[For Investors]

Summary of the Chugai IR Day

(September 8, 2022)

- This material contains information on pharmaceutical products (including products under development), which are not intended as promotional/advertisement materials and/or medical advice.
- A total of 34 invited institutional investors and securities analysts attended Chugai's IR Day on September 1, 2022. This document is a summary of the explanations given at the meeting.
- Our company speakers for this meeting are as follows.
  Dr. Osamu Okuda, President & CEO
  Dr. Hisafumi Yamada, Director, Executive Vice President
  Toshiaki Itagaki, Director, Executive Vice President & CFO
  Tetsuya Yamaguchi, Executive Vice President, Head of Project & Lifecycle Management Unit
  Junichi Ebihara, Executive Vice President
  Shinji Hidaka, Executive Vice President, Head of Marketing & Sales Division
  Yoshiyuki Yano, Executive Vice President, Head of Human Resources Management Dept.
  Satoko, Shisai, Executive Vice President, Head of Digital Transformation Unit

<TOP I 2030/Mid-term Milestones>

- Although we announced that it was a smooth start when we disclosed the mid-term milestones in February this year, the pace of change in environment surrounding our company remains intense. If milestones are changed, added, or deleted in the future, we will disclose this information. The mid-term milestones are fairly high targets, and some may not be achievable.
- Our 2030 goal of launching global products every year is challenging. In the past decade, we launched three global products, meaning our goal is three times higher than what we have achieved. For this reason, we must increase the speed of research and increase the probability of success, and the research and development functions are eagerly working together to achieve this goal.

<Mid-size molecule>

- It has been a common belief that a compound with a relatively large molecular weight cannot meet the two hurdles of being absorbed orally through the intestinal tract and passing through the cell membrane to reach its intracellular target. It was very difficult and required more than ten years to build a library to achieve this with mid-size molecules. We believe that there are about 80% of the proteins known so far that cannot be targeted by small molecules in the cell, so there is tremendous potential for mid-size molecules.
- LUNA 18 was the first developing project from mid-size molecule drug discovery platforms to enter the clinical trial. If the concept of “binding to intracellular targets with high specificity by oral administration” is verified, there is a huge potential in terms of building a technology platform that enables continuous drug discovery.

<Status of early/late development products>

- For early development products, there is a concern that if the target molecule, target disease, potential of the product, etc., are disclosed, we will lose our competitive advantage. In such a case, we will not disclose this information. We do not intend to harm the interests of shareholders and investors by disclosing information.
- When conducting a clinical study with a completely new drug, target molecule, or MoA, it is necessary to carefully proceed by increasing the dose in a step-by-step manner from an extremely low dose to conduct a clinical study safely. This process takes a lot of time.

- We have launched our own products that have advanced to Phase 3 without failure, and the success rate is 100%. This is a reflection of the degree to which we have carefully confirmed the evidence in Phases 1 and 2. If we are confident in our competitive advantage, we would like to communicate our hypotheses on disease biology as much as possible.
- Although we have been carefully disclosing late-stage development products in the financial materials, we will try to make it easier to understand and communicate more clearly about the product potential, background, etc.
- NXT007 aims to enable people with hemophilia A to perform activities at the level of healthy individuals. It is difficult to generate clinical data demonstrating that NXT007 is superior to Hemlibra. It is necessary to challenge more sophisticated clinical studies applying new technologies such as digital biomarkers.

<Open Innovation>

- Since it is not realistic to focus on a specific therapeutic area at the scale of our company, firstly, we develop drug discovery technologies and apply them across therapeutic areas. For areas in which we do not have the expertise, we will utilize open innovation with academia and startups, including Roche.
- In recent years, the difficulty of drug discovery for target molecules has been increasing. We would like to collaborate with Roche and Genentech on our proprietary drug discovery technologies at an early stage of research.
- The introduction of Noile-Immune's CAR-T technology, for which we announced a collaboration, is expected to lead to a stronger immune induction in anticipation of its application in solid tumors. We are investigating cell-based therapy, and would like to investigate whether this technology can be combined with our technologies to become a new modality unique to our company.

