

[For Investors]

Summary of the Chugai CEO Meeting

(August 31, 2018)

- Although this presentation includes information regarding pharmaceuticals (including products under development), the information is not intended as any advertisement and/or medical advice.
- The CEO meeting was held on August 27 and 28, 2018, with a total of 35 invited institutional investors and securities analysts. This document summarizes the explanation provided by Chugai.

Innovation all for the patients



CHUGAI PHARMACEUTICAL CO., LTD.

 A member of the Roche group

How to Tackle Biosimilars

Basically I am thinking of the following three tactics:

- 1) Replace products with greater efficacy
- 2) Take legal action and other measures to deal with infringement of intellectual property rights
- 3) Highlight advantages from the abundant evidence we have built in terms of efficacy, safety and quality

In principle, we do not intend to develop bio-same products (authorized generics).

Next Mid-Term Business Plan

The next mid-term business plan is currently under consideration internally, but we are thinking of the following items as the basis for sustained growth.

- 1) Innovation for creating innovative drugs (first-in-class/best-in-class)
- 2) Realization of patient-centric care, specifically, promotion of precision medicine
- 3) Further strengthening of the win-win relationship with Roche
- 4) Development of human resources that generate innovation
- 5) Initiatives for ESG/CSV Management

Drug Discovery Modalities

In addition to biologics/large molecules that incorporate Chugai's proprietary antibody technologies and small molecules centered on kinase inhibitors, we have been working for the last 10 years on middle molecules as a third modality, to take on tough targets. We are also taking a close look at other modalities such as therapeutic nucleic acids and gene therapy, and considering how we could apply Chugai's strengths to them, but since our resources are limited, the scale of our investment will also be limited. With respect to middle molecules, we aim to initiate clinical trials sometime during the next mid-term business plan. Antibody development at CPR (Chugai Pharmabody Research Pte. Ltd.) is also proceeding smoothly. AMY109 is already in phase I, and we plan to move another candidate into phase I sometime this year or next. In the Science & Technology Intelligence Department, in addition to new modalities, we are also focusing on technologies for producing new value in medicine, including artificial intelligence (AI) and data science using real-world data (RWD). We are also actively seeking an opportunity to license in outside technologies needed for new drug discovery that have synergy with Chugai.

FMI Business

As the leading company in oncology, we play an important role to contribute to medical care by working to make cancer genomic medicine a reality and create a system for providing it. Also, Roche is promoting PHC 2.0 with the goal of providing the optimal treatment for each patient. In the United States, the integration of genomic data and RWD is already being promoted, and in addition to commercializing and increasing the value of the comprehensive genomic profiling assay products of FMI in Japan, we are pursuing a medium-to-long-term PHC and biomarker strategy to further establish PHC. Through this strategy, we will further enhance our own R&D activities to maximize the value of our pharmaceutical business.

ESG Initiatives

We have been making serious efforts in areas such as providing social value, but have not actively communicated those efforts internally or externally. I would like to incorporate environmental, social and governance (ESG) initiatives as one of the pillars of the next mid-term business plan. The social (S) aspect of ESG is essentially our business activities from the standpoint of creating shared value (CSV). Environmental (E) initiatives are the foundation for achieving our mission, and governance (G) initiatives will lead to sustainable growth through corporate governance and human resource management.

Future Investments

Our business model under the alliance with Roche has enabled us to refrain from major investments in areas such as late-stage development and global marketing. On the other hand, we invest heavily in drug discovery and early stage-development, including CMC (Chemistry, Manufacturing and Controls), and I am also positive to consider in-licensing drug discovery technologies and projects for the future.

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