become a global specialty pharma by upholding four growth strategies of “maximizing product value,” “strengthening pipelines and accelerating global development,” “realizing own marketing operations in US/Europe” and “expanding business domains,” and focusing on a stronger management base by introducing DX and providing personnel training. Through business activities, we also contribute to public health, improve our corporate value, and continue in our efforts to realize a sustainable society.
Under this vision, our corporate governance structure has an Audit &Supervisory Board, which accelerates delegation of authority to executing departments and enhances supervision and auditing by independent Outside Directors. The Board of Directors maintains a skill matrix, which specifies the required skills related to business or management experience for the Internal Directors and the fields in which advice is expected for the Outside Directors and the Audit & Supervisory Board Members.

Position	Name	Main Skills and Areas of Experience								
		Corporate Management	Finance and Accounting	Legal and Risk Management	Research and Development	Business Strategy and Marketing	Personnel Affairs and HR Development	ESG and Sustainability	Global Experience	DX and IT
Representative Director, Chairperson of the Board and Chief Executive Officer	Gyo Sagara	●	●			●		●		
Representative Director, President and Chief Operating Officer	Toichi Takino	●			●	●		●	●	
Representative Director, Executive Vice President	Toshihiro Tsujinaka	●	●	●		●	●	●		
Member of the Board of Directors	Masao Nomura	●	●	●		●	●	●		●
Member of the Board of Directors	Akiko Okuno						●	●	●	
Member of the Board of Directors	Shusaku Nagae	●			●	●		●	●	●
Full-time Audit & Supervisory Board Member	Hironobu Tanisaka			●				●		
Full-time Audit & Supervisory Board Member	Kiyoaki Idemitsu			●	●	●		●	●	
Audit & Supervisory Board Member	Yasuo Hishiyama			●				●		
Audit & Supervisory Board Member	Akiko Tanabe		●					●		

Skill certification standard: Internal Members of the Board of Directors: Experience in the pharmaceutical industry and in managerial positions; Outside Directors and Audit & Supervisory Board Members: Fields in which they are expected to give supervision, auditing, and advice

The skill matrix was created for the Directors and the Audit & Supervisory Board Members and was created after the General Meeting of Shareholders, the Board of Directors Meeting and the Audit & Supervisory Board Meeting held on June 20, 2024.

Basis for the choice of skill items

Basis for the choice of skill items
Corporate Management In an era of a rapidly changing business environment, achieving our long-term vision of becoming a Global Specialty Pharma requires expertise in global business environments and experience in corporate management, including managing overseas operations.
Finance and Accounting Expertise and experience in finance and accounting are key to boosting corporate value and ensuring sustainable growth by investing in research, development, and growth initiatives, all while maintaining and expanding the financial foundation.
Legal and Risk Management Expertise and experience in corporate governance and managing risk in business activities are essential to ensuring transparent and fair corporate management and achieving sustainable growth and medium-to-long-term corporate value improvement.
Research and Development To advance the “Reinforcement of Pipeline” growth strategy, experience in leading the formulation and execution of research and development strategies and expertise and experience that enables evaluation and guidance on research and development projects from the perspectives of progress and risk management are essential.
Business Strategy and Marketing To drive the “Maximizing of Product Value -From a patient-centered perspective-” and “Expansion of Business Domains” growth strategies, expertise in market trends, competitive landscapes, and technology trends as well as expertise and experience in strategic partnerships and open innovation in business activities are essential.
Personnel Affairs and HR Development Expertise and experience in human resources and talent development are essential for expanding human capital, which forms the foundation of our growth strategy, and for realizing global talent management and enhancing employee engagement.
ESG and Sustainability To contribute to people’s health through our corporate philosophy, tackle important management issues (materiality) in line with our Sustainable Management Policy, and achieve value creation and resilience in response to societal expectations, a strong understanding of sustainability—including environmental and social trends, as well as societal demands on corporations—is essential.
Global Experience To advance the “Acceleration of Global Business Advancement” growth strategy, expertise and experience are essential for analyzing and evaluating strategies from an international perspective, grounded in cross-cultural understanding, and providing advice on risk management and compliance.
DX and IT To accelerate growth strategies and drive innovation in business processes and the creation of new value, expertise and experience are essential for overseeing and advising on the effective use of the latest technologies in corporate activities and enhancing competitiveness through digital transformation (DX).

Executive Appointment Meeting

The Executive Appointment Meeting consists of four members, including three Outside Directors and Representative Director & CEO, and is chaired by an Outside Director. All members attend the Executive Appointment Meeting to ensure the transparency and objectivity of appointment of candidates for Members of Board of Directors, Audit & Supervisory Board Members, and senior management, and to discuss the policies for the succession planning to the chief executive officer and senior management, and those of our corporate governance. Furthermore, if the chairperson determines that a matter should be discussed only by outside directors, Representative Director, Chairman of the Board and CEO does not participate in the discussion. Executive appointments to be submitted to the Board of Directors are discussed at Executive Appointment Meeting, and submitted and approved at the Board of Directors.

Executive Compensation Meeting

The Executive Compensation Meeting consists of three Outside Directors. All members attend the Meetings to ensure transparency and objectivity of the amount of remuneration for each Member of the Board of Directors and the calculation methods thereof and deliberations are held on the appropriateness and future form of the executive remuneration system. Remuneration of Members of the Board of Directors is proposed to and determined by the Board of Directors after being examined at the Executive Compensation Meeting.

Corporate Governance Code

We implement all the principles of the Corporate Governance Code stipulated by the Tokyo Stock Exchange. We continue to improve the efficiency, soundness and transparency, etc. of the management, and to develop our system to be more suitable for our business operations, through an annual evaluation of the effectiveness of the Board of Directors.

Corporate Governance Report

Please refer to the “Corporate Governance Report” below for details on our corporate governance situation.

Corporate Governance Report（995KB）

Internal Control System

We have established an internal system in accordance with the basic views on Internal Control System set forth by the Board of Directors. The Internal Audit Department performs audits to ensure compliance, make efforts to identify internal control issues early, and maintain and improve the appropriateness of organizational management. In addition, the status of development and operation of the Internal Control System is regularly reported to the Board of Directors to ensure continual improvement of organizational operations.
We are also fully aware of the need to take a firm attitude against anti-social forces and organizations that threaten the order and safety of society.

Operational Management Structure

Regarding the issues to be discussed by the Board of Directors and the important business items and others responsible for related departments discuss them at the Management Meeting, etc., from many perspectives to ensure and enhance efficient and appropriate decision-making and business execution. The Corporate Officers are appointed for efficient management and quick decision-making, including delegation of authority.
The Management Meeting and other important meetings below are attended by the Audit & Supervisory Board Members. The meeting minutes are recorded and subject to audit.

The Management Meeting

The Management Meeting is chaired by the Representative Director, President & COO and consists of the Representative Director & Chairman, the Corporate Officers responsible for individual departments, and responsible personnel of related departments appointed by the Chair. The Full-time Audit & Supervisory Board Members observe the Meeting.
At the Management Meetings, the important issues to be discussed by the Board of Directors are examined, important management issues are discussed, and decision-making in regard to corporate management policies/strategies and other important information is shared.

The Sustainability Strategy Meeting

The Sustainability Strategy Meeting is chaired by the Representative Director & Executive Vice President responsible for sustainability and consists of the Representative Director, President & COO responsible sustainable management, the Executive Directors, and responsible personnel of related departments. The Full-time Audit & Advisory Board Members observe the Meeting.
The Sustainability Strategy Meeting aims to obtain trust and support from the stakeholders and discuss and examine the direction of sustainability activities, thereby contributing to realize a sustainable society.

The Group Compliance Committee

The Group Compliance Committee is chaired by the Corporate Officer responsible for and dedicated to compliance and consists of the Executive Directors or Division Directors responsible for promoting division compliance, and responsible personnel of related departments. The Full-time Audit & Supervisory Board Members observe the Committee.
The Group Compliance Committee examines compliance issues, plans and conducts training, examines reports, etc. from subsidiaries, and enhances compliance.

The Risk Management Committee

The Risk Management Committee is chaired by the Representative Director & Executive Vice President responsible for corporate risk management and consists of the Executive Directors or the Division Directors responsible for division risk management. The Full-time Audit & Supervisory Board Members observe the Committee.
The Risk Management Committee discusses and examines the policy and annual action plans, etc. to establish and operate the risk management system of Ono Group as a whole.

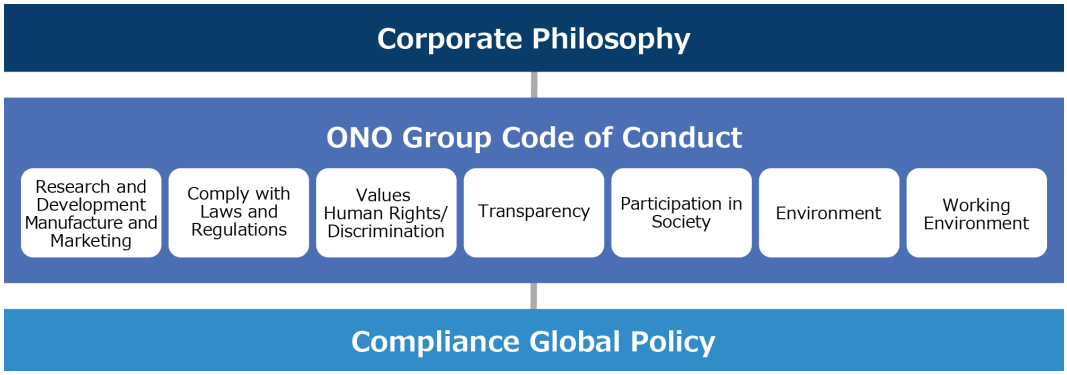
Compliance

Being aware of responsibilities as a pharmaceutical company dealing in pharmaceuticals upon which human lives depend, ONO has established the ONO Group Code of Conduct to ensure all its members act in compliance not only with laws and regulations but also with high ethical standards. We also promote fair procurement activities by thoroughly training employees on compliance education and by closely cooperation of our suppliers.

ONO Pharmaceutical's Compliance System

We recognize our responsibility, as a pharmaceutical company involved in the manufacture of pharmaceuticals that affect the people's lives. As a part of our compliance system, we have established the "ONO Group Code of Conduct" to ensure that our actions are in compliance with laws and regulations and are based on a strong sense of ethics. Our compliance system is comprised of the "ONO Group Code of Conduct" which has been established as a basic guideline that should be followed in our corporate activities based on our corporate philosophy, and the "Compliance Global Policy" which has been established as the concept and management system for promoting our compliance system. We have also formulated "ONO Pharmaceutical Code of Practice," in line with the Japan Pharmaceutical Manufacturer's Association (JPMA) Code of Practice, which sets forth action standards for promotion activities, and we act in strict compliance with this code.

In putting the compliance system into practice, we adequately inform our employees to ensure transparency, prevent fraud and corruption, and to be constantly aware of domestic and international social conditions.
In addition, social demands for compliance have increased in recent years. In our company, we are increasing awareness of compliance, now more than ever. Our aim is to cultivate a company culture where every employee considers compliance as their own issue and to prevent compliance violations. As part of this effort, we included "fairness and honesty" as competencies into the performance evaluation criteria for all positions and levels to enhance employee awareness. Furthermore, our Internal Audit Department conducts internal audits every year on the status of compliance with internal rules regulations.



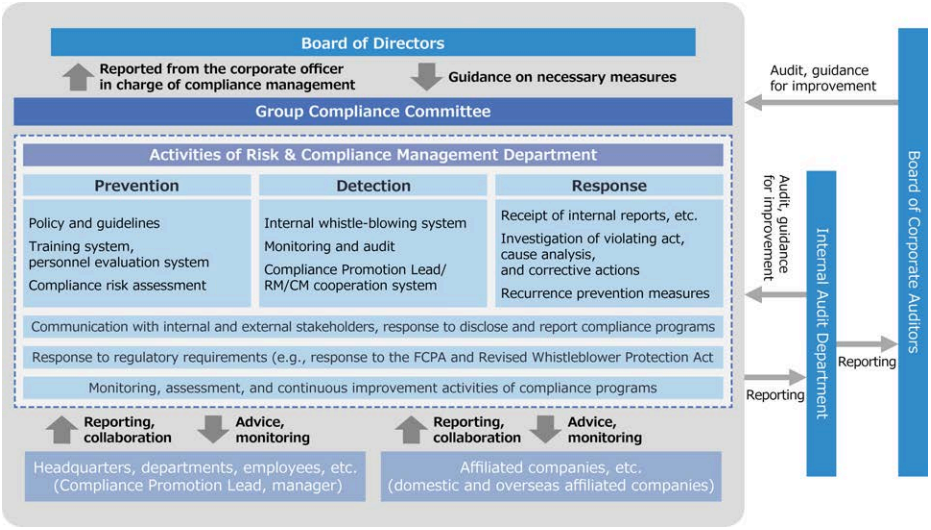
For details, please refer to the Corporate Philosophy / ONO Group Code of Conduct, Compliance Global Policy, and ONO Pharmaceutical Code of Practice below.

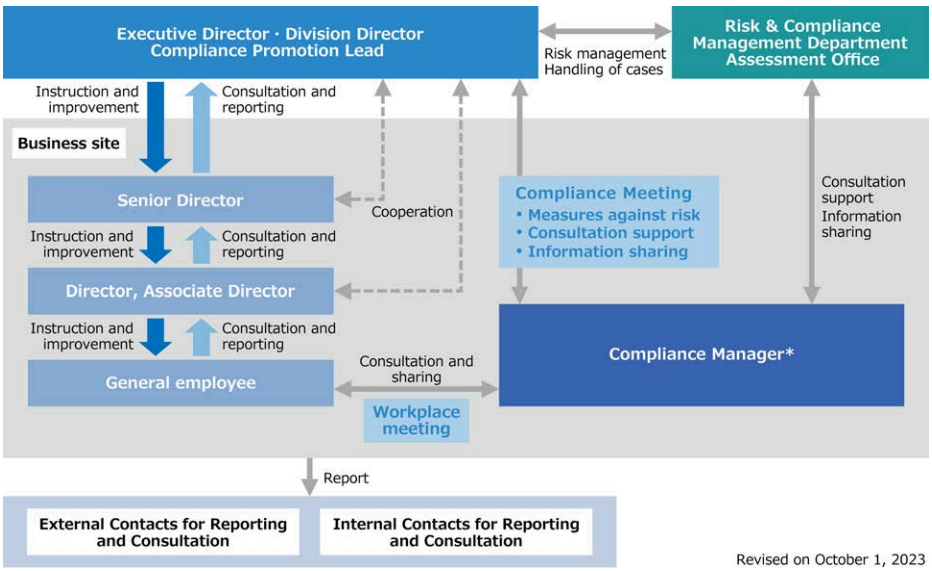
- Corporate Philosophy/ONO Group Code of Conduct
- Compliance Global Policy (521KB)
- ONO Pharmaceutical Code of Practice (201KB)

Initiatives to Strengthen Compliance System

Compliance Promotion System

To strengthen our compliance system, we have appointed an Executive Officer as the Officer in Charge of Compliance and established the Group Compliance Committee. The committee examines and deliberates on compliance-related issues, plans and promotes training and other programs, and takes up and discusses matters reported by subsidiaries. It also works with the Internal Audit Department to check the status of initiatives at each business site, and with the Risk Management Committee, which promotes enterprise risk management (ERM), to manage compliance risks. In response to serious compliance violations in FY2020, we have established an Assessment Office within the Risk & Compliance Management Department to enhance compliance. This office functions as an internal awareness-raising entity to prevent compliance violations and as a consultation point for employees' questions and concerns regarding compliance matters. Additionally, we have appointed Compliance Promotion Lead in each division who are in charge of operations for compliance, as well as Compliance Managers in all departments who act as the point of contact in the workplace for consultations regarding compliance matters. This system is designed to coordinate with the Risk Manager, who is in charge of managing the overall risks of the organization, and to promptly take measures in response to consultation matters that arise within the organization. Information on consultation matters is also shared with the Risk & Compliance Management Department, which provides advice to Compliance Managers. We require our group companies to establish systems and regulations to prevent compliance violations.





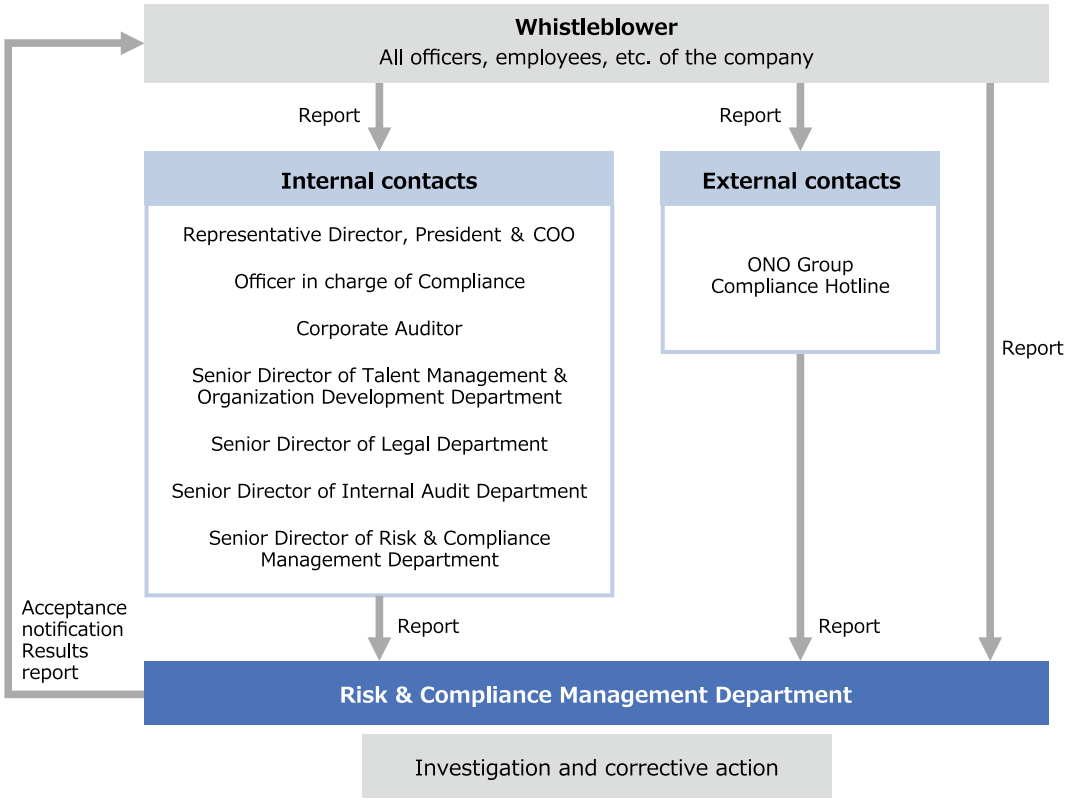
* The Compliance Manager is the primary point of contact within the business site for feedback from the frontline that is not or cannot be raised through the usual channels (via superiors).

Reporting System

We have established internal and external points of contact for reporting to prevent the occurrence and recurrence of compliance violations, including harassment, to secure an appropriate work environment, and to minimize loss and the erosion of public trust by taking swift action and measures in the event of a violation (see the chart below). The external contact point, "ONO Group Compliance Hotline," is available 24 hours a day and can be used by all officers and employees of our group, as well as external parties, in multiple languages. Additionally, we have established a system that enables direct reporting and consultation with management, including the Representative Director, President & COO, the Officer in Charge of Compliance, and the Audit & Supervisory Board Member. Reports received by the points of contact are immediately reported to the Risk & Compliance Management Department, which conducts an investigation to confirm the facts. As a result of the investigation, if the existence of misconduct, etc. is revealed, corrective actions, recurrence prevention measures and other necessary measures are promptly taken, and disciplinary action or other measures are strictly enforced. Efforts are made to notify the whistleblower of these developments as appropriate. When using the points of contact for reporting, the name of the whistleblower, the content they provide, and other privacy-related matters are strictly prohibited from being disclosed to parties other than those required for the investigation, and anonymous reports are also accepted. In addition, the whistleblower who uses these points of contact is protected by law and is not subject to any disadvantageous treatment on the grounds of whistleblowing. These matters are also clearly stated in the Whistleblowing Policy, which were newly established based on the Amended Whistleblower Protection Act that came into effect from FY2022. We also conduct training and other programs to ensure that our employees are aware of these reporting systems. We will continue to raise awareness on the significance and importance of reporting, as well as the protection of persons who report and consult, in order to establish a system that allows people to report without hesitation.

Whistleblowing Global Policy (227KB)

ONO Group Compliance Hotline



Management of Compliance Risks

The Risk & Compliance Management Department, which operates the PDCA cycle for compliance risk management, holds hearings twice a year with all of our divisions, supervisory departments, and other departments in order to visualize risks. In addition to the compliance risks identified by the Risk Manager and the Compliance Promotion Lead in charge of risk management in relevant departments, the results of these hearings are used to assess how frequently risks occur and the degree of their impact. The Risk & Compliance Management Department then discusses countermeasures with the Compliance Promotion Lead and the Risk Manager and monitors their progress after repeated examinations.

Compliance Education

To maintain and improve awareness of compliance, it is important to continuously conduct training and awareness-raising activities for officers and all employees (including part-time and contract employees). We use e-learning to conduct a 100-question compliance test twice a year for officers and all employees. In addition, we have designated the two-month period from November to December as the ONO Group's "Compliance Promotion Enhancement Month," and we are strengthening our compliance initiatives under a common group slogan. In response to cases of serious compliance violations in FY2020, starting from FY2021, we have been conducting education and training each year on the prevention of bribery for officers and all employees in order to thoroughly prevent a recurrence. In addition, aside from conducting annual training for all employees regarding harassment, we also conduct training for newly appointed managers and are shoring up our efforts to create a comfortable work environment. Training related to the Guidelines on Activities to Provide Sales Information is based on compliance issues that have actually been confirmed, and in addition to holding regular training sessions, if problems do arise, we promptly conduct training to prevent their recurrence. We also promote risk-based training programs on other compliance-related themes.

Response to Violations and Corrective Actions

The Risk & Compliance Management Department investigates any violations that occur. As a result, those who are found to have violated compliance are subject to disciplinary action, including termination of employment. We are also working to prevent recurrences by strengthening our compliance management system and thoroughly raising employee awareness through training, etc. Please refer to the ESG data for the number of violations.