<Promotion of DX>

- There are three strategies under digital vision, but the most important one is related to R&D. The progress of antibody optimization using AI by MALEXA® has been steady and is yielding results on a daily basis. Real-world data (RWD) has produced results such as the submission of the control group of clinical studies as reference data in RWD. The utilization of digital biomarkers is also progressing, and we would like to gain momentum for all teams to consider utilizing them, such as measuring the prognosis of hemophilia.

- At Chugai Life Science Park Yokohama, we hope to use AI and robotics to create an integrated drug discovery platform that can maximize the efficiency of research processes. However, AI cannot do everything. A unique algorithm with competitive advantage is possible only when there are unique and high-quality data. To do this, we must conduct our own experiments and generate data.
- As an open innovation in the digital area, there are activities where the digital transformation unit mediates the matching between start-ups and departments, mainly in Japan or Silicon Valley in the US, based on needs in the field.

<Financial guidance/Investment strategy>

- Although it is difficult to predict the situation on COVID-19 and the impact of biosimilars of Actemra, the domestic business, which is the basis for growth, is performing well due to penetration of new products and expansion of indications of mainstay products such as Tecentriq, Hemlibra, Enspryng, Polivy, Evrysdi, and Vabysmo. Overseas, Hemlibra still has sufficient growth potential, and we expect to further expand its share in the U.S. and Europe.
- We have made strategic investments in production facilities, but from a medium- to long-term perspective, there is an increasing need for further expansion. In addition, investments in environmental aspects will be necessary, aiming for CFC-free, zero CO_2 emissions, etc. As for open innovation, which is the key to enhancing drug discovery, M&A, as well as in-licensing from third parties other than Roche, and alliances are not ruled out as possible means.

<Growth driver>

- In addition to some expectations that the dosing interval of Vabysmo can be extended to 4 months, doctors at universities are particularly interested in the mechanism of action that inhibits Ang-2 in addition to VEGF. The adoption of the drug after the launch is faster than our assumption and so far, we believe the launch was successful.

<Human resources/organization>

- The so-called "large company disease" refers to "an increase in the number and hierarchy of organizations, and a decrease in corporate vitality due to the spread of complex, bureaucratic, silo-like, and negligent behavior. In the case of Chugai, the number and hierarchy of organizations and personnel have not increased significantly relative to the growth of sales and profits. We believe that the

company has been able to maintain a high level of organizational vitality while maintaining a venture mindset.

- In order to create an environment that makes the best use of employees, the company is moving from work style reform to job satisfaction reform. The company encourages innovation in two aspects: employee engagement and an environment that makes the best use of employees. Regarding the environment for making the best use of employees, there are many members who share the company's mission, and by creating an environment in which these members can act on their own initiative, we hope to integrate what they want to do with what the company seeks to achieve, thereby leading to innovation.

<Intellectual Property>

- With our proprietary drug discovery technology as our engine, we have been strategically strengthening our intellectual property for more than 10 years. In addition to strengthening our rights formation and enforcement, we are also strengthening our human resources. We have obtained excellent human resources from outside the company and now have a staff of about 50 people, half of whom are lawyers, patent lawyers, and other professionals. There are many patent disputes related to products that we have licensed out to Roche, and we are working closely with Roche in an increasing number of cases.
- The substance patent of Actemra has expired, but there are various patents, including the use patent. The status of patents varies from country to country, and there are active companies that launch their products prepared for a dispute over patents. Thus, it is difficult to predict the timing of entry based only on patents.

<New management structure>

- Our company has succeeded in the strategic alliance with Roche under the strong leadership of Honorary Chairman Nagayama and Special Advisor Kosaka. This is a historical timing for a paradigm shift from the management of the founder family to a new management system comprising the CEO and seven supervising executives. Amid marked changes in the environment surrounding the pharmaceutical industry, a new management system consisting of eight executives with different characteristics, experiences, and skills will make decisions while exchanging various opinions.

<Relationship with Roche>

- The strategic alliance with Roche has been successful, and we believe that its continued development is desirable for the shareholders of both companies. The relationship between Chugai and Roche is different from the parent-subsidiary listing of many Japanese companies, where a wholly owned subsidiary is listed to raise funds. In an environment of rapid scientific and technological progress, the alliance with Roche will become increasingly important in the future.

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