[For Investors]

Summary of the Chugai CEO Meeting

(September 28, 2021)

- Although this presentation includes information regarding pharmaceuticals (including products under development), the information is not intended as an advertisement and/or medical advice.
- The CEO meeting was held on September 1 and 3, 2021, with a total of 31 invited institutional investors and securities analysts. This document is a summary of the explanations given at the meeting.
- Dr. Osamu Okuda, Representative Director, President & CEO, was the speaker for this meeting.

【TOP I 2030】

<KPI/ Mid-Term Milestones >

- Mid-term milestones aimed at achieving the targets of TOP I 2030 primarily consist of content related to functional enhancements, and are targeted for three to five years, focusing on qualitative factors rather than quantitative factors. At present, we are preparing to disclose mid-term milestones at our FY2021 financial results announcement next year to provide a clear explanation to our stakeholders. We are considering updating the progress of medium-term milestones, including reviewing the goals, about once per year.
- As previously explained, we do not intend to establish or disclose new quantitative financial KPIs for TOP I 2030 since the range of fluctuation is significant due to changes in the internal and external environment, such as the success or failure of our development projects and market trends and competitive conditions, respectively. We believe that it is important to disclose detailed information on the progress of the development pipeline to share the progress toward "doubling R&D output" and "launching global in-house products every year." We will continue to consider ways to enhance the disclosure of R&D-related information in the future.

<Drug Discovery>

- In the past, we have tried to create technologies solely within the company without incorporating external technologies. In the future, we will not be self-reliant but will proactively adopt technologies that can be incorporated through open innovation.
- We promote a multi-modality strategy. While we have strengths in small molecules and antibodies, we are developing mid-size molecules as a third modality. In addition, we have begun to expand our modalities. We are exploring technologies that can generate synergies and create competitive advantages by combining them with our protein engineering technologies.
- Regarding AI drug discovery, we have already created machine learning algorithms using the abundant data of the research laboratories in the acquisition/optimization of candidate antibody molecules. They are in the operational stage, and their productivity is greatly improved.

<Mid-Size Molecule>

- We strongly believe that we are the world leader in mid-size molecule technologies. The characteristics of our mid-size molecule are that it can access intracellularly and target intracellular-tough targets (proteins), which is very difficult to do with conventional technologies, and it can be administered orally, which is quite a wide range of applications.
- While antibody drugs are administered intravenously/subcutaneously and cannot be administered orally, a mid-size molecule can be applied to chronic diseases by targeting the antibody's target molecules.
- The company has recently decided to invest 55.5 billion yen in the Fujieda Plant to build a small/mid-size molecule API manufacturing facility (FJ3), which will be responsible for late-stage development and early commercial production. FJ3 will have multiple production lines and will maintain Chugai's superiority in handling compounds with high pharmacological activity. This is the scale of investment to promote successive drug discovery projects for mid-size molecules.
- Regarding mid-size molecules, we are preparing for one project to initiate a clinical trial by the end of this year. We hope to hold a technical briefing session on mid-size molecules by the end of this year.

[Evolution of business model]

- Innovative new drugs created in-house can be marketed worldwide using Roche's network, and it is an efficient and highly productive business model in the sense that Chugai does not need to develop its own overseas development and sales infrastructure. This business model also contributes to our high operating margin. If we can create many innovative new drugs through acceleration of RED shift and strengthen our drug discovery capabilities, we can expect further successes from this business model, which is also sustainable.
- For the Chinese market, we set the scheme to determine whether to conduct co-promotion with Roche for each product. We have some sales and production functions in China. We anticipate an increase in revenue from China in the future.

[COVID-19]

- Regarding Ronapreve, due to various factors such as the global infection situation, vaccines, and other therapeutic agents, it is difficult to comment whether we can sufficiently cover the domestic supply when the demand for next year increases significantly.
- As for AT-527, a global P3 study is ongoing, and we are participating from Japan. The results will be disclosed by the end of this year, and we plan to file for approval next year. Depending on the trial results, production and supply systems are being prepared by considering various factors.
- Regarding Actemra, in anticipation of increasing demand, we have been increasing production at Chugai/Roche and securing outsourced production since 2020. In Japan, we do not expect any supply shortage. However, supply will remain tight for some time due to the inclusion of Actemra in the WHO's treatment guidelines, the Emergency Use Authorization by the US FDA, and the rapid expansion of delta variant in some regions.

[Hemlibra]

- There are countries/regions where the switch to Hemlibra has been slow due to the impact of COVID-19, but it is almost back to normal. Hemlibra is being administered to more than 13,000 hemophilia A patients worldwide, with a 29% market share in Europe and the US, and a similar share in Japan, although the market share in Japan is not disclosed.
- Data on Mim8, a bispecific antibody currently under development by Novo Nordisk, is expected to be announced soon. We are closely monitoring their developments regarding the differences between this antibody and Hemlibra. Since Hemlibra already has a certain level of market share, we believe that if patients become accustomed to using Hemlibra, this alone will give us a competitive advantage.
- Since NXT007 aims to achieve hemostatic effects at a higher healthy adult level than Hemlibra, we hope that the drug will help patients regain their daily lives.