Ethical Considerations in Research and Development

We always give consideration to ethical treatment in various stages of research and development.
For research using human-derived samples (blood, tissue, cells, genes, etc.), we have established internal ethical rules based on the basic guidelines issued by the Japanese government. We have also established the Ethics Committee for Medical and Health Research Involving Human Subjects, as an advisory body comprising members from inside and outside the company, to ensure that such research is conducted only after the Committee conducts strict assessment of its ethical and scientific validity. We also recognize that the use of human embryonic stem cells (ES cells) for research purposes raises bioethical concerns because human ES cells are derived by destroying human embryos, which are the emerging potential of human life, and they have the potential to differentiate into any type of human cell. We believe that we should carefully consider the use of human ES cells for research purposes at the internal Ethics Committee based on relevant laws and regulations and guidelines.
For research using laboratory animals, we have established the Institutional Animal Care and Use Committee. The Committee reviews submitted animal experimentation plans in advance to determine whether they have been prepared based on the principles of the 3Rs-Replacement (use of alternative methods), Reduction (reducing the number of test animals) and Refinement (alleviation of pain)-to ensure that animal experiments are carried out appropriately, with respect for the lives of animals and taking into consideration animal welfare. In addition, we conduct self-inspections and assessments of the implementation status of animal experiments. In recognition of these initiatives, we have acquired third-party certification from the Japan Pharmaceutical Information Center.
We ensure that clinical trials, which are essential for verifying the safety and efficacy of pharmaceuticals under development, are carried out in a highly ethical manner, with particular attention to the rights, safety and welfare of study subjects. Clinical trials are a long process. We ascertain the true value of a new drug step-by-step by taking all necessary and appropriate procedures that comply with Japan's "Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices（Pharmaceutical and Medical Device Act）" and other related legislation, as well as the global standards specified based on the spirit of the Declaration of Helsinki. In the past, many drug-induced injury cases occurred due to inadequate safety monitoring of pharmaceutical products. We regularly provide education on drug-induced injuries to all employees so that they will never forget patients' pain, the drug-induced toxicity, and the grave responsibility of a pharmaceutical company.

For more information, see the web pages below:

- Research and Development Ethics

Fair and Transparent Business Activities

To contribute to healthcare and people's health around the world through continuous new drug creation and provision of a stable supply of our products, we need to cooperate with research and medical institutions and engage in collaborative activities such as support for patient organizations to help patients overcome disease and pain. To enhance the fairness and transparency of these cooperation and collaborative activities, it is important to ensure transparent relationships with our partners. We therefore disclose information on the costs of our assistance to medical institutions and patient organizations in accordance with our transparency guidelines, which were developed in line with the relevant guidelines of the Japan Pharmaceutical Manufacturers Association (JPMA).

Regarding tax compliance, we have established the Tax Global Policy, in strict accordance with which all tax-related management are undertaken under the responsibility of the officer in charge of accounting. For details, refer to the "Tax Global Policy," "Country-by-Country Report (Condensed)," "Business Description and Information on Subsidiaries and Associates," and "Notes to Consolidated Financial Statements (Income taxes)" below.

- Tax Global Policy
- Country-by-Country Report (Condensed) (Fiscal year ended March 31, 2024) (315KB)
- Business Description and Information on Subsidiaries and Associates (Fiscal year ended March 31, 2024) (279KB)
- Notes to Consolidated Financial Statements (Income taxes) (Fiscal year ended March 31, 2024) (325KB)

We have also established the Anti-Bribery and Corruption Global Policy and the Anti-Bribery and Corruption Policy. We endeavor to ensure strict implementation of the policy and regulations. Furthermore, we support Transparency International's Business Principles for Countering Bribery, an international anti-bribery standard.
As for research receiving public fund as research funding, we have formulated the Regulations on Publicly Funded Research, in compliance with the relevant guidelines established by the Japanese government, to ensure further appropriate implementation and management of research projects.

For the details of our system for preventing bribery and corruption, refer to the Anti-Bribery and Corruption Global Policy (hereinafter the "Global Policy") below.

- Anti-Bribery and Corruption Global Policy

For more information, see the web pages below:

- Operation and Management System of Public Research Funds

We are aware that major risks may occur, which is why we have established a system that not only prevents the occurrence of such risks, but also takes appropriate measures to deal with them should they occur. In an aim to realize optimal company-wide risk management, we have established the Risk Management Global Policy and introduced Enterprise Risk Management (ERM).

Risk Management

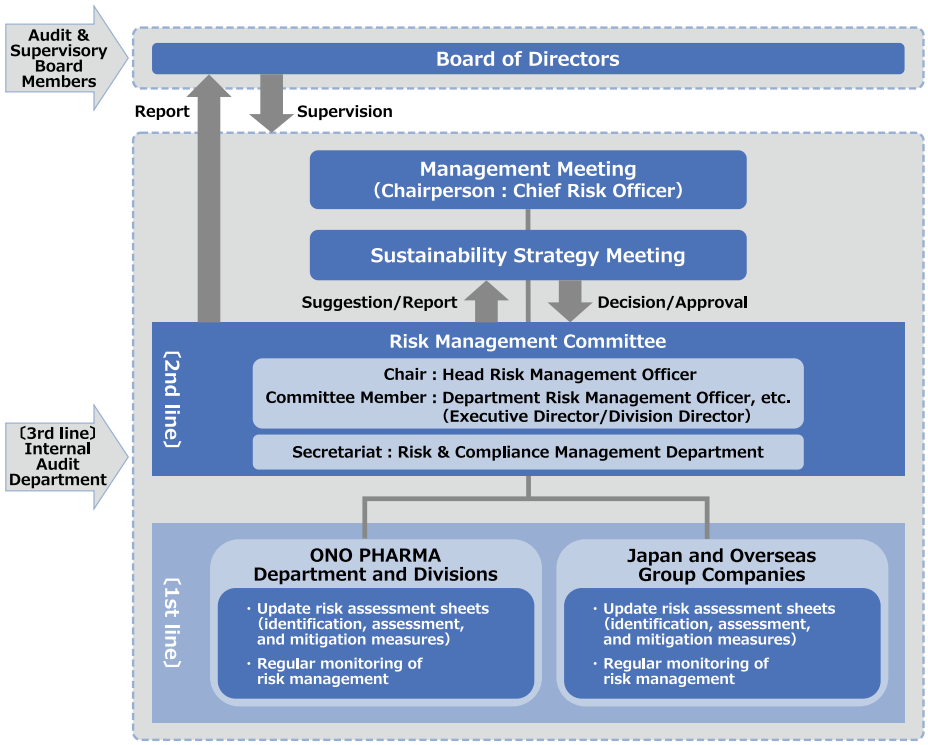
Basic Policy for Enterprise Risk Management (ERM)

- In order to ensure the company's stable business continuity and to achieve our business goals, we will develop and promote an Enterprise Risk Management (ERM) System with the aim of minimizing losses for the company, our customers and other stakeholders while at the same time fulfilling our necessary accountability to society.
- We will identify major risks that are deemed important or urgent as having a significant impact on management, and promote risk management throughout the company.
- If a risk emerges, we will implement measures to minimize damage and swiftly recover, and resolve the problem as soon as possible.

ERM Promotion System

We have established our ERM System with the Representative Director, President & COO as Chief Risk Management Officer responsible for ERM, and Representative Director, Executive Vice President / Executive Director, Corporate Strategy & Planning as Head Risk Management Officer, and as we regard risk management issues as important issues for our business strategy, we are taking action to respond to those issues. In addition, a Risk Management Committee has been established under the Management meeting to promote ERM, mainly led by the Risk & Compliance Management Department, which is the department (secretariat) in charge of risk management. Moreover, the Audit & Supervisory Boards and the Internal Audit Department are responsible for auditing the status of ERM promotion. Our Audit & Supervisory Board consists of two full-time Audit & Supervisory Board Members, who are well-versed in all aspects of our business operations and possess advanced information-gathering capabilities, and two outside Audit & Supervisory Board Members, who provide highly independent, objective, and professional perspectives. The Board conducts audits from a position independent of management. The Risk Management Committee also regularly reports the results of company-wide risk assessments and the status of responses to risks to the Board of Directors in an effort to improve the effectiveness of risk management.

ONO's risk management system



1st Line: Role in business promotion and risk management practices

2nd Line: Role in monitoring and keeping 1st Line activities in check

3rd Line: Role in providing independent assurance

Crisis management

In the event that a serious risk does emerge, the Representative Director, President & COO will establish an Emergency Response Committee, as necessary, to take measures to minimize damage and promote a speedy recovery.

Auditing of risk management process

Auditors conduct audits every year on our risk management process. In addition, the Risk Management Committee Secretariat reports semiannually to the Audit & Supervisory Boards (including two outside auditors) twice a year on the status of ERM, including risk identification (methods and results), risk assessment (priority rating), responses to major risks, and the results of those responses, among other matters. Furthermore, with regard to internal operational audits, the Risk Management Committee Secretariat shares with the Internal Audit Department the status of operational risk management confirmed by each division and the occurrence of new risks as needed, and this information is reflected in the selection of items for operational audits. The Internal Audit Department regularly reports the results of audits to the Audit & Supervisory Boards.

Involvement of Outside Directors in Risk Management

Outside directors are expected to serve the roles of supervising and advising management.
They are regularly reported on risk management at meetings of the Board of Directors, review the management system, and operation of ERM, and provide advice as needed.
They also regularly exchange opinions with the Risk Management Committee secretariat outside meetings of the Board of Directors. They provide advice on a wide range of ERM topics, based on the experience of corporate executives and professor (business administration), and keep their knowledge up to date on risk management practices.

Risk management education

Our training on risk management is conducted through a combination of level-specific and theme-specific training to ensure that all employees understand the importance of risk management and to enhance the effectiveness of our risk prevention activities. In our level-specific training, we provide training programs tailored to the roles and attributes of participants, such as executives and newly appointed managers.

- As an example of our hierarchical training programs for FY2024, we held a session for executives led by an external instructor on “Essential Risk Management Points for Executives.” This training covered the responsibilities and roles of management in risk management, provided a refresher on our company’s ERM framework, and addressed risk management practices aimed at helping each division and department achieve their goals.

In our theme-specific training, we regularly conduct e-learning twice a year, in the first and second halves of the year, on the basics of compliance, which is basic information that every employee should know as a member of society. This is done in an effort to foster a corporate culture within the company.

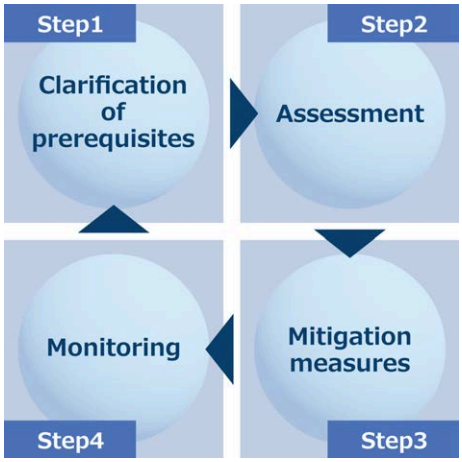
- In FY2024, we provided an overview of our risk management initiatives along with fundamental knowledge, and focused on sharing specific actions for daily operations.

Group-company-wide Risk Management

While respecting the autonomy of each group company, we provide advice and guidance on group-wide risk management through means such as periodic reports on business activities and discussions regarding important matters. Since FY2020, we have been expanding our ERM System to our group company in Japan and overseas, and have been using the “Risk Assessment Sheet” in our operations since FY2021. From FY2024, we have expanded the scope of our initiatives to include group companies engaged in businesses other than pharmaceuticals. We are continuously implementing risk management measures tailored to the specific circumstances of each group company, working to strengthen the overall risk management framework across the entire group.

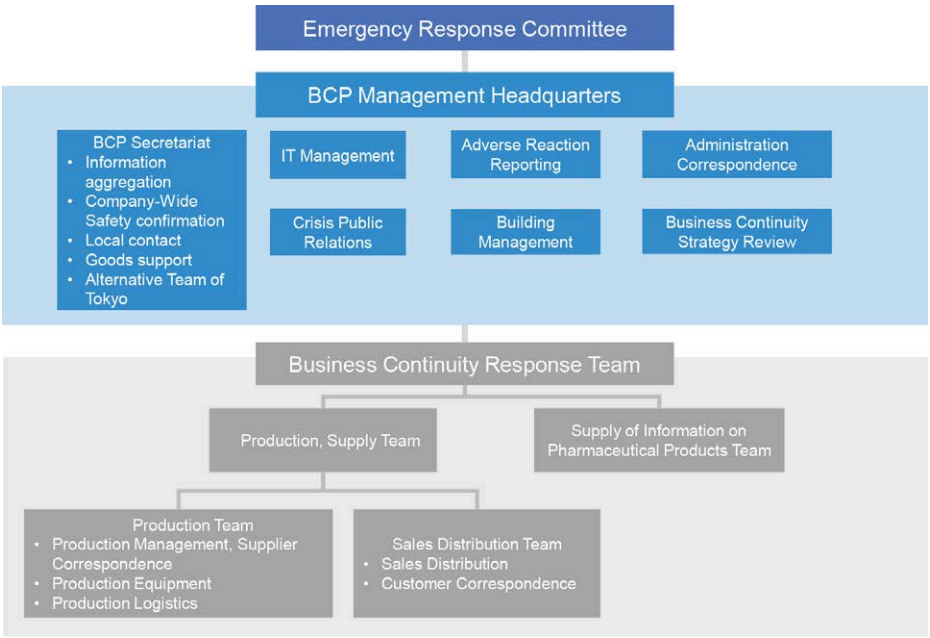
Annual Cycle of Risk Management

We strive to continuously improve ERM through the following four processes: First, we clarify the purpose of ERM for strengthening our management foundation, the target risks, and preconditions such as common risk evaluation criteria for the entire company (Step 1). Next, we conduct semiannual risk hearings with each division and department twice a year to identify potential risks and reassess existing risks, and formulate and update plans for dealing with those risks. We also conduct interviews with management to identify key risks that should be managed on a company-wide basis (Step2). Each risk is scored based on its likelihood and impact, and then classified as critical, high, medium, or low. Risks rated as high or above are considered particularly important from a management perspective, designated as “company-wide risks” by the Risk Management Committee, and are given priority for countermeasures(Step 3). For each company-wide risk, a risk owner is selected for each risk to be responsible for managing those risks, and the progress of response plans is monitored by the Risk Management Committee twice a year. These updates are also reports to the Board of Directors (Step 4). We are working to enhance corporate value through the promotion of these ERM initiatives.



Business Continuity Plan (BCP)

We have established a Business Continuity Plan (BCP) to ensure that, even if our operations are interrupted by natural disasters or accidents, we can quickly recover and resume our business operations. By securing two production sites—Fujiyama Plant and Yamaguchi Plant—and multiple logistics centers across Japan, we are working to mitigate risks and ensure a stable supply of our products. At key locations such as our headquarters, Tokyo Building, each plant, and each research institute, we have implemented disaster countermeasures, including emergency power supply systems and redundant power lines to protect against power outages. In addition, we have installed seismic isolation systems at our headquarters, Tokyo Building, Minase Research Institute, and Yamaguchi Plant to reduce the risks associated with earthquakes.
Furthermore, to prepare for large-scale disasters, we have established a system that allows us to respond from both our headquarters and the Tokyo Building, implemented a system to quickly confirm the safety of our employees, and continue to strengthen our response capabilities through improvements to our internal systems and regular training.
The BCM Committee, which is responsible for business continuity management, is working to develop an all-hazards BCP that addresses not only natural disasters and major accidents but also a wide range of potential incidents. Furthermore, we are developing crisis response and business continuity plans on a global scale, including our overseas group companies.



Major Risks

The Ono Pharmaceutical Group's performance may be significantly affected by various business development risks that may arise in the future. The following is a list of major potential risks to the group's business development efforts. However, this is not an exhaustive list of every risk, and risks other than those listed may also exist, which may affect investors' decisions. Furthermore, items regarding future matters in the text were decided on by the Ono Pharmaceutical Group as of the end of FY2024.

Risks are classified into three categories, namely, “Strategic Risk,” “External Risk Factor,” and “Operational Risk(Risks associated with business operations),” and basic policies and priorities for dealing with those risks have been determined. The basic policy for responding to each risk classification is as follows:

- Strategic Risk: A risk associated with the business itself, such as failed business plans, which should be addressed in medium-term plans, etc.
- External Risk Factor: A risk arising from external factors that cannot be managed and should be addressed through ERM, including BCP.
- Operational Risk: A risk that arises through management failures that could have been avoided if imagination was used, and should be addressed through ERM.

Based on these three categories, our “major risks” are as follows:

(1) New Product Development
Main Risk Item: Failure to develop new products
Risk Classification: Strategic risk
Based on our corporate philosophy of “Dedicated to the Fight against Disease and Pain,” we aim to establish ourselves as an R&D-based global pharmaceutical company (Global Specialty Pharma) that is capable of competing on the global arena by discovering original and innovative drugs that truly benefit patients in order to meet unmet medical needs. To this end, we are taking on the challenge of creating innovative drugs on our own and actively promoting open innovation to incorporate the world's most advanced technologies and know-how.
However, it is also expected that long-term and large R&D investments may not yield results, and that development may have to be suspended, resulting in the failure of bringing new and original drugs to the market. In the event of such a situation, our group's business results and financial standing may be significantly impacted as we would not be able to generate the future earnings we had originally expected.

(2) Overseas Business Expansion
Main Risk Item : Failure to market our own products in the West
Risk Classification: Strategic risk
The Ono Pharmaceutical Group is working to expand its business overseas with the aim of becoming an R&D-based global pharmaceutical company (Global Specialty Pharma) that is capable of competing on the global arena by discovering original and innovative drugs. We have already established local subsidiaries in South Korea and Taiwan to market our own products, and are currently working to develop and strengthen our development and self-marketing systems, etc. in the West. In June 2024, we welcomed Deciphera Pharmaceuticals, Inc. (Deciphera), which possesses excellent R&D capabilities in the field of oncology and commercial capabilities in the West, as a Group company to accelerate our group’s pipeline expansion and global development.
As we engage in our global business activities, we consider necessary measures such as addressing development risks by expanding our development pipeline to offer multiple product candidates for release, as well as obtaining information on legal regulations, economic conditions, political instability, region-specific natural disasters and uncertainties in the business environment in each country. However, our group's business results and financial standing may be affected if we are not able to completely avoid risks.

(3) Dependence on Certain Products

Main Risk Item: Failure to break away from dependence on specific products

Risk Classification: Strategic risk

Revenues from Opdivo I.V. infusion and royalties related to anti-PD-1/PD-L1 antibodies account for approximately the mid-50% range of our group's total revenue (fiscal year ending March 2025). The Ono Pharmaceutical Group's business results and financial standing could be affected if sales revenues decline due to NHI drug price revisions, the emergence of other strong competitor products, the expiry of patents or other protection periods, and/or other unforeseen circumstances.

To address such risks, the Ono Pharmaceutical Group is working to accelerate the global expansion of its business in its medium-term management plan, which has been in development since FY2017. Until now, our business model has been based on conducting clinical development and sales in Japan, Korea, and Taiwan, and licensing out new drug candidates in Europe, the United States, and other regions. However, we are working to change that model and conduct our own clinical development and marketing in Europe and the United States. As part of this effort, in June 2024, we acquired the US biopharmaceutical company Deciphera, which strengthened our clinical development system in Europe and the United States, and allowed us to acquire sales networks in more than 40 countries around the world. Moving forward, we will work to swiftly improve our once Opdivo-dependent management structure by quickly introducing our assets in the clinical development stage to the global market. This includes, but is not limited to, Qinlock and Romvimza (assets held by Deciphera), Velexbru (a drug created by Ono Pharmaceutical), and Sapablursen (a drug introduced by Ionis in March 2025).

(4) Compliance

Main Risk Items: Pharmaceutical and Medical Device Act violations, Anti-bribery laws and regulations violations, antitrust laws violations, Code of Practice violations

Risk Classification: Operational risk

In conducting our business activities, our group is subject to various laws and regulations, including those related to product quality, safety, the environment, and chemical substances, as well as those related to transactions, labor, accounting standards, and tax laws. We will also need to respond to stronger national policies, laws and regulations for mitigating climate change. In the event of a serious breach of the law by the Ono Pharmaceutical Group or its contractors, etc., the group's reputation, business results and financial standing may be affected. The group's business results and financial standing may also be significantly affected if changes to laws and regulations restrict its business activities and if investments are required to deal with such changes.

The group has established a compliance management system based on the Ono Group Code of Conduct, which includes enacting policies such as the Compliance Global Policy, and establishing a Group Compliance Committee and a compliance violation reporting service both within and outside the company. Furthermore, we have established a system to prevent violations by identifying and monitoring compliance risks on a regular basis to ensure compliance with laws and regulations relating to our business activities.

(5) Product Quality Control

Main Risk Item: Product defects and recalls

Risk Classification: Operational risk

In order to provide a stable supply of quality medicines, not only from the perspective of legal requirements relating to the quality of medicines, but also from the perspective of patients, caregivers, and healthcare professionals, our group has a policy of ‘contributing to society through the stable supply of medicines with a high level of quality assurance’, and based on this policy and our company’s own quality manuals, we have established a quality system and are working to continuously improve the system. However, in the event of unexpectedly serious quality-related issues or concerns over product safety and security or product liability (PL) issues due to new scientific findings, this could lead to liability for damages and a loss of trust not only in the product brand in question, but also in the group as a whole, and the group's business results and financial standing could be significantly affected.

If there are concerns about the quality, effectiveness or safety of our products, the Ono Pharmaceutical Group promptly assesses those concerns, and if a decision is made to recall the concerned products, information is promptly provided to healthcare professionals who then recall the products in question.

(6) Supply Chain (Stable Supply)

Main Risk Item: Supply chain risks

Risk Classifications: External risk factor, operational risk

The Ono Pharmaceutical Group has established a system to deal with the risk of natural disasters and accidents, as well as the risk of deviating from the Pharmaceutical and Medical Device Act.

