Innovation all for the patients

CHUGAI

Roche A member of the Roche group

[For Investors]

Summary of the Chugai IR Day

(September 8, 2023)

- 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 35 institutional investors and securities analysts attended Chugai IR Day on August 29, 2023. 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
  Dr. Mariko Y Momoi, Independent Outside Director

<TOP I 2030/mid-term milestones>

- In the growth strategy "TOP I 2030," disclosure of quantitative KPIs has been discontinued, but the goal for 2030 is clearly stated and we are focusing our activities to achieving the goal. In addition, mid-term milestones are specified as targets to be achieved in three to five years and are integrated in the annual business plan.
- Since many of the mid-term milestones are somewhat qualitative, it may not be easy to follow the progress from external viewpoint. We would like to carefully consider the level of disclosure as it may affect our competitiveness.
- The number of projects that are unique to Chugai, including late-stage and early-stage development projects, is increasing, and we are making steady progress with TOP I 2030. Although we pursue the number of projects as one of the target, we will continue to ensure the quality of projects and properly meet the patients' unmet medical needs.
- Our researchers have a strong commitment to the quality of projects, which makes them proud. In addition, we focus on scientific judgment based on experimental data and set high product profiles as targets.

<Mid-size molecule>

- Over the past decade, Chugai has identified the properties required for cyclic peptides that are orally available and can pass through cell membranes, and successfully established a mid-size molecule drug discovery platform. We have obtained various patents, and even if other companies try to create cyclic peptides with similar properties, we think it will not be easy to avoid the patents.
- Through the development of LUNA18, the first mid-size molecule drug discovery project, we have confirmed that our mid-size molecule can be absorbed into the body by oral administration, enabling the drug discovery we aimed for. Since it is a new modality, its behavior in the human body has been carefully verified. If this can be verified, this platform will make it possible to continuously create development compounds.
- We do not think that the current platform is the final form, and we are also developing new technologies to expand the applicability. Mid-size molecule drug discovery technology should be further developed so that a wider range of biological molecules that cannot be targeted by small molecules can be targeted.

<Status of early/late development products>

- Progress has been steady in early-stage development. There may be some cases where the disclosure of information such as target molecule, target disease, sales potential of the product may result in losing our competitive advantage. In such case, we will not disclose this information.
- We have launched all of our in-house products that have advanced to phase 3 so far, so the success rate in phase 3 is 100%. This is the reflection of how we acquired as much data as possible and performed detailed evaluation in Phase 1 and 2.
- When conducting a clinical study with a completely new modality, a drug against a novel target molecule, or a drug with new mode of action, it is necessary to carefully proceed by increasing the dose in a stepwise manner from an extremely low dose to ensure the safety of participants in the study. This process takes a lot of time.
- For the initial indication, it is important to demonstrate the drug concept in a disease that is considered to have a relatively high success rate with abundant information and experimental data. At the same time, we will develop additional indications for diseases for which there is little information or experimental data while accumulating scientific rationale. When the information is limited, it is difficult to predict the sales potential of a drug from the early stage of development. Therefore, we try not to make a judgment based only on the number of patients.
- Regarding late-stage development of out-licensed products to Roche, Life-cycle Leaders from Roche and Chugai constantly exchange opinions. The opinions of Chugai Life-cycle Teams are properly reflected, and when they are not reflected, the development strategy is determined based on mutual agreement as to why they are not reflected.

<Human capital >

- Since we have created groundbreaking new drugs, new graduates and mid-career professionals enter our company with interest in R&D. Securing more advanced human resources with other expertise including DX has been going well so far, and we will continue to focus on acquiring them.

- Until recently, we have been focusing on strengthening biotechnology, but now we are also strengthening chemistry, including mid-size molecules. We are increasing the number of specialists in various fields, such as protein science and molecular biology, in addition to chemists, with the aim of further developing mid-size molecule drug discovery technologies and continuously creating drugs.
- As the number of antibody and mid-size molecule programs increases, we are working to strengthen the resource for translational research to prove the drug concepts in humans, because the internal resources are becoming tight.

<Relationship with Roche>

- Although the Roche management team has been changed since March this year, the relationship has rather been strengthening. We have built good relationships at all levels, including management. A relationship of trust is established based on communication with each counterpart.
- The Roche Group's main drug discovery engines are Roche, Genentech, and Chugai. Each of them conducts research and development using unique modalities with unique drug discovery strategies. We believe that the value of having three independent drug discovery engines is increasing in the changing and evolving modality of drugs. Even with the change in the management team of Roche, the value of Chugai is well understood.

<Hemlibra>

- Hemlibra has gained considerable market share in Japan, the U.S., and Europe, but there is still room for growth as there is no slowdown in the speed of growth. Competitors' products include gene therapies, long-acting factor VIII products, and drugs with the same mode of action as Hemlibra. However, patients using Hemlibra have already developed a sense of security about Hemlibra, and we do not expect major erosion.

<CVC>

- Our goal is to create future drug discovery projects from the fusion of emerging technologies with those of Chugai, access to new target molecules, and new drug discovery approaches, by quickly tapping into the emerging modality and technology of drug discovery and new disease biology. In the Boston area, where

the life science community has developed, there are people with various expertise, and we expect to see expanded applications of Chugai's technologies.

<Comments by independent outside director Dr. Momoi>

- Compared to a disease-based approach, a technology-driven approach has an advantage in terms of opportunity for detecting the broader range of disease areas where it can be applied.
- At the meeting of Chugai's Board of Directors, while Roche directors straightforwardly express their opinions including issues and concerns, they never insist opinions solely from Roche's standpoint but respect Chugai's unique policies and opinions. There is a high degree of trust in Chugai, and discussions are held on an equal footing.
- As far as I know, there has been no major discrepancy in opinions between Chugai and Roche. If there is a conflict with Roche's policy, I understand that I am naturally in a position where I should decide which is better for Chugai.

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