However, our group's business results and financial standing could be affected if our production activities are stagnated or delayed due to the suspension of the functions of certain plants or external contractors, or if the supply of raw materials from suppliers is halted due to natural disasters such as earthquakes and typhoons, the spread of a large-scale infectious disease, accidents such as fires, system failures or terrorist attacks, or if there is a deviation from the Pharmaceutical and Medical Device Act. Details regarding measures to deal with natural disasters and accidents are described in (13) Natural Disasters (Major Earthquakes and Climate Change), Infectious Diseases, and Accidents.

In order to address the risk of deviating from the Pharmaceutical and Medical Device Act, we have established strict in-house quality standards and thoroughly implement production-related documentation and verification, change control, and deviation management processes. We also conduct quality audits on our own factories and contractors and regularly check that they are operating appropriately. Furthermore, we recommend employees to act from a patient-oriented perspective and to promptly report and share information whenever they feel that something is wrong. This is being done in an effort to foster and establish a culture of quality, and we ask our contractors to do the same. In this manner, we ensure a consistent high standard of quality control to make sure that products that do not conform to our standards are never shipped.

(7) New Side Effects

Main Risk Items: Occurrence of new side effects, etc.

Risk Classification: Strategic risk

Medical products have the potential for new side effects, which were not experienced during the clinical trial phase, to be reported after they hit the market, or the frequency of those side effects may increase. If a new serious side effect does occur, the group's business results and financial standing could be affected by the payment of compensation for damages or a decrease in sales revenue due to the withdrawal of approvals, etc.

Our group has developed risk management plans for each of its medicinal products and continuously collects and assesses safety (adverse drug reaction) information. After assessing the collected information for seriousness and the need for alerts, we implement safety measures as necessary, such as revising package inserts and providing notices on the proper use of our medical products, etc.

(8) Responding to Changes in the Market Environment (Changes in the Competitive Environment & Healthcare Reforms)

Main Risk Items: Increased competition from competing products and generics, and failure to respond to medical cost control measures

Risk Classifications: Strategic risk, external risk factor

The Ono Pharmaceutical Group's pharmaceutical manufacturing and sales business is subject to various regulations by the pharmaceutical administration of each country. Our group's business results and financial standing could be affected if sales revenue declines due to changes in the pharmaceutical market environment, such as the sales status of competing and generic products, as well as due to the effects of healthcare reforms in Japan, such as reductions in official NHI drug prices and the promotion of generic drug use, or due to various medical cost control measures implemented overseas.

In response to this, the Ono Pharmaceutical Group is working to maximize product value through proactive R&D activities and the swift reinforcement of company-wide cross-divisional collaboration. In addition to promptly detecting and responding to changes in the healthcare system, we are also taking a strategic approach to ensure our competitive advantage by anticipating changes in the market environment from the early stages of development. At the same time, we also constantly monitor market trends in aspects that affect our products' life cycles and prepare resources to maximize the potential of our products.

(9) Information Security

Main Risk Items: Cyber attacks, unauthorized access, and leakage of personal information from external parties
Risk Classifications: External risk factor, operational risk

The Ono Pharmaceutical Group promotes the use of digital and IT not only to improve the efficiency and sophistication of its operations, but also to enable a more flexible corporate transformation that is in line with the business environment. In addition, highly confidential and personal information is handled by these systems. Things get more complex as our business becomes increasingly global and as the scope of how data is utilized expands, and so, there is a risk of possible technical failures, suspension of business operations due to unauthorized access or attacks from third parties or from within the company, and leakage of critical information.

For these reasons, if information is tampered, misused or leaked, etc., due to a system failure or accident caused by a computer virus infection, cyber attack or other cause, the group's business results and financial standing may be affected due to reasons such as a significant loss of public trust.

To reduce these risks, in addition to the development of security-related policies and guidelines and the use of appropriate technological countermeasures and services in line with changes in the social environment, we have established an incident response system and provide training for all employees in Japan and overseas, and continually reinforce measures based on security assessments conducted by third parties.

(10) Recruitment, Training, and Retention of Human Resources

Main Risk Items: Delays in the recruitment, training, and retention of human resources
Risk Classification: Strategic risk

The Ono Pharmaceutical Group strives to recruit, train and retain a diverse and talented workforce for sustainable growth, but if we are unable to recruit, train and secure diverse and talented personnel over the medium to long term, our business activities may stagnate, etc., and the group's business results and financial standing may be significantly affected.

In order to ensure that each and every member of our diverse pool of talent can work energetically and demonstrate their full potential, we are developing systems and work environments that enable our employees to work in diverse ways. We are also working to recruit and secure human assets through initiatives aimed at making our company a rewarding and attractive place to work, and are enhancing our training systems and creating opportunities for employees to take on the challenge of furthering their individual growth and developing their skills.

Furthermore, in order to respond swiftly and flexibly to changes in the environment and to increase our corporate value, we place importance on increasing the diversity of our human resources while at the same time fostering a climate of mutual respect. From the perspective of diversification in terms of age, gender, and corporate history, the hiring of young, female and mid-career employees is being promoted at the management level, which spearheads business growth. In addition to this, by utilizing our company’s engagement surveys, we are promoting the development of a climate where our diverse workforce can stay highly motivated as they engage in their respective tasks.

(11) Intellectual Property

Main Risk Items: Infringement on the intellectual property of a third party, infringement of intellectual property from a third party
Risk Classification: Operational risk

The Ono Pharmaceutical Group takes great care to ensure that the products it manufactures and sells do not infringe the intellectual property rights of third parties, but in the unlikely event of an infringement, our group's business results and financial standing could be affected by a decrease in sales revenue, etc., due to the payment of compensation for damages or a suspension of manufacturing and sales.

Although the group appropriately determines and manages inventors and other parties, and pays them appropriate compensation as stipulated in our internal regulations and contracts, etc., the group's business results and financial standing could be affected by the payment of compensation for damages if it is sued by an inventor or other party.

Furthermore, if intellectual property rights owned by the group or licensed from other companies are infringed by a third party, the group's business results and financial standing could be affected by the loss of expected earnings.

(12) Handling of Impairment Risks (Sales Rights, In-Process R&D Expenses, and Goodwill)

Main Risk Item: Occurrence of huge impairment losses

Risk Classification: Strategic risk

The Ono Pharmaceutical Group monitors its performance by comparing budgets with actual results, as well as other means, and has established a system to measure impairment losses in a timely manner if there are signs of a deterioration in performance. In the future, if deviations from the performance plan occur and the expected future cash flow cannot be obtained due to the emergence of various risks, etc., described in “Business and other risks,” impairment losses on sales rights, in-process R&D expenses, and goodwill could be incurred. In such cases, the group's business results and financial standing may be affected.

(13) Natural Disasters (Major Earthquakes and Climate Change), Infectious Diseases, and Accidents

Main Risk Items: Natural disasters and accidents

Risk Classification: External risk factor

Problems may arise in securing raw materials, continuing production, distribution processes, etc., due to a major earthquake, a natural disaster associated with climate change, or the spread of large-scale infectious diseases, etc. Alternatively, explosions and fires at production plants, failures in information and control systems, malfunctions in social infrastructure such as electricity and water, environmental pollution caused by hazardous substances, terrorism, political turmoil, riots and other events may occur. For these reasons, if the supply of manufactured goods or research and development activities, etc. are hampered, our group's business results and financial standing may be affected due to the stagnation of our business activities, etc.

Even if business is interrupted, the Ono Pharmaceutical Group has formulated business continuity plans (BCPs) to ensure that it can promptly restore and resume operations in the event of accidents and natural disasters such as earthquakes and climate change-related flooding. By securing our two production sites, namely, the Fujiyama Plant and the Yamaguchi Plant, as well as distribution hubs in several locations in Japan, we reduce risks that pose a threat to the stable supply of our products. As part of our disaster prevention measures, the head office, the Tokyo building, each plant and each research center, which are all important sites, are equipped with emergency power supply equipment, redundant power supply lines, and other equipment to deal with power outages. In addition, seismic isolators have been installed at the head office, Tokyo Building, Minase Research Institute and Yamaguchi Plant to reduce the risks associated with earthquakes. In preparation for large-scale disasters, we are working to develop internal systems, such as building a system that can respond to such disasters through two locations, namely the head office and Tokyo building, and introducing a system that can quickly confirm the safety of our employees. We are also continuously working to strengthen our contingency response capabilities by regularly implementing disaster drills and other activities. The BCM Committee, which is responsible for business continuity management (BCM), is working to develop an all-hazards approach BCP that can respond to various incidents as well as natural disasters and major accidents. The BCM Committee is also developing global emergency response plans and BCPs, including for overseas subsidiaries.

(14) Fluctuations in Financial Market Conditions

Main Risk Items: Exchange rate fluctuations, changes in the price of financial assets

Risk Classification: External risk factor

- Exchange rate fluctuations

  As the Ono Pharmaceutical Group internationally expands its business and receives royalties and pays expenses in foreign currencies, etc., we are exposed to the risk that fluctuations in exchange rates may reduce sales revenue, increase purchase costs and research and development costs, and incur foreign exchange losses. In order to mitigate the above risks, our group hedges a certain percentage of foreign currency transactions with forward exchange contracts in accordance with our market risk management policy. However, our group's business results and financial standing could be affected if foreign currency exchange rates fluctuate greater than expected.

- Price fluctuations

  The Ono Pharmaceutical Group is exposed to the risk of stock price fluctuations arising from capitalized financial instruments. The Ono Pharmaceutical Group does not hold any capitalized financial instruments for short-term trading purposes but holds capitalized financial instruments to smoothly execute its business strategy. Our group regularly assesses the fair value of such instruments and the financial status of their issuers, etc., and reviews their holdings as necessary while taking into account our relationship with relevant companies. However, our group's business results and financial standing could be affected if the fair value of capitalized financial instruments changes significantly beyond expectations.

(15) Addressing Environmental Issues

Main Risk Items: Increased costs of measures against global warming, the occurrence of environmental pollution accidents

Risk Classifications: External risk factor, operational risk

To address environment-related issues, the Ono Pharmaceutical Group has established its environmental challenge vision (ECO VISION 2050) based on its environmental global policy, and the group is making company-wide efforts to realize a decarbonized society, a water recycling society, and a resource recycling society. In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), we disclose information after considering how to identify and respond to risks related to climate change and nature. In this manner, our company recognizes its corporate social responsibility towards the environment and promotes environmentally friendly activities in all areas of its business activities to preserving the rich global environment.

Some chemicals substances and biological samples used in pharmaceutical research, manufacturing processes, etc., have a significant impact on human health and ecosystems and therefore need to be appropriately managed. The Ono Pharmaceutical Group not only complies with relevant laws and regulations regarding the use, manufacturing, storage, disposal and other handling-related matters for hazardous substances in the countries and regions where we operate, but we have also established voluntary standards that are stricter than laws and regulations and implement proper management through monitoring.

However, if future revisions to environment-related laws and regulations impose stricter requirements, the costs for addressing those requirements may increase and our research, development, manufacturing and other business activities may become restricted. In the unlikely event of non-compliance with environment-related laws and regulations, unexpected environmental pollution caused by hazardous substances, and if the associated harm becomes apparent, these developments could undermine the public’s trust in our company, potentially excluding us from insurance coverage, or causing us to be liable for costs and legal liabilities in excess of the compensation amount. In such cases, the group's business results and financial standing may be affected.

Information Security Management

Basic Approach

Information assets are very important management resources.
We established a global policy on information security to protect information resources strictly, including data related to research and development and the personal information of internal and external stakeholders, and to manage the information appropriately. In consideration of the global increase in cyberattacks and security threats, we are also addressing the further strengthening of cybersecurity based on the global standard framework.

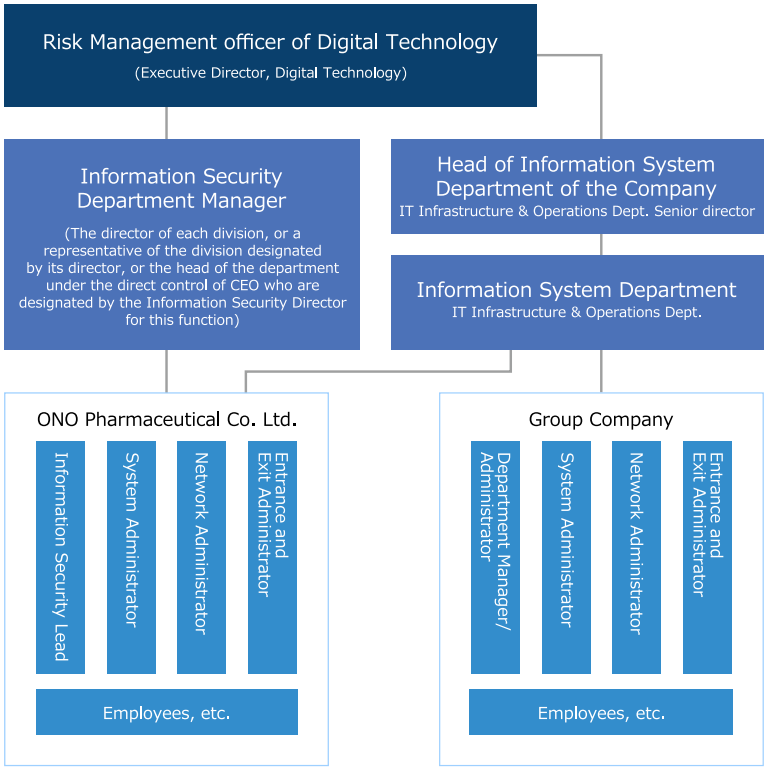
> Information Security Global Policy

Information Security Management System

We have established Information Security Global Policy and procedures, as well as an information-security-related management system to ensure the effectiveness of these policies and procedures.
Overall responsibility for information security rests with Risk Management officer of Digital Technology (Executive Director of Digital Technology). The Risk Management officer of Digital Technology is responsible not only for formulating the ONO Group's information security management strategy, but also for creating, revising, implementing and managing related policies, etc., and for ensuring that the ONO Group complies with them, while taking into account changes in the environment surrounding Ono Pharmaceutical and the latest trends in relevant laws and regulations, etc. Under the Risk Management officer of Digital Technology, a Head of Information System Department of the Company and the Information Security Department Manager are appointed to perform information security management duties at each division and Group company*.
Initiatives related to information security and cybersecurity are reported and shared at the Board of Directors following the Digital Technology Division meeting and the Risk Management Committee.

* A company of which 100% of voting rights are owned by ONO PHARMACEUTICAL CO., LTD.

Organizational Structure for Information Security Management



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Cyber Security Measures

Cyberattacks are becoming increasingly sophisticated and complex, so in response to these changes in the external environment, we continuously review and improve measures to address this issue. Some specific examples of such measures include implementing multi-layered defenses, strengthening our global security infrastructure, thoroughly enforcing policies, and conducting periodic vulnerability assessments.

Responding to Security Incidents

We have organized a Computer Security Incident Response Team (CSIRT) for the purpose of quickly resolving security incidents and minimizing damage. The CSIRT strives to maintain and improve the security level of the entire group by collecting vulnerability and threat information and issuing alerts. In addition to conducting regular incident response training, the CSIRT also actively collects and shares information by participating in security organizations and communities.

Security Education & Awareness

In order to prevent security incidents from occurring, it is important to not only implement technical countermeasures but to also raise the security awareness of each and every employee. That is why we regularly educate our employees on information security and conduct e-mail training on a global basis. We have also established a website to disseminate information related to information security, and are making efforts to explain and inform our employees about various guidelines and rules on information security.

Responsible Promotion Activities

Basic approach

Our vision of our sales activities is to work as a team, think from the patient's perspective, and respond to the real needs of healthcare professionals, based on the belief of "Contribute to patients' wellbeing as a true medical partner". As a life-related company, we always maintain high ethical standards. In order to provide appropriate information on pharmaceutical drugs, the Sales and Marketing department and each department (Risk & Compliance Management Department, Safety and Quality Assurance, etc.) collaborate to promote responsible promotion activities. We pursue promotion activities in accordance with the "ONO Pharmaceutical Code of Practice (hereinafter the "Code")", which has been formulated as our corporate action guidelines in compliance with the JPMA Code of Practice.

> ONO Pharmaceutical Code of Practice

Pursuit of fair promotion activities

We define "Promotions" as "Providing and transmitting drug information to healthcare professionals and promote the proper use and spread of ethical drugs based on such information". All employees involved in promotion carry out fair promotion activities, while always examining whether they are acting in accordance with the spirit of the Code regardless of whether there are specific provisions or descriptions in the Code. Furthermore, based on the Code, we not only comply with the "Guidelines on Activities to Provide Sales Information on Prescription Drugs" (hereinafter the "Guidelines") issued by the Ministry of Health, Labour and Welfare of Japan, and the "Promotion Code for Prescription Drugs" established by the Japan Pharmaceutical Manufacturers Association (JPMA), but also respect the IFPMA (International Federation of Pharmaceutical Manufacturers & Associations) Code of Practice.

Management system for promotion activities

We have established a Sales Information Activities Supervisory Division within the Risk & Compliance Management Department as a system for guiding and supervising fair promotional activities. This division constantly checks that promotional activities are being conducted appropriately by carrying out three actions, namely, examining promotional materials (including lecture slides), monitoring the promotional activities themselves (business records as described by MRs), and conducting education and training on a regular basis. We have also established an Examination and Supervision Committee that includes external third parties, and we receive advice from this committee on our sales information provision activities. In addition, the Internal Audit Department conducts internal audits every year to confirm compliance with this Code, as well as with internal rules and regulations. In the event that an inappropriate promotional activity does occur, we will promptly collect and investigate information regarding the incident before requiring the Sales Information Activities Division to take corrective action and preventative measures.

Review system for promotional materials

In promotion, the provision of accurate information is required to promote the proper use and spread of pharmaceuticals. All materials used for promotion undergo a review process by the Sales Information Activities Supervisory Division, which involves a review by external third parties. We also strive to provide appropriate information on slides used by speakers in sponsored and co-hosted lecture meetings, by checking in advance whether the Sales Information Activities Supervisory Division contains any unapproved information on pharmaceuticals. The Sales Information Activities Division is not involved in any of these processes.

Training for thorough implementation of fair promotion activities

We provide training for all employees involved in promotion activities to enhance their awareness of compliance. Specifically, every year, we set up a Compliance Promotion Month (three months) to raise awareness of compliance in general, and the Risk & Compliance Management Department provides training for branches and sales offices twice a year. Training on guidelines for sales information provision activities is conducted once a year for employees involved in promotion, including executives. Furthermore, we organize lecture training sessions given by the leaders of various departments as well as e-learning training courses in order to improve employees' knowledge and understanding of compliance in general. In the event of a violation of the Code, we promptly conduct special training sessions on a company-wide scale to prevent the occurrence and recurrence of violations.

	Frequency	Scope	Main contents
Training by Risk&Compliance Management Department	Twice a year	Code, Guidelines, Fair Competition Code	Operating rules of lectures hosted and co-hosted by our company, Appropriate promotional activities
Training by leaders in departments	Twice a year	Guidelines	Appropriate provision of information (Company Records) Rules for lectures hosted by our company (Prior confirmation of slides)
Training by e-learning	Once a month	Code, Guidelines, Fair Competition Code	Q&A for Code and guideline compliance

Training for promoting proper use of pharmaceuticals and collecting safety information

In promotion activities, it is important to quickly collect safety information on prescribed drugs and provide appropriate information, based on collected information, to healthcare professionals to further promote proper use of pharmaceuticals. We conduct introductory training on "Ministerial Ordinance on the Post-Marketing Safety Management of Drugs (GVP Ordinance)" in a lecture format for all employees involved in promotion activities. After that, training on drug risk management plans (RMP) is also conducted at the launch of a new product and once a year, and training on pharmaceutical damage is conducted every two years. In addition, continuing education on the collection of post-marketing safety information is conducted every year.
All employees involved in promotion activities are fully aware of safety characteristics of each drug as well as the importance of safety management, and promote the proper use of drugs and collect safety information in order to minimize the occurrence of side effects in patients.

Stakeholder Engagement

Basic Idea

Our stakeholders include patients, healthcare professionals, shareholders, investors, employees, suppliers, academia, research institutes, local communities, relevant governmental agencies, industrial associations, NGOs, and NPOs. We have to ensure legal compliance, corporate governance, and transparency. We believe that we also have to build and continue strengthening relationships with all stakeholders through engaging in business activities that respect their interests and holding dialogue with them to achieve sustained growth.

Our basic attitude is promoting communication/constructive dialogue with all stakeholders and disclosing necessary information to them accurately, fairly, impartially, and promptly.

We strive to disclose information and communicate so that stakeholders understand our policies and activities and we can earn their trust. In addition, we identify stakeholders' requests and expectations and then engage with the issues. In that way, we continue taking on the various challenges as a research and development pharmaceutical company.

Engagement with Stakeholders

Stakeholder	Offering new value for stakeholders	Main opportunity to build/strengthen relationship
Patients and healthcare professionals	Based on our corporate philosophy, we listen sincerely to consultations and opinions we receive from patients and healthcare professionals, and through careful communication, we use these voices for drug discovery, product improvement, and better service.	Collection and provision of information on the proper use of pharmaceuticals
		Using the "voices" brought to Customer relations
		Communication with pharmacists for medicines improvement
Shareholders and investors	We strive to disclose information at the appropriate time and in the appropriate manner so that shareholders and investors can appropriately understand our business conditions and other activities. In addition, we use the opinions obtained through constructive dialogue with shareholders and investors to increase our corporate value.	Shareholders meeting
		Financial Results meeting
		Dialogues to promote understanding
		Provision of information through R&D and ESG Meetings
		Provision of information through corporate reports, sustainability reports, and official website
Employees	Our diverse talents work together to create an environment for growth and an organizational culture where they take on challenges proactively.	Provision of opportunities for personal growth
		Provision of a work environment where employees can have peace of mind in their work
		Promotion of health maintenance and enhancement
		Provision of opportunities to take on challenges (calling for business ideas, etc.)
		Provision of information through company papers and internal intranet.
Suppliers	We engage in fair and equitable transactions with suppliers in compliance with the "Procurement Activities Basic Policy" and comply with laws and regulations, etc. We also contribute to achieving a sustainable society in cooperation with suppliers.	Fair and transparent procurement and purchasing
		Sustainable procurement
Academia/research institutes	We share knowledge and technologies and exchange opinions proactively while striving to create a foundation for innovation to contribute to the development of medical and pharmaceutical science together.	Joint research and collaboration in drug discovery with universities and other research institutes and venture companies
Local communities	We understand the impact of our business activities on local communities and engage in business activities that respond to the requests of local communities. In addition, we promote co-existence with the local community as a corporate citizen.	Contribution to economic development
		Environmental conservation activities
		Activities to contribute to the local communities
Governmental agencies, industrial associations	Along with governmental agencies and industrial associations, we engage in the sustainable development of governments and industries and in the resolution of social issues.	Information provision and dialogue
		Collaboration and information exchange with relevant organizations, including Keidanren (Japan Business Federation)
		Cooperation with governments
NGOs/NPOs etc.	We understand the requests of society by engaging in dialogue and collaboration with NGOs, NPOs, etc. and we also strive to resolve social issues together.	Activities to improve medical access
		Social contribution activities

Dialogue with Shareholders and Investors

For more details, please see this (IR information).

Cooperation with Governments

Activities with the Local Government

On November 12, 2021, we concluded an agreement with Osaka Prefecture on cooperation and collaboration for the promotion of health promotion among residents in Osaka prefecture.
The public and private sector work together to solve social issues through cooperation between government initiatives and CSV (Creating Shared Value) activities by private company. We have been promoting "Dialogues with local communities" as one of important themes of our business activities. As a pharmaceutical company headquartered in Osaka prefecture, we will continue to cooperate in promoting the health of the residents in Osaka prefecture by working together with Osaka Prefecture to solve social issues related to health, taking advantage of the mutual strengths of the government and company.

A picture of the signing ceremony of partnership agreement at the Osaka Prefectural Head Office

Efforts for Cancer Education in High School

"Cancer Education" in high schools officially started in April 2022. In order to support the activities to promote "Cancer Education" that are needed in schools, we engage in activities in cooperation with the Osaka Cancer Society and Osaka Prefectural government.
For more details, please see here (only available in Japanese).

ONO's Social Contribution Activities Global Policy

We commit to contributing to sustainable social development as well as to the advancement of medicine and pharmacy as "a good corporate citizen", under the corporate philosophy of "Dedicated to the Fight against Disease and Pain". In consideration of the relationship between current and future business activities and our business resources, we determine priority fields to focus on and have established the following ONO's Social Contribution Activities Global Policy. With the cooperation of the company and employees, we partner with parties who share our vision and carry out a variety of social contribution activities based on this ONO's Social Contribution Activities Global Policy.

- Contributing to the advancement of medicine and pharmacy
- Supporting health of patients and their families
- Contributing to environmental conservation for existence of all lives
- Contributing to an education for the children's health
- Contribute to an improvement of the medical ecosystem

Efforts for the Advancement of Medicine and Pharmacy

We are making efforts to meet unmet medical needs and contribute to medical and pharmaceutical advancement.

Research Grants Through Foundations and Donated Courses

We have been donating and providing research grants to public interest incorporated foundations for the development of medical and pharmaceutical sciences.

ONO Medical Research Foundation

The Foundation provides grants for research activities in the field of lipid metabolism disorders and also aims to promote research and treatment in that field through various projects, thereby contributing to the health and welfare of the public. Since its establishment, the Foundation has provided research grants and research encouragement grants every year.

› For more information on ONO Medical Research Foundation, please visit Foundation's website (Japanese).

ONO Pharma Foundation

This Foundation aims to support principal investigators (PIs) who are scientists with creative ideas in specific scientific research areas. By providing research grants, the Foundation contributes to supporting innovations that lead to innovative medical treatments of patients and promoting the research of young researchers.

› For more information on ONO Pharma Foundation, please visit Foundation's website.

ONO Pharmaceutical Foundation for Oncology, Immunology, and Neurology

The Foundation was established in FY2022 and aims to contribute to the health of people around the world by supporting cutting edge science and researchers leading to innovative (breakthrough) research achievements in the oncology, immunology and neurology areas in which high unmet medical needs still remain.

› For more information on ONO Pharmaceutical Foundation for Oncology, Immunology, and Neurology, please visit Foundation's website (Japanese)

“The Osamu Hayaishi Memorial Scholarship for Study Abroad” Japanese Biochemical Society

The Society has been supporting a new project "Osamu Hayaishi Memorial Scholarship for Study Abroad" since FY2017 for researchers who are motivated to conduct biochemical research related to all life sciences to study abroad.

› For more information on “The Osamu Hayaishi Memorial Scholarship for Study Abroad”, please visit the website of Japanese Biochemical Society.

Efforts for Supporting Health of Patients and Their Families

We conduct various health-related activities to provide a wide range of support for people such as patients and their families. Going forward, we continue to engage in various activities that contribute to people's health.

Dissemination of Medical Information

Through content and applications, the latest information useful for healthcare is widely and continuously posted and disseminated. We also cooperate with and hold seminars for citizens to raise awareness of diseases and provide accurate information. In FY2024, seven seminars were held focusing on areas such as rheumatism, chronic kidney disease, etc., with approximately 900 participants.

Delivered Content and Applications	Description
"ONO MEDICAL NAVI/For Patients and Their Families"	The content and design of the website have been completely redesigned to introduce the main symptoms and testing methods of familiar diseases in a more understandable manner. In addition, to help patients live healthy and fulfilling lives, the site also provides information on how to keep active and have fun according to their health condition, such as nationwide walking maps and vegetable gardens.
"ONO ONCOLOGY (Information for the general public and patients)"	We provide information to approximately 150,000 people per month through our website, which introduces cancer, its treatment, and cancer immunology. We have also added new information about the social issues and support needs faced by cancer patients and their families, including a conversation between a former young carer and a school social worker, and an interview with a couple who had experienced cancer in the AYA generation.
“FukuSapo®” (A digital side-effect management support tool)	We are providing a side-effect management app called “FukuSapo” free of charge to patient undergoing treatment with immune checkpoint inhibitors to help self-care and detect side effects at an early stage. Patients can record their daily physical condition and side effects in the app. Additionally, if the patient has a symptom that the app deems should be reported to a medical institution, it will display an alert on that patient's smartphone screen. The app also allows them to share their record details with other people such as family members.
"Grandma's world"	We provide a short movie to increase dementia awareness.

Participating in Relay for Life

We have participated in Relay for Life (RFL) as a part of our social contribution activities since FY2014. Relay for Life is a charity activity project conducted by the Japan Cancer Society and the National Action Council of Relay for Life, and is carried out nationwide with the aim of dealing with and overcome cancer. Many employees continue to participate in the RFL events mainly at the locations where our research institutes, plants, and sales offices reside. From FY2020 to FY2022, however, the RFL events were scaled back or canceled in even more locations due to the impact of the novel coronavirus (COVID-19). From FY2023, we began carrying out full-fledged efforts to participate in the events held in each region, and in FY2024, a total of 279 employees participated at 17 locations across Japan.

We have started a new “message flag” activity at our company booth set up at the Relay for Life venue since FY2022. In this activity, we ask participants to write down their thoughts to our employees on the "message flag," which facilitates communication between our employees and participants. We will continue to utilize the Relay for Life events as opportunities to provide support for cancer patients and their families.




Supporting Children under Long-term care through Sports

There are considered to be approximately 250,000 children under long-term care throughout Japan who undergo medical treatment for several months, several years, or longer. Due to long-term hospitalization and painful treatment, there are many children who get older without experiencing the same things as other children of similar age. ONO supports and works with an authorized NPO, Being ALIVE Japan, which works closely with these children and engages in activities "to form a team to achieve the best childhood, or 'youth,' for children requiring long-term care." In FY2024, we cooperated with holding five sporting events hosted by Being ALIVE Japan for children under long-term care and 50 ONO employees in total participated in the events as volunteers.
In October 2024, the second "TEAMMATES SPORTS in Kansai," was held through the sole support of ONO in Shiawase-no-Mura, Kobe, Hyogo. The sporting camp was 2 days and one night and six families participated in the event. Children received lessons from members of university sports clubs and professional athletes and joined in karate, lacrosse, rugby, curling and other sports. Twenty-two ONO employees participated as volunteers, assisted in the sports and supported family members. In addition, in this sporting camp, with the expectation that participants would learn about our ingenuity in manufacturing medicines, become interested in the medicine, and change their approach to medicine, we also held our unique workshop, "Kusuri no Himitsu Manabu." Children in white coats engaged in experiments to dissolve tablets and observed how tablets dissolved with fascination.

A digest video of the sports camp filled with children's smiles

Please visit the website of the certified NPO Being ALIVE Japan (Japanese only)

認定特定非営利活動法人
Being ALIVE Japan

Snow Gift for Children with Serious Illness

Since FY2014, ONO has been a constant supporting member of a public interest incorporated foundation, "Solaputi Kids' Camp"(Takikawa City, Hokkaido), a campsite with on-site medical care that is a dream for children with illness.
Since FY2021, we have been supporting a new project "Snow Gift," which packs fresh, powdery snow from the campsite into boxes and delivers them to children hospitalized in medical institutions in areas where it doesn't snow, so they can enjoy playing with the snow. However, there were cases where the Snow Gift was not delivered smoothly in the hospital and the snow in the box melted. Therefore, ONO's MRs (Medical Representatives), who visit and engage in activities at the target hospitals on regular basis, provide support as "Snow Delivery Volunteers" by receiving boxes from the package delivery company and directly delivering "fresh snow" to the person in charge of each medical institution.
In January and February 2025, ONO's MRs handed out Snow Gifts from "Solaputi Kids' Camp" to persons in charge at 14 medical institutions . We were able to give the joy of playing in the snow to in-hospital children who have no opportunities to play with snow. Later, we received compliments and letters from the children who played with the snow and their parents and medical staff members. ONO's employees who participated in this activity commented that they were so happy to help with "delivering joy (the snow)."




Supporting World Cancer Day

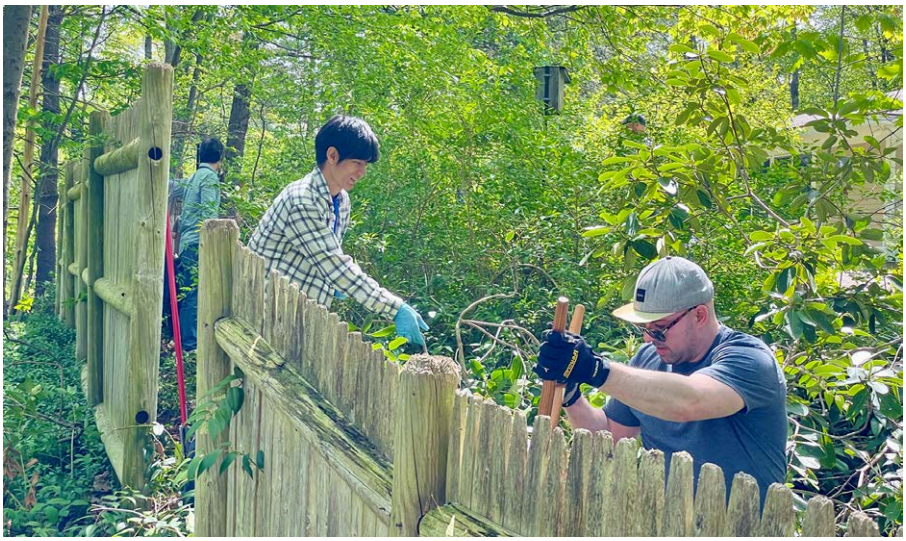
World Cancer Day is a global initiative of the UICC (Union for International Cancer Control), which originated from the Cancer Summit held in Paris on February 4, 2000. This day is an important opportunity for people around the world to think together, make commitments, and take concrete action against the common enemy of cancer.
From October to November 2024, the Ono Group conducted a walking campaign for all employees, including those at Group companies around the world, and their families, with the aim of promoting health and contributing to society. This campaign is designed to support World Cancer Day according to the number of participants and the total number of their steps. The result was about 3,600 people from the entire Group participated, walking together as one with cancer patients in mind. This sentiment led to great support for World Cancer Day 2025.

(Reference)

- About World Cancer Day
- Ono Pharma supports World Cancer Day 2025 (Japanese only)

Supporting Cancer Patients (US)

The Virginia Thurston Healing Garden Center, a facility in Massachusetts surrounded by forest and garden, offers stress reduction programs such as massage therapy and music therapy to improve the quality of life for all people affected by cancer. In May 2024, ONO PHARMA USA employees visited the healing garden and conducted a volunteer activity to wholeheartedly clean the facility and the garden so that visitors could feel comfortable.
In addition, they have been participating in Light The Night, a charity event where lanterns are raised to commemorate and show solidarity with people fighting blood cancer, since 2022, and the ASH Foundation Run/Walk, a charity run/walk to support research to treat blood cancer, since 2021.



Supporting Children with Cancer & Their Families (South Korea)

ONO PHARMA KOREA has been supporting the childhood cancer NGO "Hanbit Love Support Association" since 2019.
The organization's "Hanbit Love House" in Seoul is an accommodation facility for children with cancer who need to travel long distances for hospitalization or hospital visits, and their families. FY2024, employees of ONO PHARMA KOREA, together with their families, came up with Christmas gifts to help children fighting illness overcome their disease. Additionally, they presented the gifts to "Hanbit Love House" with letters, illustrations, and video messages created with their feelings in mind.

Blood Donation

We actively cooperate with the blood donation activities of the Japanese Red Cross Society. In FY2024, blood donations were collected using a mobile blood donation unit at the Minase Research Institution, Fujiyama Plant, Yamaguchi Plant, and the Head office. At the Head Office, bone-marrow registration applications were also received.

Efforts Toward Environmental Conservation for the Health of Everyone

We are committed to aiding in the resolution of environmental issues such as biodiversity and climate change by recognizing that our business activities depend on and affect nature. In addition, employees at each worksite actively participate in cleaning activities around the worksite and in neighboring areas. In these ways, we are working to contribute to environmental conservation and to coexist in harmony with local communities.

Efforts at Each Worksite

At Fujiyama Plant, our employees periodically clean the area surrounding the plant premises and have been providing trash bags for “Operation Trash Clean-sweep,” a cleanup activity of the municipal neighborhood associations of Fujinomiya City and the “Fujinomiya City Cleaning Campaign” as activities that are friendly for the community environment.

Cleanup activity at Fujiyama Plant

Providing trash bags

At Yamaguchi Plant, employees have voluntarily participated in neighborhood cleanup activities in Yamaguchi City such as “Fushinogawa Water System Clean Campaign” on the Fushino River to contribute to the beautification of the community environment.

Cleanup activity on the Fushino River (July)

At the headquarters and Joto Pharmaceutical Product Development Center, employees participate in the annual "Osaka Marathon 'CleanUP' Campaign," which is a municipal cleanup campaign hosted by the Osaka Municipal Government every year. More than 100 employees participated in the cleanup activities around the worksite in January and February 2025, and collected more than 15 kilograms of waste, including ordinary trash, plastics, cans, and PET bottles, and disposed of them separately.


Osaka Marathon 'CleanUP' Campaign

The Tsukuba Research Institute is a member of the TSUKUBA HOKUBU Industrial Park Liaison Council and participates in bi-annual cleanup activities for member companies to maintain the beauty of the HOKUBU Industrial Park.


Cleanup activity on the TSUKUBA HOKUBU Industrial Park

The Minase Research Institute is a member of the “Rikyu no Mizu” Conservation Society of the Minase Shrine, which has been selected as one of the 100 best fresh-water springs in Japan. To ensure this famous water is passed down to future generations, our employees participate in a bi-annual cleanup event and clean the area around the water-drawing and hand-washing facilities.

Effort at ONO PHARMA TAIWAN

In January 2025, ONO PHARMA TAIWAN conducted a mountain-cleaning activity at Guanyin Mountain in New Taipei City. Guanyin Mountain is a popular destination for hiking and leisure activities, and in recent years, as the number of visitors has increased, there has been an increase in illegal dumping and littering. All employees participated in the cleaning activity, collecting a total of about 12 kilograms of trash and contributing to the beautification of Guanyin Mountain.



Efforts Toward an Education for the Children's Health

We are proactively engaged in educational activities to support the development of children, who will be responsible for the future.

Traveling Science Workshop "Kusuri no Himitsu Manabu"

With the aim of increasing children's interest in science, experiments, and medicines, we have provided traveling science workshops for 6th grade students. We have carried out this program since FY2015 at Shimamoto Daisan Elementary School, which is near the Minase Research Institute, and since FY2019 at Hoei Elementary School, which is near the Joto Pharmaceutical Product Development Center. Our researchers serve as lecturers and experiment support staff in this program, allowing children to meet people who are engaged in the research of new medicines. According to comments from children after taking the classes, many of them were surprised by the fact that it takes a long time for new medicines to reach patients and that medicines involve various ingenuity. In addition, some children said, "I want to be a researcher in the future." We are pleased that this program may serve as a spark for children to think about their future occupation. This program is also an important experience for our staff members who participated, as it helps them recognize the importance of connecting with the local community and recall their original intentions as researchers by directly experiencing the reactions of children.

Number of Participants per Year	FY2022	FY2023	FY2024
Students	123	137	114
Lecturers and staff members supporting the experiment	24	28	24
Secretariat staff members	8	6	8

After conducting traveling science classes, we carry out surveys with the children, teachers, and our staff, and use the feedback to improve the program for the following years.

Traveling science workshop at Hoei Elementary School

Traveling science workshop at Shimamoto Daisan Elementary School

Efforts for Cancer Education in High School

Following the revision of the Curriculum Guidelines by the Ministry of Education, Culture, Sports, Science and Technology in Japan, “cancer education” has officially started in high schools in FY2022. As a pharmaceutical company committed to contributing to people's health through the research, development, manufacturing, and sales of cancer treatment drugs, we have supported initiatives related to “cancer education” in high schools to help students acquire accurate knowledge about cancer. On-site classes were held in two schools in FY2022, three schools in FY2023 and three schools in FY2024.

For more information on our activities related to “cancer education,” please click here (only available in Japanese).

Donation of Tooth Care Sets

We donate toothbrushes/toothpastes produced by our subsidiary, BEE BRAND MEDICO DENTAL CO., LTD. that conducts research, development, manufacturing, and sales of dental products to contribute to the establishment of good oral hygiene habits in children in conjunction with "Dental and Oral Health Week," which runs from June 4th to 10th. We value the development of local communities and businesses together and we continue to engage in this activity.

Location	Target	Year started	ONO's related base
Shimamoto-cho, Osaka	Elementary schools, kindergartens, nurseries	2014	Minase Research Institute
Higashinari-ku, Osaka City	Hoei Elementary School	2018	Joto Pharmaceutical Product Development Center

Sponsorship of the Performance “Kokoro no Gekijo,” Organized by the Butai Geijutsu Center Foundation & the Shiki Theatre Company

We support the purpose of the children’s invitational performance “Kokoro no Gekijo (Theatre of the Heart),” organized by Butai Geijyutsu (Performing Arts) Center Foundation and the Shiki Theatre Company, and sponsor the Kansai block performances. "Theatre of the Heart" is a project that aims to convey the most important aspects of life such as the value of life, compassion for others, and the joy of mutual trust, to children’s hearts through the stage. It invites children from all over Japan (mainly sixth graders) to the theater for free to deliver the emotional impact of theater. Due to the impact of COVID-19, the “Theatre of the Heart” was conducted via video streaming service from 2021 to 2022. In 2023, the invitational performances returned to the theater for the first time in three years, and in FY2024, many children attended the theater to watch the performance.

2024 "Adventures of Gamba"

ESG Data

Sustainability data is included. Historical data are included in the annual Sustainability Report.
To ensure the reliability of the reported figures, we have received third-party assurance for some of the environmental and social data in the "SUSTAINABILITY DATA 2025 (PDF version)". In the "SUSTAINABILITY DATA 2025 (PDF version)," data for FY2024 that has received assurance is marked with ★.

Environmental Data

[Data Coverage]

Consolidated	All companies included in the consolidated financial statements.	
Non-consolidated	ONO PHARMACEUTICAL CO.,LTD.: Fujiyama Plant/Yamaguchi Plant (since FY2018 -)/Joto Pharmaceutical Product Development Center/ Minase Research Institute/Tsukuba Research Institute/Former Fukui Research Institute/Offices including the Head Office	
ONO Group	FY2024	ONO PHARMACEUTICAL CO.,LTD., ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd., michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
	FY2022 and FY2023	ONO PHARMACEUTICAL CO.,LTD., ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd.

If the data coverage is different from the above, it is specified in each table.

For FY2024 data coverage , michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., and BEE BRAND MEDICO DENTAL. CO., LTD. are added to those of FY2023.

Due to rounding of the figures in the table, the breakdown totals may not always equal the overall totals (Same as environmental data below)

Scope 1+2 GHG Emissions (Unit: kt-CO_2)

Item		Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024★
Scope 1 (Breakdown by GHG type)	Energy-derived	Non-consolidated	8.5	9.8	8.0	6.6	7.0
		ONO Group	-	-	8.0	6.6	7.4
	Non-energy-derived (HFCs, HCFCs)	Non-consolidated	0.2	0.0	0.2	0.1	0.6
		ONO Group	-	-	0.2	0.1	0.6
	Total	Non-consolidated	8.7	9.8	8.2	6.7	7.7
		ONO Group	-	-	8.2	6.7	8.1
Scope 2		Non-consolidated	21.1	13.7	10.2	9.4	1.2
		ONO Group	-	-	10.4	9.5	3.1
Scope 1+2 (Total) (a)		Non-consolidated	29.8	23.6	18.4	16.0	8.9
		ONO Group	-	-	18.6	16.2	11.2
Amount of CO_2 offset due to voluntary credit (Carbon-neutral city gas purchased) (b)		Non-consolidated	0.0	0.6	0.7	1.7	6.9
		ONO Group	-	-	0.7	1.7	6.9
GHG emissions after offset (a-b)		Non-consolidated	29.8	23.0	17.7	14.4	2.0
		ONO Group	-	-	17.9	14.5	4.3

GHG emissions are calculated using the following formula. These are market-based data.

[Japanese bases] Calculated in accordance with the Act on Promotion of Global Warming Countermeasures.

[Overseas bases] Calculated by multiplying the amount of electricity purchased by overseas based by the country-specific emission factor published in the UNFCCC The IFI Dataset of Default Grid Factors (v3.1).

Scope 3 GHG Emissions (Unit: kt-CO_2)

Category		Calculation method / notes	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024★
01	Purchased goods and services	Calculated by multiplying the Scope 1+2 and Scope 3 Upstream (category 1 to 8) GHG emissions of our major suppliers of raw materials (covering more than 80% of the purchase price of raw materials) by our transaction volume as a percentage of the sales volume of the suppliers. For suppliers of raw materials other than those mentioned above, the calculation is based on the ratio of GHG emissions to the transaction value of major suppliers *3	Non-consolidated	56.5*1	89.1*1	54.4*1	59.6*1	- *2
			ONO Group*8	-	-	-	64.0	- *2
02	Capital goods	Calculated by multiplying the price of capital goods treated as fixed assets (investment in the expansion and maintenance of facilities), excluding land, by the emission factor.	Consolidated	52.6	26.4	21.3	18.4	22.8
03	Fuel- and energy related activities not included in Scope 1 or Scope 2	Calculated by multiplying the amount of purchased electricity (excluding renewable energy*4) by the emission factor.	Non-consolidated	1.5	3.0	2.8	2.9	2.7
			ONO Group*9	-	-	-	3.1	3.0
04	Upstream transportation and distribution	Calculated by multiplying the emission factor by the transportation data from our own production sites and distribution centers to the delivery destination *5	Non-consolidated	0.1	0.1	0.1	0.4*1	0.3
			ONO Group*10	-	-	-	0.5	0.4
05	Waste generated in operations	Calculated by multiplying the weight value of waste by an emission factor for each type of waste.	Non-consolidated	0.3	0.3	0.3	0.3	0.2
			ONO Group*11	-	-	-	0.3	0.3
06	Business travel	Calculated by multiplying the amount of transportation expenses paid by airplanes and Shinkansen by the emission factor.	Non-consolidated	2.5	0.5	1.3	3.1	4.0
			ONO Group*12	-	-	-	4.4	4.8
07	Employee commuting	・Calculated by multiplying the amount paid for commuting transportation by the emission coefficient. ・Including commuting by car from FY2021	Non-consolidated	0.4	0.7	0.7	0.7	0.7
			ONO Group*13	-	-	-	0.7	0.8
08	Upstream leased assets	Calculated by multiplying the fuel consumption of leased cars by the emission factor*6	Non-consolidated	3.5	2.1	1.9	1.9	1.7
			ONO Group*14	-	-	-	2.1	1.8
09	Downstream transportation and distribution	Calculated by multiplying the Scope 1+2 GHG emissions of our major pharmaceutical wholesalers by the value of our transactions as a percentage of the sales volume of our major pharmaceutical wholesalers*7	Non-consolidated	5.3	5.5	7.5	7.6	-*2
10	Processing of sold products	Not relevant	-	-	-	-	-	-
11	Use of sold products	Not relevant	-	-	-	-	-	-
12	End-of-life treatment of sold products	Calculated by multiplying the weight of sold product containers and packaging by the emission factor.	Non-consolidated	0.1	0.2	0.2	0.2	0.2
			ONO Group*15	-	-	-	0.2	0.2
13	Downstream leased assets	Calculated by multiplying the floor area of the building in question by the emission factor for each use*7	Non-consolidated	0.3	0.3	0.3	0.3	0.0

Category		Calculation method / notes	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024★
14	Franchises	Not relevant	-	-	-	-	-	-
15	Investments	Calculated by multiplying the Scope 1+2 GHG emissions of investee companies by our equity ownership ratio*16.	Non-consolidated	-	-	-	0.4	-*2
Total			Non-consolidated	123.1	128.1	90.8	95.7	-*2
			ONO Group	-	-	-	101.9	-*2

The emission factors used for calculation are figures stated in the "Emission Factor Database on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (FY2017, Ver. 2.4;, FY2021, Ver. 3.2; FY2022, Ver. 3.3, FY2023, Ver. 3.4, FY2024, Ver.3.5)," published by the Ministry of the Environment, Government of Japan.

Since only non-consolidated data is available for FY 2017, FY2021, and FY2022, the ONO Group data is indicated as "–".

*1 Due to revision of the calculation methods, non-consolidated data for category 1(FY2017, FY2021, and FY2022), and for category 4 (FY2023) have been revised. Based on the previous calculation method, GHG emissions for Category 1 in FY2017, FY2021, FY2022, and FY2023 were 8.5 kt-Co_2, 13.8 kt-CO_2, 4.8 kt-CO_2, and 4.3 kt-CO_2, respectively.
[Previous calculation method: Calculated by multiplying the Scope 1+2 GHG emissions of our major suppliers of raw materials (covering more than 80% of the purchase price of raw materials) by our transaction volume as a percentage of the sales volume of the suppliers. For suppliers of raw materials other than those mentioned above, the calculation is based on the ratio of GHG emissions to the transaction value of major suppliers.]

*2 Categories 1, 9, 15, and the total for FY2024 (non-consolidated and ONO group) are not calculated because our major suppliers and pharmaceutical wholesalers had not published their GHG at the time of calculation.

*3 For category 1, GHG emissions for group companies other than non-consolidated are calculated by multiplying the purchase amount of the main products for their business by the emission factor.

*4 For renewable energy, it is limited to sources such as solar and wind power that are provided under the power supply plans contracted with the energy company.

*5 For category 4, GHG emissions for group companies other than the non-consolidated are calculated by multiplying the transportation costs (upstream) paid by each group company by the emission factor. Based on the contractual arrangements between ONO PHARMACEUTICAL CO., LTD. and its group companies, when ONO PHARMACEUTICAL CO., LTD. pays the transportation costs, the GHG emissions are calculated by multiplying those costs by the emission factor, and are counted as ONO PHARMACEUTICAL's category 4 emissions.

*6 For category 8, GHG emissions for group companies other than the non-consolidated are calculated by multiplying either the amount of fuel consumed or the fuel costs for leased company cars by the emission factor.

*7 For categories 9 and 13, group companies other than the non-consolidated are not included.

*8 Non-consolidated, Ono Pharma UD Co., Ltd., michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*9 Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*10 Non-consolidated, ONO PHARMA TAIWAN CO., LTD., michiteku Co.,Ltd.(data for FY2023 is not included in the calculation), TOYO Pharmaceutical Co., Ltd.

*11 Non-consolidated, Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation), TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD. (data for FY2023 is not included in the calculation).

*12 Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., michiteku Co.,Ltd. (data for FY2023 is not included in the calculation), TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*13 Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation), michiteku Co.,Ltd. (data for FY2023 is not included in the calculation), TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*14 Non-consolidated, ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation), BEE BRAND MEDICO DENTAL. CO., LTD.

*15 Non-consolidated, TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*16 For Category 15, GHG emissions are calculated based only on the investee companies that disclose their Scope1+2 GHG emissions.

Energy Consumption (Unit: MWh)

Item	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024★
Energy consumption	Non-consolidated	89,163.1	99,499.9	86,067.6	82,285.0	83,748.9
	ONO Group	-	-	86,411.7	82,666.1	90,726.7

Total Electricity Consumption and Renewable Energy Usage Rate

Item		Data Coverage	Unit	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024
Electricity consumption	Private power generation (renewable) (solar power generation)	Non-consolidated	MWh	55.3	61.9	64.4	64.0	63.6
		ONO Group		-	-	64.4	64.0	63.6
	Purchased electricity (renewable, PPA)	Non-consolidated		0.0	0.0	0.0	0.0	533.0
		ONO Group		-	-	0.0	0.0	533.0
	Purchased electricity (renewable)	Non-consolidated		0.0	2,040.0	3,480.0	20,281.2	37,336.4
		ONO Group		-	-	3,480.0	20,281.2	37,336.4
	Private power generation (non-renewable)	Non-consolidated		7,927.0	8,283.7	7,285.0	5,596.7	6,634.1
		ONO Group		-	-	7,285.0	5,596.7	6,634.1
	Purchased electricity (non-renewable)	Non-consolidated		41,820.1	42,833.5	37,821.6	21,543.7	2,756.2
		ONO Group		-	-	343.7	380.7	7,249.2
	Total (total electricity consumption)	Non-consolidated		49,802.4	53,219.2	48,651.0	47,485.5	47,323.4
		ONO Group		-	-	48,994.7	47,866.3	51,816.4
Certificates usage of renewable energy	Solar power generation	Non-consolidated	MWh	0.0	3,937.9	0.0	0.0	0.0
	Biomass power generation			0.0	3,000.0	6,907.0	0.0	0.0
Renewable energy usage*		Non-consolidated	MWh	55.3	9,039.9	10,451.4	20,345.2	37,933.1★
		ONO Group		-	-	10,451.4	20,345.2	37,933.1★
Renewable energy usage rate (renewable energy usage / total electricity consumption)		Non-consolidated	%	0.1	17.0	21.5	42.8	80.2★
		ONO Group		-	-	21.3	42.5	73.2★

* Renewable energy usage = Private power generation (renewable, solar power generation) + Purchased electricity (PPA, renewable) + Purchased electricity (renewable) + Certificates usage of renewable energy

Water Intake and Discharged Water Volume by Site (Unit: 1,000 m^3)

Data Coverage	Site name	Water stress*1	FY2017 (Base year)		FY2021		FY2022		FY2023		FY2024★	
			Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume
Non-consolidated	Fujiyama Plant	Low - Medium risk	205.6	148.6	138.7	110.2	122.9	100.1	115.8	94.6	127.3	98.2
	Yamaguchi Plant	Medium - High risk	- *2	- *2	21.6	20.0	22.8	20.9	24.4	22.9	23.8	23.6
	Joto Pharmaceutical Product Development Center	Low - Medium risk	5.5	5.5	3.9	3.9	3.4	3.4	3.7	3.7	3.5	3.5
	Minase Research Institute	Low - Medium risk	51.3	51.3	31.5	31.5	32.2	32.2	30.1	30.0	34.0	32.9
	Tsukuba Research Institute	Medium - High risk	38.7	5.2	6.6	1.9	0.8	0.2	5.0	5.0	3.6	3.2
	Former Fukui Research Institute	Low - Medium risk	8.1	8.1	7.0	7.0	4.7	4.7	0.0	0.0	0.0	0.0
	Offices including the Head Office	Low - Medium risk or Medium - High risk	15.9	15.9	10.0	10.0	9.5	9.5	10.6	10.6	10.4	10.4
	Total		325.1	234.6	219.4	184.5	196.4	171.2	189.6	166.7	202.8	171.9
Group companies*3		Low - Medium risk	-	-	-	-	-	-	23.5	18.6	17.9	11.9
Total of ONO Group*4			325.1	234.6	219.4	184.5	196.4	171.2	213.0	185.3	220.7	183.8

*1 Evaluation results based on WRI Aqueduct (baseline, confirmed as of March 2025)

*2 Since the Yamaguchi Plant was built in June 2018, it is not included for FY2017.

*3 Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

*4 For FY2017, FY2021, and FY2022, only non-consolidated data is included. For FY2023 and FY2024, data for Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., and BEE BRAND MEDICO DENTAL CO., LTD. are also included in addition to non-consolidated data.

Water Intake Volume by Source and Discharged Water Volume by Destination (Unit: 1,000 m^3)

Item		Data Coverage	FY2021	FY2022	FY2023	FY2024★
Water intake volume	City water	FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	195.9	180.6	198.8	207.0
	Groundwater		19.6	15.3	13.4	13.0
	Industrial water		3.9	0.5	0.8	0.7
Total of water intake volume			219.4	196.4	213.0	220.7
Discharged water volume	Fresh surface water	FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	130.2	121.1	117.4	121.8
	Third party destinations		54.3	50.1	67.9	62.0
	Sea		0.0	0.0	0.0	0.0
	Groundwater		0.0	0.0	0.0	0.0
Total of discharged water volume			184.5	171.2	185.3	183.8
Total of water consumption		FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	34.9	25.2	27.7	36.9

* Non-consolidated, Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

Waste Management, Recycling Containers and Product Packaging

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Industrial waste	Waste generated	Non-consolidated	t	479.1	492.8	569.7	818.6★
		ONO Group*1		-	-	620.6	869.7★
	[Waste breakdown] Special management industrial waste (hazardous waste)*2	Non-consolidated	t	170.3	142.5	145.5	128.4★
		ONO Group*1		-	-	149.7	133.4★
	final landfill disposal	Non-consolidated	t	0.2	0.1	0.1	0.0★
		ONO Group*1		-	-	6.7	7.9★
	final landfill disposal rate	Non-consolidated	%	0.04	0.02	0.02	0.00★
		ONO Group*1		-	-	1.09	0.91★
Final landfill disposal (Non-industrial waste is included)		Non-consolidated	t	5.3	4.4	3.3	3.5
Container and packaging usage	Plastic	Non-consolidated	t	147.0	173.4	193.5	207.6
	Paper		t	175.6	163.4	163.8	163.3
	Glass (colorless)		t	0.0	0.0	0.0	0.0
	Glass (brown)		t	0.2	0.2	0.2	0.1
Obligatory recycling amount	Plastic	Non-consolidated	t	36.6	52.2	56.2	60.0
	Paper		t	1.3	0.8	0.8	0.8
	Glass (colorless)		t	0.0	0.0	0.0	0.0
	Glass (brown)		t	0.0	0.0	0.0	0.0
Commissioning fee paid for recycling		Non-consolidated	1,000 yen	1,958	3,049	3,506	3,879

*1 For FY2023 and FY2024, data for Non-consolidated and TOYO Pharmaceutical Co., Ltd. are included.

*2 Special management industrial waste (hazardous waste) is defined under the Waste Management and Public Cleansing Law as waste that has properties of explosiveness, toxicity, infectiousness, and/or possibly causing damage to human health or the living environment.

Waste data includes logistics centers starting from FY2021, and the former Fukui Research Institute is included up to FY2023.

Prevention of Air Pollution and Water Pollution

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Emissions into the air	SOx	Non-consolidated	t	0.0	0.0	0.0	0.0
	NOx		t	8.3	4.9	5.0	6.0
	Particulate matter		t	0.3	0.3	0.3	0.3
	PRTR substance		t	0.3	0.3	0.0*	0.0*
Emissions into water	Wastewater		1,000 m^3	184.5	171.2	166.7	171.9
	BOD		t	1.3	1.2	0.8	0.8
	PRTR substance		t	0.0	0.0	0.0*	0.0*

* Acetonitrile has been excluded from the PRTR substances since FY2023.

Management of Chemicals (PRTR substances)

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Amount handled by the notified facilities	Acetonitrile	Non-consolidated	t	9.3	6.9	-*	-*
	Normal-hexane		t	2.3	1.8	1.7	1.7
	Total		t	11.6	8.7	1.7	1.7
	Dioxins		mg-TEQ	-	-	-	-
Notified release (into the air)	Acetonitrile		t	0.3	0.3	-*	-*
	Normal-hexane		t	0.0	0.0	0.0	0.0
	Total		t	0.3	0.3	0.0	0.0
	Dioxins		mg-TEQ	-	-	-	-
Notified release (into public waters)	Acetonitrile		t	0.0	0.0	-*	-*
	Normal-hexane		t	0.0	0.0	0.0	0.0
	Total		t	0.0	0.0	0.0	0.0
	Dioxins		mg-TEQ	-	-	-	
Notified transfer (contained in waste)	Acetonitrile		t	8.9	6.6	-*	-*
	Normal-hexane		t	2.3	1.8	1.7	1.7
	Total		t	11.3	8.4	1.7	1.7
	Dioxins		mg-TEQ	-	-	-	-
Notified transfer (Into public sewage)	Acetonitrile		t	0.0	0.0	-*	-*
	Normal-hexane		t	0.0	0.0	0.0	0.0
	Total		t	0.0	0.0	0.0	0.0
	Dioxins		mg-TEQ	-	-	-	-
Notified release and transfer (total)	Acetonitrile		t	9.3	6.9	-*	-*
	Normal-hexane		t	2.3	1.8	1.7	1.7
	Total		t	11.6	8.7	1.7	1.7
	Dioxins		mg-TEQ	-	-	-	-

* Acetonitrile has been excluded from the PRTR substances since FY2023.

Environmental Management

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Acquisition rate of ISO 14001 certification for production sites	Non-consolidated	%	100	100	100	100

Environmental Violation

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Number of breaches of legal obligation/regulatory violations	Non-consolidated	Cases	0	0	0	0
Amount of breach-/violation-related fines		Million yen	0	0	0	0
Environmental liabilities as of fiscal year-end		Million yen	0	0	0	0

Breach/violation with a fine of US$10,000 or more are covered. The above includes violations related to air and soil pollution, noise, vibration, and water quality.

Social Data

[Data Coverage]

Consolidated	All companies included in the consolidated financial statements.
Non-consolidated	ONO PHARMACEUTICAL CO., LTD.

Research & Development

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
R&D expenses	Consolidated	Million yen	75,879	95,344	112,174	149,866
Ratio of R&D expenses to net sales	Consolidated	%	21.0	21.3	22.3	30.8

Provision of Growth Opportunities

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Average hours and amount spent of training and development per employee		Consolidated*	Hours	50.8	54.8	64.5	63.1
			JPY 10,000	-	12.2	15.1	14.1
		Non-consolidated	Hours	53.8	55.9	70.6	63.5
			JPY 10,000	-	12.6	16.3	15.3
Classification by training category	General capability development	Consolidated*	Hours	63,161	63,958	133,744	90,414
			Participants	23,013	19,521	28,342	23,939
			JPY 10,000	-	31,534	48,061	36,742
		Non-consolidated	Hours	60,479	62,269	131,450	87,493
			Participants	22,568	19,228	28,038	23,817
			JPY 10,000	-	30,170	47,288	36,109
	Professional capability development	Consolidated*	Hours	84,870	80,435	53,852	88,034
			Participants	23,414	25,780	68,953	87,739
			JPY 10,000	-	13,245	6,198	16,654
		Non-consolidated	Hours	82,325	71,028	53,464	87,630
			Participants	21,720	24,801	68,096	87,657
			JPY 10,000	-	11,924	5,766	16,437
	Compliance training	Consolidated*	Hours	36,179	53,845	48,121	46,834
			Participants	38,276	75,669	48,738	62,914
			JPY 10,000	-	769	1,365	252
		Non-consolidated	Hours	34,811	48,171	47,110	41,884
			Participants	37,412	73,303	48,325	62,500
			JPY 10,000	-	529	1,049	163

* ONO PHARMA USA, INC. and Deciphera pharmaceuticals, Inc. are not included in the 2024 data.

Employees information

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Employees (total)		Non-consolidated	Persons	3,354	3,381	3,437	3,464
Employees (male)		Non-consolidated	Persons	2,696	2,707	2,739	2,741
			%	80.4	80.1	79.7	79.1
Employees (female)		Non-consolidated	Persons	658	674	698	723
			%	19.6	19.9	20.3	20.9
Contract workers ratio		Non-consolidated	%	0.1	0.3	0.3	0.3
Temporary staff ratio		Non-consolidated	%	9.3	9.8	9.9	10.3
Average age (total)		Non-consolidated	Years old	43.0	43.5	43.4	44.2
Average age (male)		Non-consolidated	Years old	44.1	44.6	44.5	45.3
Average age (female)		Non-consolidated	Years old	38.7	39.2	39.0	39.9
Employee age group ratio	<30 years old	Non-consolidated	%	13.0	11.4	10.0	9.2
	30-50 years old	Non-consolidated	%	58.2	61.0	60.4	60.4
	>50 years old	Non-consolidated	%	28.8	27.6	29.6	30.4
Average consecutive years of employment (total)		Non-consolidated	Years	16.5	16.8	16.7	16.9
Average consecutive years of employment (male)		Non-consolidated	Years	17.5	17.9	17.8	18.1
Average consecutive years of employment (female)		Non-consolidated	Years	12.4	12.5	12.2	12.4
Average annual salary of employees		Non-consolidated	JPY 10,000	947	963	987	1,017
Collective bargaining rights holding rate		Non-consolidated	%	96.0	95.5	95.4	95.5
Labor union participation rate		Non-consolidated	%	58.6	56.1	53.6	52.4

Diversity, Equity and Inclusion

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Employment of persons with disabilities		Non-consolidated	%	2.38	2.31	2.38	2.52
Female manager rate*1		Non-consolidated	%	4.6	5.1	6.4	7.4
Female junior manager rate		Non-consolidated	%	14.0	15.8	17.1	18.1
Female in STEM-related positions rate*2		Non-consolidated	%	-	-	22.9	23.2
Percentage of Employees Taking Childcare Leave (male)		Non-consolidated	%	50.0	65.2	65.4	78.8
Percentage of Employees Taking Childcare Leave (female)		Non-consolidated	%	100	97.4	104.3	107.7
Gender pay gap*3	All employees	Non-consolidated	%	-	67.0	67.0	69.1
	Full-time employees		%	-	66.8	66.6	68.3
	Fixed-term employees		%	-	72.7	68.7	79.0

*1 Calculated based on the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of September 4, 2015)

*2 Positions related to Science, Technology, Engineering, and Mathematics, which in our company covers the Research and Development Division.

*3 The gender pay gap in our company is due to factors such as the proportion of female managers still remaining at only 7.4% despite recent improvements, men making up a higher proportion of mid-career hires for managerial positions, and the average age of women in core career-track positions being 7 years younger than that of men.

Recruitment

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Total number of newemployee hires*1	Total	Non-consolidated	Persons	131	128	176	153
	New graduates	Non-consolidated	Persons	82	68	71	67
	Mid-careers	Non-consolidated	Persons	49	60	105	86
Number of new graduates	male	Non-consolidated	Persons	49	42	42	43
	female	Non-consolidated	Persons	33	26	29	24
Number of mid-careers*1	male	Non-consolidated	Persons	37	44	78	59
	female	Non-consolidated	Persons	12	16	27	27
Replacement rate of managers through internal transfers*2		Non-consolidated	%	94.1	94.4	91.9	94.0

*1 Includes employees of OPhrs CO., LTD. starting from FY2023.

*2 (Number of employees newly appointed to manager position) : A
(Number of employees promoted to higher manager positions within a manager position) : B
(Number of employees who joined the company as managers) : C
Replacement rate of managers through internal transfers=(A+B-C)/(A+B)

Employee Engagement

Item		Unit	FY2021	FY2022	FY2023	FY2024
Actively engaged employees*1	Total	%	-	68	69	70
	Male	%	-	69	69	70
	Female	%	-	64	67	68
Percentage of employees with top level of engagement*2	Total	%	-	21	21	22

The engagement survey is conducted in collaboration with Mercer on all employees of Ono Pharmaceutical on a stand-alone basis and its wholly owned subsidiaries. Our target is to achieve a score equal to or higher than the average score of global life sciences companies each year. The average score for fiscal 2024 was 77% for actively engaged employees and 31.2% for employees with top level of engagement.
ONO PHARMA USA, INC. and Deciphera pharmaceuticals, Inc. are not included in the 2024 data.

*1 Proportion of employees who gave positive answers of 4 or 5 on a 5-point scale.

*2 Proportion of employees at the highest level on a 5-point scale.

Turnover and retention rate

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Retention rate after 3 years (total)	Non-consolidated	%	91.5	90.4	89.0	98.5
Retention rate after 3 years (male)	Non-consolidated	%	93.6	88.6	87.8	100
Retention rate after 3 years (female)	Non-consolidated	%	87.5	93.1	90.9	96.2
Full-time employee turnover rate (voluntary resignation)	Non-consolidated	%	1.7	1.7	1.7	2.4
Full-time employee turnover rate (Mandatory retirement, etc.)	Non-consolidated	%	1.7	1.4	1.0	1.0
Full-time employee turnover rate (total)	Non-consolidated	%	3.4	3.1	2.7	3.4

Enhancing cultivation of employee-friendly workplaces

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Overtime hours	Non-consolidated	hours / month	16.3	15.9	16.2	20.4
Percentage of paid vacation taken	Non-consolidated	%	62.5	66.0	71.3	69.0

Occurrence of occupational injuries

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024★
Industrial accident	Number of lost-time injuries	Non-consolidated (Employees)	Incidents	0	1	0	2
		Non-consolidated (Temporary employees)	Incidents	0	0	0	5
	Lost-time injury frequency rate*	Non-consolidated (Employees)	-	0	0.16	0	0.31
		Non-consolidated (Temporary employees)	-	0	0	0	8.13
	Number of fatalities due to occupational accidents	Non-consolidated (Employees)	Persons	0	0	0	0
		Non-consolidated (Temporary employees)	Persons	0	0	0	0

* Lost-time injury frequency rate = (number of people injured or killed in occupational accidents / total number of actual working hours) x 1,000,000

Supporting disease prevention, early detection and early treatment

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Comprehensive medical examination rate		Non-consolidated	%	99.8	99.9	99.7	99.9
Cancer screening rate	Stomach cancer screening	Non-consolidated	%	96.5	96.1	96.6	96.2
	Lung cancer screening	Non-consolidated	%	100.0	99.9	99.5	99.5
	Colorectal cancer screening	Non-consolidated	%	93.2	93.3	93.5	93.9
	Breast cancer screening	Non-consolidated	%	92.5	89.0	89.6	89.9
	Cervical cancer	Non-consolidated	%	52.3	47.2	48.6	70.0
Smoking rate		Non-consolidated	%	14.3	12.4	11.7	11.1
Difference between health age and actual age		Non-consolidated	Years old	-1.8	-1.8	-1.8	-1.9

Mental health measures and health promotion

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Stress checks rate		Non-consolidated	%	98.7	98.3	98.3	98.2
Number of participants in walking campaign	Employees	Consolidated	Persons	1,583	1,789	1,936	2,294
	Family	Consolidated	Persons	1,028	1,005	1,071	1,150
	Temporary staff, etc.	Consolidated	Persons	119	130	169	192
Walking campaign all employee participation rate		Consolidated	%	47	52	55	60
Number of participants in health events (excluding walking campaign)		Non-consolidated	Persons	1,105	877	951	1,199

Social contribution activities

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Donations	Non-consolidated	Million yen	-	-	158	134
Volunteer leave takers (total)	Non-consolidated	Persons	-	-	58	54

Policy influence

Item	Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024
Political contributions/ Lobbying	Non-consolidated	Million yen	-	-	5.6	6.5
Participation fees for industry associations	Non-consolidated	Million yen	-	-	48	55
Total	Non-consolidated	Million yen	-	-	54	61

Governance Data

Corporate Governance

Item		Data Coverage	Unit	FY2022	FY2023	FY2024
Composition of Board of Directors	Directors (Total)	Non-consolidated	Persons	8	7	6
	Outside Directors	Non-consolidated	Persons	3	3	3
	Female Directors	Non-consolidated	Persons	1	1	1
Composition of Audit & Supervisory Board	Audit & Supervisory Board Members (Total)	Non-consolidated	Persons	4	4	4
	Outside Audit & Supervisory Board Members	Non-consolidated	Persons	2	2	2
	Female Outside Audit & Supervisory Board Members	Non-consolidated	Persons	1	1	1
Number of the Meeting of the Board of Directors		Non-consolidated	Times	12	12	12
Number of the Meeting of the Audit & Supervisory Board		Non-consolidated	Times	15	15	15
Attendance rate at the Meeting of the Board of Directors	Directors	Non-consolidated	%	100	94.0	100
	Audit & Supervisory Board Members	Non-consolidated	%	97.9	100	100

Compliance

Item		Data Coverage	Unit	FY2022	FY2023	FY2024
Compliance training attendance rate		Non-consolidated	%	100	100	100
Number of reports	Bribery cases	Non-consolidated	Incidents	0	0	0
	Discrimination and harassment related	Non-consolidated	Incidents	22	25	20
	Personnel and labor management related	Non-consolidated	Incidents	6	8	5
	Customer privacy data related	Non-consolidated	Incidents	0	0	0
	Conflicts of interest related	Non-consolidated	Incidents	0	0	0
	Money laundering or Insider trading related	Non-consolidated	Incidents	0	0	0
	Others	Non-consolidated	Incidents	22	16	18
	Total	Non-consolidated	Incidents	50	49	43
Number of compliance violations（Disciplinary action cases）	Bribery cases	Non-consolidated	Incidents	0	0	0
	Discrimination and harassment related	Non-consolidated	Incidents	4	5	2
	Personnel and labor management related	Non-consolidated	Incidents	0	0	0
	Customer privacy data related	Non-consolidated	Incidents	0	0	0
	Conflicts of interest related	Non-consolidated	Incidents	0	0	0
	Money laundering or Insider trading related	Non-consolidated	Incidents	0	0	0
	Others	Non-consolidated	Incidents	9	1	2
	Total	Non-consolidated	Incidents	13	6	4
Costs for legal violations		Non-consolidated	Million yen	0	0	0
Number of facilitation payments		Non-consolidated	Incidents	0	0	0

External Evaluation

External evaluation of ESG (Environmental, Social and Governance)

Dow Jones Sustainability Indices

ONO has been selected as a component of the DJSI World Index*1 and DJSI Asia Pacific Index*2 for consecutive years since 2020. (As of December 2024)
The DJSI is a sustainability stock index published annually by S&P Dow Jones Indices in the U.S., analyzing corporate activities in terms of the three aspects of economy, environment, and society, and selecting index components. Companies that rank in the top 10% in each sector are selected for the DJSI World Index*1.

*1 The name was changed to "Dow Jones Best-in-Class World Index" on February 10, 2025

*2 The name was changed to "Dow Jones Best-in-Class Asia Pacific Index" on February 10, 2025

The Sustainability Yearbook

ONO received the highest evaluation in the pharmaceutical sector, "Top 1%," in the sustainability rating conducted by S&P Global Inc., a U.S.-based company, and was selected as a member of "The Sustainability Yearbook 2025."
S&P Global Inc. evaluates initiatives in economic, environmental, and social aspects of over 7,690 large-scale enterprises worldwide, and publishes 780 of these companies in "The Sustainability Yearbook - 2025 Rankings."

FTSE4Good Index Series

ONO has been selected as the FTSE4Good Index Series for the consecutive years since 2018. (As of July 2025)
This index is designed by FTSE Russell, a member of the London Stock Exchange group. Companies with relatively good environmental, social and governance practices are selected in each sector.

https://www.lseg.com/en/ftse-russell/indices/ftse4good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ONO PHARMACEUTICAL CO., LTD. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Index

ONO has been selected as the FTSE Blossom Japan Index for the consecutive years since 2018. (As of July 2025)
This index is designed by FTSE Russell, a member of the London Stock Exchange group. Japanese companies with relatively good environmental, social and governance practices are selected in each sector.

https://www.lseg.com/en/ftse-russell/indices/blossom-japan

FTSE Russell confirms that ONO PHARMACEUTICAL CO., LTD. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Sector Relative Index

ONO has been selected as the FTSE Blossom Japan Sector Relative Index for the consecutive years since 2022. (As of July 2025)
The index is designed by FTSE Russell, a member of the London Stock Exchange group.
Japanese companies with relatively good environmental, social and governance practices are selected in each sector.
The Index is designed as a sector neutral benchmark and supports climate transitions to a low carbon economy, especially for those companies with particularly high GHG emissions, by evaluating companies' climate governance and climate change efforts via the Transition Pathway Initiative's Management Quality Score.

https://www.lseg.com/en/ftse-russell/indices/blossom-japan

FTSE Russell confirms that ONO PHARMACEUTICAL CO., LTD. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI Nihonkabu ESG Select Leaders Index

ONO has been selected as the MSCI Nihonkabu ESG Select Leaders Index developed by the U.S. Inc., MSCI. (As of July 2025)
This index is composed of Japanese companies that excel in ESG assessment by industry among the stocks that make up the MSCI Nihonkabu IMI Index. As of June 2025, a total of 469 companies were selected.

THE INCLUSION OF ONO PHARMACEUTICAL CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ONO PHARMACEUTICAL CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

CDP [Climate Change] [Water Security]

ONO has been selected by CDP, a global environmental non-profit organization, as the highest A-List company in the two categories of [Climate Change] and [Water Security], being recognized our commitment and disclosure to climate change and water security for the consecutive years since 2021.

CDP [Supplier Engagement Assessment]

ONO has been selected by CDP, a global environmental non-profit organization, as the highest rating of [Supplier Engagement Assessment leader] in Supplier Engagement Assessment 2024.
This assessment evaluates how effectively companies are working with suppliers to address climate change issues.

S&P/JPX Carbon Efficient Index

ONO has been selected as a constituent of the "S&P/JPX Carbon Efficient Index" for the consecutive years since 2018. (As of June 2025)
This index comprises companies included in the Tokyo Stock Price Index (TOPIX), and the weight of constituent is determined by the disclosure status of environmental information and carbon efficiency (Carbon emissions per unit of revenue) based on market capitalization.

Outstanding Organizations of KENKO Investment for Health – White 500

ONO has consistently been accredited as a "Outstanding Organizations of KENKO Investment for Health – White 500 (Large Enterprise Category)" each year since 2019. This certification system recognizes the top 500 companies in the "Large Enterprise Category" which are implementing particularly outstanding health and productivity management activities based on initiatives by METI that are in line with the health-related issues of local communities, as well as health-promoting initiatives that are being encouraged by the Nippon Kenko Kaigi*.

* The Nippon Kenko Kaigi is an organization aiming to encourage workplaces and communities to achieve specific measures to overcome health-related challenges under collaboration among private organizations, e.g., economic associations, medical-care associations and insurers, and municipalities.

NIKKEI Sustainable Management Survey, Smart Work Edition

ONO was rated 4 stars in the NIKKEI Sustainable Management Survey, Smart Work Edition 2024.
NIKKEI Sustainable Management Survey, Smart Work Edition has been conducted by Nikkei Inc. since 2017, targeting listed companies and leading unlisted companies across Japan. "Smart Work Management" is a management strategy that aims to utilize the most of human resources by improving employees' well-being, as well as and to foster new innovation, increase productivity and maximize corporate value by accelerating human resource investment. Companies are scored on whether the organization's performance is boosted by "Smart Work Management" practices. Companies with deviation values of 50 or more are evaluated on a scale of 5 (Star 5, 4.5, 4, 3.5, 3).

NIKKEI Sustainable Management Survey, SDGs Edition

ONO was rated 4 stars in the NIKKEI Sustainable Management Survey, SDGs Edition 2024.
NIKKEI Sustainable Management Survey, SDGs Edition has been conducted by Nikkei Inc. since 2019, targeting listed companies and leading unlisted companies across Japan. Companies are scored on whether they are addressing social, economic, and environmental issues through their business and improving their corporate value in the four areas of SDG Strategy and Economic Value, Social Value, Environmental Value, and Governance. Companies with a deviation value of 50 or more are rated on a scale of 5 (Star 5, 4.5, 4, 3.5, 3).

iSTOXX MUTB Japan Platinum Career 150 Index

Ono has been selected for the iSTOXX MUTB Japan Platinum Career 150 Index, which was jointly developed by Mitsubishi UFJ Trust and Banking Corporation and the Swiss company STOXX Ltd. (As of June 2024)
This index selects 150 Japanese companies that actively and continuously engage in human capital initiatives from the three viewpoints of long-term perspective, autonomous learning, and contribution to society.

SOMPO Sustainability Index

Ono has been selected for the SOMPO Sustainability Index for consecutive years since 2022. (As of June 2025) This index is an active index created by SOMPO Asset Management Co., Ltd., based on a combination of ESG assessments and stock value (fundamental value) assessments. Approximately 300 stocks that excel in ESG initiatives are selected for this index.

Independent Practitioner's Assurance

Sustainability information

We have received independent assurance so as to bolster the reliability of the information disclosed and indicated with the icon ☑ in our SUSTAINABILITY DATA 2025.

SUSTAINABILITY DATA 2025 (488KB)

【Environment】

- Scope1+2 GHG emissions
- Scope3 GHG emissions
  (For Cat1, Cat9 and Cat15, the previous year's data has been verified in the assurance process.)
- Energy consumption
- Renewable energy usage and renewable energy usage rate
- Water intake volume and discharged volume by site
- Water intake volume by source and discharged water volume by destinations
- Industrial waste volume and special management industrial waste volume (hazardous waste volume)
- Final landfill disposal volume and rate of industrial waste

【Society】

- Number of lost-time injuries
- Lost-time injury frequency rate
- Number of fatalities due to occupational accidents

The Independent Assurance Report is available on page 11 of "Sustainable Data 2025 (PDF version)."

Appendix

- Material Issues and KPI
- SUSTAINABILITY DATA 2025
- Country-by-Country Report (Condensed) (Fiscal year ended March 31, 2024)
- Business Description and Information on Subsidiaries and Associates (Fiscal year ended March 31, 2024)
- Notes to Consolidated Financial Statements (Income taxes) (Fiscal year ended March 31, 2024)

Materialities, main initiatives, and achievements up to FY2024

(Through FY2024) Material issues	(Through FY2024) Vision over the medium- to long-term	(Through FY2024) Major initiatives	Indicators and achievements up to FY2024 (items in blue are actual for FY2024)	Evaluation (2024)
Creation of Innovative Drugs	Cooperate with top scientists and accelerate the creation of new drugs that can change the world.	• Explore unique breakthrough drug seeds and creation of new drug candidates 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	The number of new products going to clinical trials: 2 (ONO-4915, ONO-7428)	△

Pipeline Expansion	The speed and accuracy of establishing POC*1 for new drug candidates are improving, and the pipeline is enriched through licensing activities.	• Establish POC on multiple projects and conduct global clinical trials
		  • 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
			(1) The number of drug candidates in the clinical development stage: 24
			(2) The number of newly in-licensed drug candidates: 1 (Sapablursen)
			(3) Approvals received in the U.S. and Europe: 1 item (ROMVIMZA approved in the United States). Global development
			For development products, 1 item (QINLOCK) is undergoing Phase III trials, and 7 items are in Phase II trials (POC trials) ongoing.
				(1) ○
				(2) ○
				(3) ○

Maximization of Product Value	We have addressed our goal of achieving the well-being*2 of patients and their families in cooperation with healthcare professionals, and as a result, our new drugs are spreading promptly.	• Engage in effective marketing activities, use digital communications to provide information, and improve the expertise of MRs • Obtain approvals for drugs with indications and usage, dosage and administration that maximize the potential of developed compounds • Identify needs of patients and healthcare professionals and design products to meet them • Generate evidence focused on extension of the healthy life span (efficacy, safety, and QoL)	(1) Number of patients to whom our new drugs are delivered: Approx. 970,000 patients (2) Sales by major product: OPDIVO: ¥120.3 billion, FORXIGA: ¥89.6 billion (3) Number of approvals received in Japan, Korea, and Taiwan: 3 approvals in Japan, 1 approval in South Korea, 1 approval in Taiwan	(1) ○ (2) △ (3) ○
Realization of Direct Sales in the U.S. and Europe	Aiming to become a globally competitive specialty pharmaceutical company, we are marketing new drugs in the U.S. and Europe.	• Establish a sales structure for the launch of Tirabrutinib in the U.S. • Carry out development in Europe and establish a sales structure according to the progress of the development	Launch of sales in U.S./Europe markets / Acquisition of development and sales capabilities in U.S./Europe markets: Acquired Deciphera in June 2024, gaining development and commercials capabilities in the U.S. and European markets	○
Expansion of Business Domains	Ono will contribute to solving social issues and realizing next-generation healthcare by leveraging digital technology combined with its own strengths.	• Create and promote new businesses utilizing digital technology, starting from customers' unresolved issues (needs) • Develop and commercialize evidence-based products and services to solve social issues in the healthcare sector (Ono Pharma Healthcare Co., Ltd.) • Invest in and create business for venture companies engaged in businesses aimed at solving healthcare issues (Ono Digital Health Investment, GK)	The number of new products and services provided: 1 Launch of the outpatient management app "michiteku YOHA" for cancer patients	○
Corporate Transformation through Digital & IT	A global IT infrastructure is being implemented and corporate transformation through digital is being realized.	• Implement cross-functional IT infrastructure based on the IT blueprint • Implement a data utilization platform including internal and external data for important decision-making • Improve robust information security management capabilities • Develop the talent to plan and lead DX	(1) Completion and utilization of the IT blueprint (big picture for IT infrastructure and related systems) (2) Construction and use of a data utilization platform: Establishment of a digital compliance system (3) Establishment of a cross-functional DX promotion system: DX Certification acquired (4) The number capable of available to participate and work in DX projects: 659 (FY2026 target: at least 500) (5) The number of participants capable of planning, managing and executing DX projects: 213 (FY2026 target: at least 200)	(1) ○ (2) ○ (3) ○ (4) ○ (5) ○
Strengthening of Financial Capital	Based on our corporate philosophy, "Dedicated to the Fight against Disease and Pain," we strive to maintain and expand a robust financial base that leads to drug discovery, with the aim of becoming a Global Specialty Pharma that creates innovative new drugs that truly benefit patients, and responds to unmet medical needs.	• Enhance operating cash flow by expanding sales revenue • Increase asset efficiency by reducing cross-shareholdings • Maintain and increase profitability and ROE by maximizing return on investment	(FY2022 to FY2026) (1) Revenue CAGR: In the high single digits: 10.4% for FY2021 (2) Operating profit to revenue ratio: Maintain 25% or higher; operating profit to revenue ratio: 12.3% (Core operating profit to revenue ratio: 23.1%)	(1) ○ (2) ×
Expansion of Human Capital	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.	• Next executive talent: Promote the training for selected employees and the strategic personnel transfers • Globally competent talent: Promote development plans based on global development and implement global strategic personnel transfers • Digital talent: Develop talent to plan and lead the digital transformation, and provide training programs for them • Innovation talent: Provide programs to trigger innovations, and promote innovation • Other: Engage in activities to disseminate mission statements, provide voluntary-participation type training, develop a self-development learning support system, etc.	Number of employees in the following: (1) The next executive talent pool: 200 (FY2026 target: at least 250) (2) The globally competent talent pool: 194 (FY2026 target: at least 300) (3) Those ready to participate in DX projects: 659 (FY2026 target: at least 500) (4) Those capable of planning, managing and executing DX projects: 213 (FY2026 target: at least 200) (5) Those with core innovation talent: 108 (FY2026 target: at least 180)	(1) ○ (2) ○ (3) ○ (4) ○ (5) ○
Intellectual Property Strategies	In our research and development activities, we ensure that IP that leads to innovative drugs is licensed, and we create new IP by leveraging internal and external IP to create financial value.	• Create and maintain IP to create innovative new drugs • Strengthen the inventive process to lengthen the life of launched products and products in development, and file patents effective for LCM • Utilize IP information (IP landscape) through integrated analysis with market and business information to determine the appropriateness of in-licensed products, new businesses, investments, etc.	(1) Products and the R&D pipeline (2) Frequency of utilizing IP information (IP landscape)	(1) ○ (2) ○

*1 POC (Proof of Concept): POC studies are an early stage of clinical drug development to confirm that the safety and efficacy anticipated during drug discovery are demonstrated in clinical settings.
*2 "Well-being" refers to a state in which satisfaction in mental, physical, social, and life conditions are achieved.

Materialities, main initiatives, and achievements up to FY2024

(Through FY2024) Material issues	(Through FY2024) Vision over the medium- to long-term	(Through FY2024) Major initiatives	Indicators and achievements up to FY2024 (items in blue are actual for FY2024)	Evaluation (2024)
Open Innovation	Based on the original seeds discovered through collaborative research with world-class researchers, the Company is continually creating new drug candidates through drug discovery partnerships with biopharmaceutical companies.	• Promote collaborative research with world-class researchers, and drug discovery partnerships and research collaboration with biopharmaceutical companies focusing on priority research areas • Strengthen competitiveness in drug discovery and R&D activities through strategic investments by Ono Venture Investment, Inc.	The number of research/drug discovery partnerships: **Approx. 150 globally** (active as of the end of March 2025)	○
Promotion of Diverse Partnerships	We strengthen Company brands, etc. and accelerate business activities to promote partnerships with diverse stakeholders.	• Collaborate with partner companies in the research and development and sale of drugs • Build relationships with local communities and municipalities • Build cooperative relationships with the suppliers • Build relationships with many partners for our business	(1) The number of companies with which in-license and out-license agreements are concluded: **2** (2) The number of research/drug discovery partnerships: **Approx. 150 globally** (active as of the end of March 2025) (3) Other partnering results	(1) ○ (2) ○ (3) ○
Assurance of Reliability and Safety	A Global Specialty Pharma with established organizational systems for appropriate quality assurance and safety management.	• 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.	(1) Completion of global quality assurance and safety management systems (2) Zero critical findings from regulatory inspections: **achieved** (3) Zero recalls of Ono products: **achieved**	(1) ○ (2) ○ (3) ○
Stable Supply of Products	Our products are supplied stably to patients throughout the world.	• Build a global product supply system • Implement risk management for overall operations related to product supply, such as strengthening response to BCP, maintaining proper inventory, etc. • Examine mid- to long-term stable production systems, including increased production efficiency and the use of CMO, etc.	No out-of-stock incidences: **achieved**	○
Conservation of the Global Environment	Under "ECO VISION 2050," we aim to become a leading company for the environment in the pharmaceutical industry, and will strive to maintain a rich global environment for future generations so that people can have a healthy and sound society.	• Reduce greenhouse gas emissions and increase share of renewable energy in total electricity consumption • Reduce use of water resources • Recycling of unnecessary materials	Achievement of medium- to long-term environmental targets associated with ECO VISION 2050 (1) Realization of a decarbonized society: **Scope 1 + 2 emissions (compared to FY2017) reduced by 65%, renewable energy utilization rate in purchased electricity reached 75%** (2) Realization of a water-recycling society: **Water resource consumption (water intake) reduced by 38% year-on-year** (compared to FY2017) (3) Realization of a resource-recycling society: **Recycling rate of unnecessary materials 81.4%**	(1) ○ (2) ○ (3) ○
Respect for Human Rights	Human rights risk management • Aim to construct a management system based on the UN Guiding Principles on Business and Human Rights • Aim to construct a governance system with adaptability to appropriately respond whenever human rights problems arise and establish a foundation of trust with society for the Group (including supply chain) Improving access to healthcare • We are delivering innovative medicines for rare and pediatric diseases. • We are contributing to local capacity-building*1 in areas with immature medical infrastructures (in collaboration with NPOs and NGOs).	Human rights risk management • Conduct human rights due diligence Improving access to healthcare • Develop new drugs and get additional approvals for rare diseases and pediatric indications with high unmet medical needs • Collaborate with NPOs and NGOs and support local capacity-building in areas with immature healthcare infrastructure	Human rights risk management (up to 2026) (1) Conduct human rights due diligence within the Group (2) Conduct human rights risk assessments for high priority suppliers Improving access to healthcare (3) Number of approved rare disease/pediatric indications: **0** (4) Project outcome goals: **See ONO Bridge Project goals**	(1) ○ (2) ○ (3) △ (4) ○
Thorough Compliance	Establish a compliance risk management system to support global business expansion and prevent compliance violations.	• Establish overall risk management (ERM) for global response, including compliance • Comply with relevant laws and regulations of the pharmaceutical business, promote proper use of pharmaceuticals, prevent corruption and corrupt practices, protect information, etc. • Foster a culture of proactive involvement in preventing compliance violations • Strengthen governance of compliance risks by the Board of Directors	Number of significant compliance violations: **0**	○
Realization of Sustainability Management with Business Partners	Strengthen collaborative relationships with business partners and manage sustainability-related risks such as the natural environment and human rights.	• Share our code of conduct, get consent forms • Assess risk • Carry out on-site audits • Confirm corrective action efforts	(1) Establish a stronger risk management system (formulate policies and Sustainable Procurement Code, and create related system) (up to 2026) (2) Comprehensive evaluations of companies in high-risk areas (up to 2026)	(1) ○ (2) ○
Strengthening of Corporate Governance	Establish an effective governance structure to achieve sustainable growth	• Improve function of the Board of Directors to enhance governance Continue taking measures to enhance function of the Board of Directors through communications with stakeholders and evaluation of the effectiveness of the Board of Directors • Establish governance system for sustainable growth Continue monitoring risk management-related measures by the Board of Directors	Sharing awareness of issues related to the composition of the Board of Directors (including succession issues for outside officers), reviewing the standards for agenda submissions to the Board of Directors, expanding feedback on IR/SR meeting content, setting up meetings for outside Directors only, and strengthening collaboration between outside Directors and the Internal Audit Department	○

*1 Providing support for the development of medical human resources and the establishment of medical systems so that communities facing challenges can overcome them on their own.

Material Issues (Updated March 2025)

Material issues		Vision over the medium- to long-term	Main initiatives from FY2025 onward	Indicators
Growth Strategy	1 Reinforcement of Pipelines	• Collaborate with top scientists to accelerate drug discovery for changing the world, and also the speed and accuracy of establishing POC for new drug candidates are improving, and the pipeline is enriched through licensing activities.	• Discover the seeds of creating original drugs and create new drug candidates through open innovation • Accelerate research speed through optimal modality selection and use of artificial intelligence (AI) • 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 (TR)* using biomarkers based on mechanism of action * Research bridging basic and clinical studies • Promote joint research with world-class researchers, focused on priority research areas, and research and drug discovery alliances with biotech ventures • Strengthen competitiveness in drug discovery and R&D activities through strategic investments by Ono Venture Investment, Inc. • Create and maintain IP to create innovative new drugs • Utilize IP information (IP landscape) through integrative analysis of market and business information in the evaluation of partnering projects and in-licensed products • Quickly establish POC ~ Pursuit of optimal implementation system ~ • Formulate strategic development plans to increase POC success rates ~ Utilizing alternative metrics through enhanced TR and data collection ~	• The number of new products going to clinical trials • The number of research/drug discovery partnerships • Number of compound license agreements • Number of clinical development stage transitions
	2 Acceleration of Global Business Advancement	• As a specialty pharma capable of competing globally, accelerating development and business advancement worldwide.	• Promote and accelerate global expansion by integrating U.S. and European development and sales operations into Deciphera	• Maximization of Product Value for QINLOCK and ROMVIMZA • Tirabrutinib U.S. application and launch preparation
	3 Maximization of Product Value	• We have addressed our goal of achieving the well-being of patients and their families in cooperation with healthcare professionals, and as a result, our new drugs are spreading promptly.	• Engage in effective marketing activities, use digital communications to provide information, and improve the expertise of MRs • Plan and execute application strategies aimed at maximizing indications and efficacy (dosage and administration) • Strengthen the invention generation process and patent application to support lifecycle management of products and development items	• Number of patients to whom our new drugs are delivered • Sales by major product • Number of applications and approvals obtained in Japan, South Korea, and Taiwan
	4 Expansion of Business Domains	• Contributing to solving social issues and realizing next-generation healthcare by leveraging digital technologies and our strengths.	• Create and promote new businesses using digital technology to resolve unmet customer needs • Develop and commercialize evidence-based products and services to solve social issues in the healthcare sector (Ono Pharma Healthcare Co., Ltd.) • Invest in and create business for venture companies engaged in businesses aimed at solving healthcare issues (Ono Digital Health Investment, GK) • Utilize IP information (IP landscape) through integrative analysis of market and business information for new business development	• The number of new products and services provided
Foundation for Promoting the Growth Strategy	5 Corporate Transformation through Digital & IT	• A secured global IT infrastructure is being implemented and corporate transformation through digital is being realized.	• Promote DX vision and strategy • Develop global business infrastructure • Strengthen the business foundation through digital solutions and IT	• Number of DX/IT projects that contributed to the creation of new drug candidates and faster development speed • Status of global business infrastructure development • Zero business impact from major incidents • Achievement status of key milestones for DX/IT projects • Status of development of IT asset portfolio management methodologies

Material Issues (Updated March 2025)

Material issues		Vision over the medium- to long-term	Main initiatives from FY2025 onward	Indicators
Foundation for Promoting the Growth Strategy	6 Expansion of Human Capital	• Based on the human resource strategy for the realization of the corporate philosophy and vision, we are committed to recruiting and developing talent that contributes to business growth and to realizing an organizational culture that enhances diversity and fosters 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.	• Future executive talent: Promote training and strategic personnel transfers through Talent Development Committee • Global talent: Implement training and personnel transfers to develop talent for global business • Digital talent: Develop talent to plan and lead the digital transformation, and provide training programs for them • Innovation talent: Provide programs to trigger innovations, and promote innovation • Others: Implement global mission statement training, DEI promotion initiatives, self-improvement learning support system, etc.	Number of employees in the following: • The next executive talent pool: FY2026 target: at least 250 • The globally competent talent pool: FY2026 target: at least 300 • Those ready to participate in DX projects: FY2026 target: at least 500 • Those capable of planning, managing and executing DX projects: FY2026 target: at least 200 • Those with core innovation talent: FY2026 target: at least 180
Realization of a Sustainable Society	7 Conservation of the Global Environment	• Under "ECO VISION 2050," we aim to become a leading environmentally friendly company in the pharmaceutical industry, and will strive to inherit a rich global environment for future generations so that people can have a healthy and sound society.	• Reduce greenhouse gas emissions and increase share of renewable energy in total electricity consumption • Efficiently use water resources and reduce water pollution risks • Recycling of unnecessary materials	Achievement of medium- to long-term environmental targets associated with ECO VISION 2050 • Realization of a decarbonized society: Scope 1 + 2 emissions (compared to FY2017) reduced by 73%, renewable energy utilization rate in purchased electricity reached 100% • Realization of a water-recycling society Efficient use of water resources, 100% assessment of the impact of wastewater on aquatic organisms (target sites: our factories and research institutes) • Realization of a resource-recycling society: Recycling rate of unnecessary materials 60%
	8 Enhancement of Social Trust	• We will continue to ensure robust quality assurance and safety management systems, while stably supplying and continuously improving our products for patients. • We are implementing management practices based on the "UN Guiding Principles on Business and Human Rights, " while also identifying sustainability-related risks with our business partners and working together to realize a sustainable society. • We are providing innovative medicines for rare diseases and pediatric diseases to improve access to healthcare, and supporting the development of healthcare infrastructure in underdeveloped areas.	Quality assurance, safety management, stable supply • Create appropriate global systems for product quality and safety management • Development of inspection response systems for U.S.-bound products in preparation for U.S. launch of Tirabrutinib • Build a stable supply system capable of handling uncertainty	Quality assurance, safety management and stable supply of products • Completion of global quality assurance and safety management systems • Zero critical findings from regulatory inspections • Zero recalls of Ono products • No out-of-stock incidences
			Build relationships with numerous partners related to our business • Obtain signed agreements to the Sustainable Procurement Code from business partners, conduct risk assessments, and implement on-site audits	Build relationships with numerous partners related to our business (until 2026) • Build a robust risk management system (formulate policies, establish the Sustainable Procurement Code, and develop systems) • Comprehensive evaluations of companies in high-risk areas
			Human rights risk management (up to 2026) • Conduct human rights due diligence within the Group • Conduct employee training on human rights	Human rights risk management (up to 2026) • Whether or not human rights due diligence has been carried out for our Group • Whether or not employee training on human rights has been conducted
			Improving access to healthcare • Develop new drugs and get additional approvals for rare diseases and pediatric indications with high unmet medical needs • Support local capacity building in regions with underdeveloped medical infrastructure through collaboration with NPOs/NGOs	Improving access to healthcare • Number of approved rare disease/pediatric indications • Project outcome goals
	9 Strengthening Governance	• Establishing an effective corporate governance system to achieve our sustainable growth, including the establishment of a compliance risk management system to support global business expansion and prevent compliance violations.	• Establish overall risk management (ERM) for global response, including compliance • Comply with relevant laws and regulations of the pharmaceutical business, promote proper use of pharmaceuticals, prevent corruption and corrupt practices, protect information, etc. • Foster a culture of proactive involvement in preventing compliance violations • Strengthen governance by the Board of Directors	• Number of significant compliance violations
			• Set agendas and review submission standards for the Board of Directors based on progress of growth strategies, etc. (Speed up decision-making through proper submission standards, strengthen oversight functions in response to changes in the business environment)	• Improve operation through evaluations of the effectiveness of the Board of Directors

SUSTAINABILITY DATA 2025

ONO PHARMACEUTICAL CO., LTD.

Environmental Data

[Data Coverage]

Consolidated	All companies included in the consolidated financial statements.	
Non-consolidated	ONO PHARMACEUTICAL CO.,LTD.: Fujiyama Plant/Yamaguchi Plant (since FY2018 -)/Joto Pharmaceutical Product Development Center/ Minase Research Institute/Tsukuba Research Institute/Former Fukui Research Institute/Offices including the Head Office	
ONO Group	FY2024	ONO PHARMACEUTICAL CO.,LTD., ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd., michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
	FY2022 and FY2023	ONO PHARMACEUTICAL CO.,LTD., ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd.

・If the data coverage is different from the above, it is specified in each table.

・For FY2024 data coverage, michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., and BEE BRAND MEDICO DENTAL. CO., LTD. are added to those of FY2023.

Due to rounding of the figures in the table, the breakdown totals may not always equal the overall totals (Same as environmental data below)

Scope 1+2 GHG Emissions (Unit: kt-CO_2)

Item		Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024 ☑
Scope 1 (Breakdown by GHG type)	Energy-derived	Non-consolidated	8.5	9.8	8.0	6.6	7.0
		ONO Group	-	-	8.0	6.6	7.4
	Non-energy-derived (HFCs, HCFCs)	Non-consolidated	0.2	0.0	0.2	0.1	0.6
		ONO Group	-	-	0.2	0.1	0.6
	Total	Non-consolidated	8.7	9.8	8.2	6.7	7.7
		ONO Group	-	-	8.2	6.7	8.1
Scope 2		Non-consolidated	21.1	13.7	10.2	9.4	1.2
		ONO Group	-	-	10.4	9.5	3.1
Scope 1+2 (Total) (a)		Non-consolidated	29.8	23.6	18.4	16.0	8.9
		ONO Group	-	-	18.6	16.2	11.2
Amount of CO_2 offset due to voluntary credit (Carbon-neutral city gas purchased) (b)		Non-consolidated	0.0	0.6	0.7	1.7	6.9
		ONO Group	-	-	0.7	1.7	6.9
GHG emissions after offset (a-b)		Non-consolidated	29.8	23.0	17.7	14.4	2.0
		ONO Group	-	-	17.9	14.5	4.3

GHG emissions are calculated using the following formula. These are market-based data.
[Japanese bases] Calculated in accordance with the Act on Promotion of Global Warming Countermeasures.
[Overseas bases] Calculated by multiplying the amount of electricity purchased by overseas based by the country-specific emission factor published in the UNFCCC The IFI Dataset of Default Grid Factors (v3.1).

Scope 3 GHG Emissions (Unit: kt-CO_2)

Category		Calculation method / notes	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024 ☑
01	Purchased goods and services	Calculated by multiplying the Scope 1+2 and Scope 3 Upstream (category 1 to 8) GHG emissions of our major suppliers of raw materials (covering more than 80% of the purchase price of raw materials) by our transaction volume as a percentage of the sales volume of the suppliers. For suppliers of raw materials other than those mentioned above, the calculation is based on the ratio of GHG emissions to the transaction value of major suppliers *3	Non-consolidated	56.5*1	89.1*1	54.4*1	59.6*1	-*2
			ONO Group*8	-	-	-	64.0	-*2
02	Capital goods	Calculated by multiplying the price of capital goods treated as fixed assets (investment in the expansion and maintenance of facilities), excluding land, by the emission factor.	Consolidated	52.6	26.4	21.3	18.4	22.8
03	Fuel- and energy related activities not included in Scope 1 or Scope 2	Calculated by multiplying the amount of purchased electricity (excluding renewable energy*4) by the emission factor.	Non-consolidated	1.5	3.0	2.8	2.9	2.7
			ONO Group*9	-	-	-	3.1	3.0
04	Upstream transportation and distribution	Calculated by multiplying the emission factor by the transportation data from our own production sites and distribution centers to the delivery destination *5	Non-consolidated	0.1	0.1	0.1	0.4*1	0.3
			ONO Group*10	-	-	-	0.5	0.4
05	Waste generated in operations	Calculated by multiplying the weight value of waste by an emission factor for each type of waste.	Non-consolidated	0.3	0.3	0.3	0.3	0.2
			ONO Group*11	-	-	-	0.3	0.3
06	Business travel	Calculated by multiplying the amount of transportation expenses paid by airplanes and Shinkansen by the emission factor.	Non-consolidated	2.5	0.5	1.3	3.1	4.0
			ONO Group*12	-	-	-	4.4	4.8

Category		Calculation method / notes	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024 ☑
07	Employee commuting	・Calculated by multiplying the amount paid for commuting transportation by the emission coefficient. ・Including commuting by car from FY2021	Non-consolidated	0.4	0.7	0.7	0.7	0.7
			ONO Group*13	-	-	-	0.7	0.8
08	Upstream leased assets	Calculated by multiplying the fuel consumption of leased cars by the emission factor*6	Non-consolidated	3.5	2.1	1.9	1.9	1.7
			ONO Group*14	-	-	-	2.1	1.8
09	Downstream transportation and distribution	Calculated by multiplying the Scope 1+2 GHG emissions of our major pharmaceutical wholesalers by the value of our transactions as a percentage of the sales volume of our major pharmaceutical wholesalers *7	Non-consolidated	5.3	5.5	7.5	7.6	-*2
10	Processing of sold products	Not relevant	-	-	-	-	-	-
11	Use of sold products	Not relevant	-	-	-	-	-	-
12	End-of-life treatment of sold products	Calculated by multiplying the weight of sold product containers and packaging by the emission factor.	Non-consolidated	0.1	0.2	0.2	0.2	0.2
			ONO Group*15	-	-	-	0.2	0.2
13	Downstream leased assets	Calculated by multiplying the floor area of the building in question by the emission factor for each use*7	Non-consolidated	0.3	0.3	0.3	0.3	0.0
14	Franchises	Not relevant	-	-	-	-	-	-
15	Investments	Calculated by multiplying the Scope 1+2 GHG emissions of investee companies by our equity ownership ratio*16.	Non-consolidated	-	-	-	0.4	-*2
Total			Non-consolidated	123.1	128.1	90.8	95.7	-*2
			ONO Group	-	-	-	101.9	-*2

The emission factors used for calculation are figures stated in the "Emission Factor Database on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (FY2017, Ver. 2.4;, FY2021, Ver. 3.2; FY2022, Ver. 3.3, FY2023, Ver. 3.4, FY2024, Ver.3.5)," published by the Ministry of the Environment, Government of Japan.
Since only non-consolidated data is available for FY 2017, FY2021, and FY2022, the ONO Group data is indicated as “–”.

*1: Due to revision of the calculation methods, non-consolidated data for Category 1 (FY2017, FY2021, and FY2022), and for Category 4 (FY2023) have been revised. Based on the previous calculation method, GHG emissions for Category 1 in FY2017, FY2021, FY2022, and FY2023 were 8.5 kt-CO_2, 13.8 kt-CO_2, 4.8 kt-CO_2, and 4.3 kt-CO_2, respectively.
[Previous calculation method: Calculated by multiplying the Scope 1+2 GHG emissions of our major suppliers of raw materials (covering more than 80% of the purchase price of raw materials) by our transaction volume as a percentage of the sales volume of the suppliers. For suppliers of raw materials other than those mentioned above, the calculation is based on the ratio of GHG emissions to the transaction value of major suppliers.]
*2: Categories 1, 9, 15, and the total for FY2024 (non-consolidated and ONO group) are not calculated because our major suppliers and pharmaceutical wholesalers had not published their GHG at the time of calculation.
*3: For category 1, GHG emissions for group companies other than non-consolidated are calculated by multiplying the purchase amount of the main products for their business by the emission factor.
*4: For renewable energy, it is limited to sources such as solar and wind power that are provided under the power supply plans contracted with the energy company.
*5: For category 4, GHG emissions for group companies other than the non-consolidated are calculated by multiplying the transportation costs (upstream) paid by each group company by the emission factor. Based on the contractual arrangements between ONO PHARMACEUTICAL CO., LTD. and its group companies, when ONO PHARMACEUTICAL CO., LTD. pays the transportation costs, the GHG emissions are calculated by multiplying those costs by the emission factor, and are counted as ONO PHARMACEUTICAL’s Category 4 emissions.
*6: For category 8, GHG emissions for group companies other than the non-consolidated are calculated by multiplying either the amount of fuel consumed or the fuel costs for leased company cars by the emission factor.
*7: For Categories 9 and 13, group companies other than the non-consolidated are not included.
*8: Non-consolidated, Ono Pharma UD Co., Ltd., michiteku Co.,Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
*9: Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA UK LTD., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
*10: Non-consolidated, ONO PHARMA TAIWAN CO., LTD., michiteku Co.,Ltd.(data for FY2023 is not included in the calculation）, TOYO Pharmaceutical Co., Ltd.
*11: Non-consolidated, Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation）, TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD. (data for FY2023 is not included in the calculation）.
*12: Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., michiteku Co.,Ltd. (data for FY2023 is not included in the calculation）, TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
*13: Non-consolidated, ONO PHARMA USA, INC., ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation）, michiteku Co.,Ltd. (data for FY2023 is not included in the calculation）, TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD .
*14: Non-consolidated, ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD., Ono Pharma UD Co., Ltd. (data for FY2023 is not included in the calculation）, BEE BRAND MEDICO DENTAL. CO., LTD.
*15: Non-consolidated, TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
*16: For Category 15, GHG emissions are calculated based only on the investee companies that disclose their Scope1+2 GHG emissions.

Energy Consumption (Unit: MWh)

Item	Data Coverage	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024 ☑
Energy consumption	Non-consolidated	89,163.1	99,499.9	86,067.6	82,285.0	83,748.9
	ONO Group	-	-	86,411.7	82,666.1	90,726.7

Total Electricity Consumption and Renewable Energy Usage Rate

Item		Data Coverage	Unit	FY2017 (Base year)	FY2021	FY2022	FY2023	FY2024
Electricity consumption	Private power generation (renewable) (solar power generation)	Non-consolidated	MWh	55.3	61.9	64.4	64.0	63.6
		ONO Group		-	-	64.4	64.0	63.6
	Purchased electricity (renewable, PPA)	Non-consolidated		0.0	0.0	0.0	0.0	533.0
		ONO Group		-	-	0.0	0.0	533.0
	Purchased electricity (renewable)	Non-consolidated		0.0	2,040.0	3,480.0	20,281.2	37,336.4
		ONO Group		-	-	3,480.0	20,281.2	37,336.4
	Private power generation (non-renewable)	Non-consolidated		7,927.0	8,283.7	7,285.0	5,596.7	6,634.1
		ONO Group		-	-	7,285.0	5,596.7	6,634.1
	Purchased electricity (non-renewable)	Non-consolidated		41,820.1	42,833.5	37,821.6	21,543.7	2,756.2
		ONO Group		-	-	343.7	380.7	7,249.2
	Total (total electricity consumption)	Non-consolidated		49,802.4	53,219.2	48,651.0	47,485.5	47,323.4
		ONO Group		-	-	48,994.7	47,866.3	51,816.4
Certificates usage of renewable energy	Solar power generation	Non-consolidated	MWh	0.0	3,937.9	0.0	0.0	0.0
	Biomass power generation			0.0	3,000.0	6,907.0	0.0	0.0
Renewable energy usage*		Non-consolidated	MWh	55.3	9,039.9	10,451.4	20,345.2	37,933.1 ☑
		ONO Group		-	-	10,451.4	20,345.2	37,933.1 ☑
Renewable energy usage rate (renewable energy usage / total electricity consumption)		Non-consolidated	%	0.1	17.0	21.5	42.8	80.2 ☑
		ONO Group		-	-	21.3	42.5	73.2 ☑

* : Renewable energy usage = Private power generation (renewable, solar power generation) + Purchased electricity (PPA, renewable) + Purchased electricity (renewable) + Certificates usage of renewable energy

Water Intake and Discharged Water Volume by Site (Unit: 1,000 m³)

Data Coverage	Site name	Water stress*1	FY2017 (Base year)		FY2021		FY2022		FY2023		FY2024 ☑	
			Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume	Water intake volume	Discharged water volume
Non-consolidated	Fujiyama Plant	Low - Medium risk	205.6	148.6	138.7	110.2	122.9	100.1	115.8	94.6	127.3	98.2
	Yamaguchi Plant	Medium - High risk	-*2	-*2	21.6	20.0	22.8	20.9	24.4	22.9	23.8	23.6
	Joto Pharmaceutical Product Development Center	Low - Medium risk	5.5	5.5	3.9	3.9	3.4	3.4	3.7	3.7	3.5	3.5
	Minase Research Institute	Low - Medium risk	51.3	51.3	31.5	31.5	32.2	32.2	30.1	30.0	34.0	32.9
	Tsukuba Research Institute	Medium - High risk	38.7	5.2	6.6	1.9	0.8	0.2	5.0	5.0	3.6	3.2
	Former Fukui Research Institute	Low - Medium risk	8.1	8.1	7.0	7.0	4.7	4.7	0.0	0.0	0.0	0.0
	Offices including the Head Office	Low - Medium risk or Medium - High risk	15.9	15.9	10.0	10.0	9.5	9.5	10.6	10.6	10.4	10.4
	Total		325.1	234.6	219.4	184.5	196.4	171.2	189.6	166.7	202.8	171.9
Group companies*3		Low - Medium risk	-	-	-	-	-	-	23.5	18.6	17.9	11.9
Total of ONO Group*4			325.1	234.6	219.4	184.5	196.4	171.2	213.0	185.3	220.7	183.8

*1: Evaluation results based on WRI Aqueduct (baseline, confirmed as of March 2025)
*2: Since the Yamaguchi Plant was built in June 2018, it is not included for FY2017.
*3: Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.
*4: For FY2017, FY2021, and FY2022, only non-consolidated data is included. For FY2023 and FY2024, data for Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., and BEE BRAND MEDICO DENTAL CO., LTD. are also included in addition to non-consolidated data.

Water Intake Volume by Source and Discharged Water Volume by Destination (Unit: 1,000 m^3)

Item		Data Coverage	FY2021	FY2022	FY2023	FY2024 ☑
Water intake volume	City water	FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	195.9	180.6	198.8	207.0
	Groundwater		19.6	15.3	13.4	13.0
	Industrial water		3.9	0.5	0.8	0.7
Total of water intake volume			219.4	196.4	213.0	220.7
Discharged water volume	Fresh surface water	FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	130.2	121.1	117.4	121.8
	Third party destinations		54.3	50.1	67.9	62.0
	Sea		0.0	0.0	0.0	0.0
	Groundwater		0.0	0.0	0.0	0.0
Total of discharged water volume			184.5	171.2	185.3	183.8
Total of water consumption		FY2021, FY2022: Non-consolidated FY2023, FY2024: ONO Group*	34.9	25.2	27.7	36.9

*: Non-consolidated, Ono Pharma UD Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD.

Waste Management

Item		Data Coverage	Unit	FY2021	FY2022	FY2023	FY2024 ☑
Industrial waste	Waste generated	Non-consolidated	t	479.1	492.8	569.7	818.6
		ONO Group*1		-	-	620.6	869.7
	[Waste breakdown] Special management industrial waste (hazardous waste)*2	Non-consolidated	t	170.3	142.5	145.5	128.4
		ONO Group*1		-	-	149.7	133.4
	final landfill disposal	Non-consolidated	t	0.2	0.1	0.1	0.0
		ONO Group*1		-	-	6.7	7.9
	final landfill disposal rate	Non-consolidated	%	0.04	0.02	0.02	0.00
		ONO Group*1		-	-	1.09	0.91

*1: For FY2023 and FY2024, data for Non-consolidated and TOYO Pharmaceutical Co., Ltd. are included.
*2: Special management industrial waste (hazardous waste) is defined under the Waste Management and Public Cleansing Law as waste that has properties of explosiveness, toxicity, infectiousness, and/or possibly causing damage to human health or the living environment.

Waste data includes logistics centers starting from FY2021, and the former Fukui Research Institute is included up to FY2023.

Social data 2025

ONO PHARMACEUTICAL CO., LTD.

Occurrence of occupational injuries

Item	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024 ☑
Number of lost-time injuries	Non-consolidated (Employees)	Incidents	3	0	1	0	2
	Non-consolidated (Temporary employees)	Incidents	0	0	0	0	5
Lost-time injury frequency rate※	Non-consolidated (Employees)	-	0.47	0	0.16	0	0.31
	Non-consolidated (Temporary employees)	-	0	0	0	0	8.13
Number of fatalities due to occupational accidents	Non-consolidated (Employees)	Persons	0	0	0	0	0
	Non-consolidated (Temporary employees)	Persons	0	0	0	0	0

※ Lost-time injury frequency rate = (number of lost-time injuries / total number of actual working hours) x 1,000,000

Deloitte.
デロイト トーマツ

（TRANSLATION）

Independent Practitioner's Assurance Report

September 17, 2025

Mr. Toichi Takino
Representative Director, President & COO
ONO PHARMACEUTICAL CO., LTD.

Tomoharu Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
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We have undertaken a limited assurance engagement of the sustainability data indicated with ☑ for the year ended March 31, 2025 (the "Sustainability Data") included in the "SUSTAINABILITY DATA 2025 (PDF version)" (the "Report") of ONO PHARMACEUTICAL CO., LTD. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Data in accordance with the calculation and reporting criteria adopted by the Company (indicated with the Sustainability Data included in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Data is not prepared, in all material respects, in accordance with the calculation and reporting criteria adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

ONO PHARMACEUTICAL CO., LTD.
Country-by-Country Report (Condensed)
Fiscal year ended March 31, 2024

(Unit: Billions of Yen, Employees)

Tax Jurisdiction	Revenues	Profit before Income Tax	Income Tax Paid	Income Tax Accrued - Current Year	Number of employees
JAPAN	509.4	163.0	55.3	42.7	3,585
USA	9.5	0.5	0.5	0.4	127
UK	2.5	0.3	0.0	0.1	46
KOREA	6.0	0.4	0.3	0.3	52
TAIWAN	6.5	0.5	0.2	0.1	43
Total (Note 1)	534.0	164.6	56.3	43.6	3,853

This is the latest information available at this time (as of March 2025).

(Note 1) The above amounts and figures are based on the "Country-by-Country Report" submitted to the Japanese tax authority and are not directly related to the consolidated financial statements. Additionally, the amounts and figures in the "Country-by-Country Report" submitted to the Japanese tax authority have been verified by external tax experts.

Business Description

The Company and its subsidiaries (the “Group”) and the Group’s associate are engaged in business related to the pharmaceutical field. As of March 31, 2024, there were 14 subsidiaries and one associate.

The positions, etc. of the Company and its subsidiaries and associate in the pharmaceutical business are as follows.

<Pharmaceutical business>

The Group manufactures and sells medical and general pharmaceutical products, etc. Among these products, the Group has been focusing particularly on research & development activities for prescription drugs, and they are positioned as a key area within our corporate group.

[Subsidiaries and associates]

(Sales, sales support, etc.)

ONO PHARMA KOREA CO., LTD., ONO PHARMA TAIWAN CO., LTD.

(Manufacturing and sales)

Ono Pharma Healthcare Co., Ltd., TOYO Pharmaceutical Co., Ltd., BEE BRAND MEDICO DENTAL. CO., LTD., NAMICOS CORPORATION

(Clinical development, and in-licensing and out-licensing activities for pharmaceuticals)

ONO PHARMA USA, INC., ONO PHARMA UK LTD.

(Other)

Ono Venture Investment, Inc.

Ono Venture Investment. Fund I, L.P.

Ono Digital health Investment, GK.

Ono Pharma UD Co., Ltd.

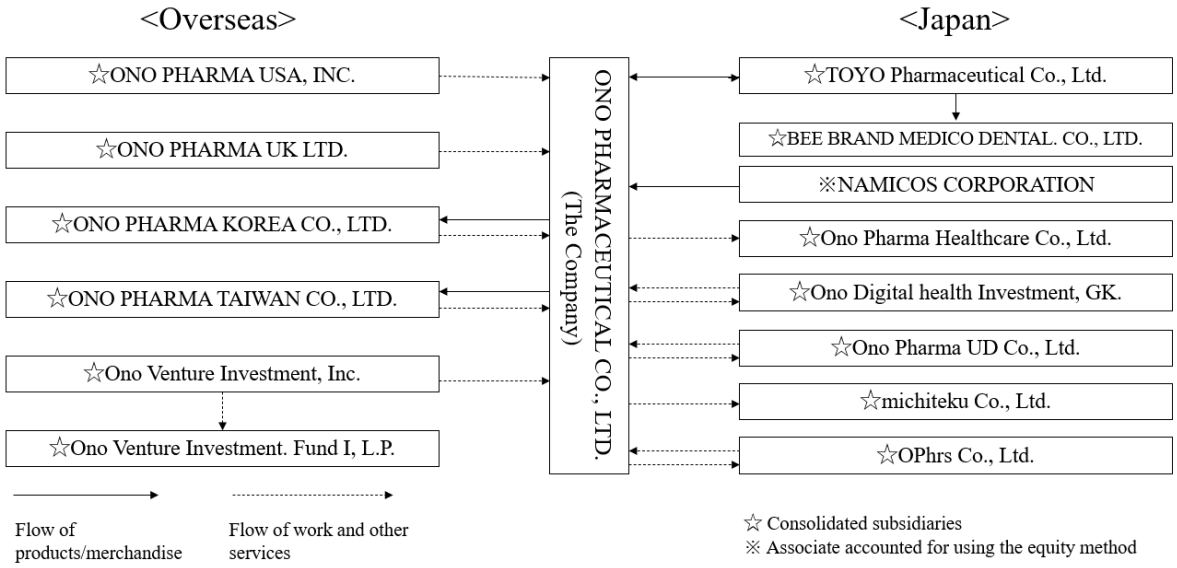
michiteku Co., Ltd.

OPhrs Co., Ltd.

One other company

Segment information is omitted herein, because the business of the Group and the Group’s associates is a single segment of the pharmaceutical business.

The following business organization chart shows the matters described above.



Information on Subsidiaries and Associates

(As of March 31, 2024)

Name	Address	Capital or investments in capital	Principal businesses	Ratio of voting rights held (%)	Relationship
(Consolidated subsidiaries) ONO PHARMA USA, INC. (Note 2)	Massachusetts, U.S.	Millions of U.S. dollars 24	Pharmaceutical business	100.0	Clinical development, in-licensing and out-licensing activities, etc. for pharmaceuticals.
ONO PHARMA UK LTD.	London, U.K.	Thousands of U.K. pounds 50	Pharmaceutical business	100.0	Clinical development, in-licensing and out-licensing activities, etc. for pharmaceuticals.
ONO PHARMA KOREA CO., LTD.	Seoul Special City, Republic of Korea	Millions of Korean Republic won 3,000	Pharmaceutical business	100.0	Sales, sales support, etc. for the Company's pharmaceuticals.
ONO PHARMA TAIWAN CO., LTD.	Taipei City, Taiwan	Millions of New Taiwan dollars 90	Pharmaceutical business	100.0	Sales, sales support, etc. for the Company's pharmaceuticals.
TOYO Pharmaceutical Co., Ltd. (Note 3)	Chuo-ku, Osaka City, Japan	Millions of yen 21	Pharmaceutical business	45.5	Manufacturing, sales, etc. for pharmaceuticals. No. of officers concurrently holding positions: One
BEE BRAND MEDICO DENTAL. CO., LTD.	Higashiyodogawa-ku, Osaka City, Japan	Millions of yen 10	Pharmaceutical business	80.0	Purchasing, sales, etc. for pharmaceuticals.
Ono Venture Investment, Inc.	California, U.S.	Millions of U.S. dollars 2	Pharmaceutical business	100.0	Investing in venture companies, etc., and fund management.
Ono Venture Investment. Fund I, L.P.	California, U.S.	Millions of U.S. dollars 54	Pharmaceutical business	100.0 (1.0)	Investing in venture companies, etc.
Ono Pharma Healthcare Co., Ltd.	Chuo-ku, Osaka City, Japan	Millions of yen 10	Pharmaceutical business	100.0	Operation, etc. of a healthcare-related business.
Ono Digital health Investment, GK.	Chuo-ku, Tokyo, Japan	Millions of yen 10	Pharmaceutical business	100.0	Provision of funding to venture companies, etc., and supporting their business growth.
Ono Pharma UD Co., Ltd.	Chuo-ku, Osaka City, Japan	Millions of yen 10	Pharmaceutical business	100.0	Printing, publishing and digital design production contracts
michiteku Co., Ltd.	Chuo-ku, Tokyo, Japan	Millions of yen 10	Pharmaceutical business	100.0	Developing information processing and provision services in the healthcare field.

OPhrs Co., Ltd.	Chuo-ku, Osaka City, Japan	Millions of yen 10	Pharmaceutical business	100.0	Planning, investigation, research, training and consulting consignment related to each of the preceding items
One other company					
(Associates accounted for using the equity method) NAMICOS CORPORATION	Chuo-ku, Osaka City, Japan	Millions of yen 45	Pharmaceutical business	18.8	Manufacturing, sales, etc. for pharmaceutical glassware.

(Notes) 1 The names used in the segment information are given in the “Principal businesses” column.
2 The company is a specified subsidiary.
3 Although the Company’s equity stake in TOYO Pharmaceutical Co., Ltd. does not exceed 50%, it is treated as a subsidiary because it is effectively controlled by the Company.
4 The number within the ( ) of the ratio of voting rights held is the ratio of voting rights which are indirectly held.
5 None of the companies file a securities registration statement or securities report.
6 None of the companies, which are the Company’s subsidiaries and associate, have revenue that exceeds 10% of consolidated revenue (excluding internal sales revenue among consolidated companies).

16. Income Taxes

(1) Deferred Income Taxes

Amounts of deferred tax assets and deferred tax liabilities at each consolidated fiscal year end are as follows:

	Millions of Yen		*Thousands of U.S. Dollars*
	March 31, 2023	March 31, 2024	March 31, 2024
Deferred tax assets	¥ 35,604	¥ 40,863	$ 270,614
Deferred tax liabilities	983	1,013	6,710
Net	¥ 34,622	¥ 39,850	$ 263,904

Details and movements of deferred tax assets and deferred tax liabilities by major sources are as follows:

For the year ended March 31, 2023

	Millions of Yen					
	Balance at March 31, 2022	Changes in Accounting Policies	Balance at April 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balance at March 31, 2023
Deferred tax assets						
Accrued bonuses	¥ 1,785	¥ —	¥ 1,785	¥ 46	¥ —	¥ 1,832
Accrued enterprise tax	256	—	256	1,912	—	2,168
Expenses for research and development commissions and others	34,720	—	34,720	2,210	—	36,930
Investment securities	—	—	—	33	9	41
Property, plant, and equipment	2,258	—	2,258	13	—	2,271
Intangible assets	324	—	324	383	—	707
Retirement benefit liabilities	2,871	—	2,871	71	50	2,992
Other accounts payable	3,471	—	3,471	2,887	—	6,359
Lease liabilities	—	2,196	2,196	63	—	2,259
Others	7,540	(37)	7,503	2,173	—	9,677
Total	¥ 53,226	¥ 2,159	¥ 55,385	¥ 9,791	¥ 59	¥ 65,235
Deferred tax liabilities						
Property, plant, and equipment	¥ (4,248)	¥ —	¥ (4,248)	¥ 77	¥ —	¥ (4,171)
Intangible assets	(1,352)	—	(1,352)	613	—	(739)
Investment securities	(23,561)	—	(23,561)	(25)	88	(23,498)
Right-of-use assets	—	(2,159)	(2,159)	(45)	—	(2,204)
Others	—	—	—	(1)	—	(1)
Total	¥ (29,161)	¥ (2,159)	¥ (31,320)	¥ 619	¥ 88	¥ (30,613)
Net	¥ 24,064	¥ —	¥ 24,064	¥ 10,410	¥ 147	¥ 34,622

For the year ended March 31, 2024

Millions of Yen

	Balance at April 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance at March 31, 2024
Deferred tax assets				
Accrued bonuses	¥ 1,832	¥ 179	¥ —	¥ 2,010
Accrued enterprise tax	2,168	(639)	—	1,529
Expenses for research and development commissions and others	36,930	2,553	—	39,483
Investment securities	41	0	(7)	35
Property, plant, and equipment	2,271	(156)	—	2,115
Intangible assets	707	4,373	—	5,079
Retirement benefit liabilities	2,992	(8)	(10)	2,973
Other accounts payable	6,359	(2,290)	—	4,068
Lease liabilities	2,259	(114)	—	2,145
Others	9,677	266	177	10,120
Total	¥ 65,235	¥ 4,163	¥ 160	¥ 69,557
Deferred tax liabilities				
Property, plant, and equipment	¥ (4,171)	¥ (95)	¥ —	¥ (4,266)
Intangible assets	(739)	735	—	(4)
Investment securities	(23,498)	14	98	(23,386)
Right-of-use assets	(2,204)	153	—	(2,052)
Others	(1)	1	—	—
Total	¥ (30,613)	¥ 808	¥ 98	¥ (29,708)
Net	¥ 34,622	¥ 4,971	¥ 257	¥ 39,850

Thousands of U.S. Dollars

	Balance at April 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance at March 31, 2024
Deferred tax assets				
Accrued bonuses	$ 12,130	$ 1,182	$ –	$ 13,312
Accrued enterprise tax	14,360	(4,232)	–	10,128
Expenses for research and development commissions and others	244,570	16,905	–	261,475
Investment securities	273	3	(48)	229
Property, plant, and equipment	15,041	(1,033)	–	14,008
Intangible assets	4,681	28,958	–	33,639
Retirement benefit liabilities	19,812	(53)	(68)	19,691
Other accounts payable	42,110	(15,168)	–	26,942
Lease liabilities	14,959	(755)	–	14,204
Others	64,084	1,761	1,173	67,017
Total	$ 432,020	$ 27,569	$ 1,057	$ 460,645
Deferred tax liabilities				
Property, plant, and equipment	$ (27,621)	$ (632)	$ –	$ (28,253)
Intangible assets	(4,894)	4,870	–	(24)
Investment securities	(155,615)	92	646	(154,877)
Right-of-use assets	(14,597)	1,010	–	(13,587)
Others	(9)	9	–	—
Total	$ (202,736)	$ 5,349	$ 646	$ (196,741)
Net	$ 229,283	$ 32,917	$ 1,703	$ 263,904

Notes: 1. The differences between deferred tax expense and the amount recognized in profit or loss are exchange differences on translation of foreign operations and others.

2. The effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities as of March 31, 2023 and 2024 in Japan is 30.6%.

3. Taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities were not recognized, amounted to ¥7,580 million and ¥11,099 million ($73,500 thousand) as of March 31, 2023 and 2024, respectively. This is because the Group is able to control the timing of the reversal of the temporary differences, and it is certain that the temporary differences will not reverse in the foreseeable future.

4. The Group has applied IAS 12 “Income Taxes” (revised May 2021) from the year ended March 31, 2024. This change in accounting policy has been applied retrospectively to related accounts for the year ended March 31, 2023.

The amount of deductible temporary differences, and unused tax losses for which no deferred tax assets is recognized in the statement of financial position is as follows. Deductible temporary differences and unused tax losses are on a tax basis.

	Millions of Yen		*Thousands of U.S. Dollars*
	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2024
Deductible temporary differences	¥ —	¥ 18	$ 118
Unused tax losses *	—	412	2,730
Total	¥ —	¥ 430	$ 2,848

*Note: The scheduled expiration of unused tax losses for which no deferred tax assets is recognized is as follows;

	Millions of Yen		*Thousands of U.S. Dollars*
	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2024
First year	¥ —	¥ —	$ —
Second year	—	—	—
Third year	—	—	—
Fourth year	—	—	—
Fifth year	—	412	2,730
No expiration date	—	—	—
Total	¥ —	¥ 412	$ 2,730

(2) Income Tax Expense

Details of income tax expense are as follows:

	Millions of Yen		*Thousands of U.S. Dollars*
	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2024
Current tax expense	¥ 41,020	¥ 40,447	$ 267,862
Deferred tax expense	(10,401)	(4,753)	(31,477)
Total	¥ 30,619	¥ 35,694	$ 236,385

Notes: 1. The Group is subject to corporate tax, inhabitant tax, and enterprise tax in Japan, which in the aggregate resulted in an applicable tax rate for current tax expense of 30.6% for the years ended March 31, 2023 and 2024. Overseas subsidiaries use the income tax rates of the countries in which they are located.

2. The Group is assessing exposure to corporate income taxes arising from enacted or substantively enacted tax systems in order to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD). The exposure to Pillar Two income taxes is immaterial.

(3) Reconciliation of Applicable Tax Rates and Average Actual Tax Rates

Details of the differences between the applicable tax rates and average actual tax rates are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2024
Applicable tax rates	30.6%	30.6%
Permanent non-deductible items	0.4	0.1
Non-taxable dividends	(0.1)	(0.1)
Tax credit for research and development, etc.	(10.2)	(10.0)
Effect of assessment of recoverability of deferred tax assets	—	0.3
Others	0.6	0.9
Average actual tax rates	21.3%	21.8%

Note: The applicable tax rates used to reconcile the applicable tax rates and average actual tax rates are the Company's effective statutory tax rates.