Aiming to Achieve the Mid-term Business Plan “IBI 21”
- FY2020 Half Year Results -

Tatsuro Kosaka
Chairman and CEO
CHUGAI PHARMACEUTICAL CO., LTD.

July 27, 2020

Important Reminder

Forward-Looking Statements

This presentation may include forward-looking statements pertaining to the business and prospects of Chugai Pharmaceutical Co., Ltd. (the "Company"). These statements reflect the Company's current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company's businesses.

Core Results

Chugai discloses its results on a Core basis from 2013 in conjunction with its transition to IFRS. Core results are the results after adjusting non-recurring items recognized by Chugai to IFRS results, and are consistent with the Core concept disclosed by Roche. Core results are used by Chugai as an internal performance indicator, for explaining the status of recurring profits both internally and externally, and as the basis for payment-by-results, including return to shareholders.

Note: Amounts shown in this report are rounded to the nearest 0.1 billion yen
Variance and % are calculated based on the amounts shown.

FY2020 Half Year Results

FY2020 Half Year Results

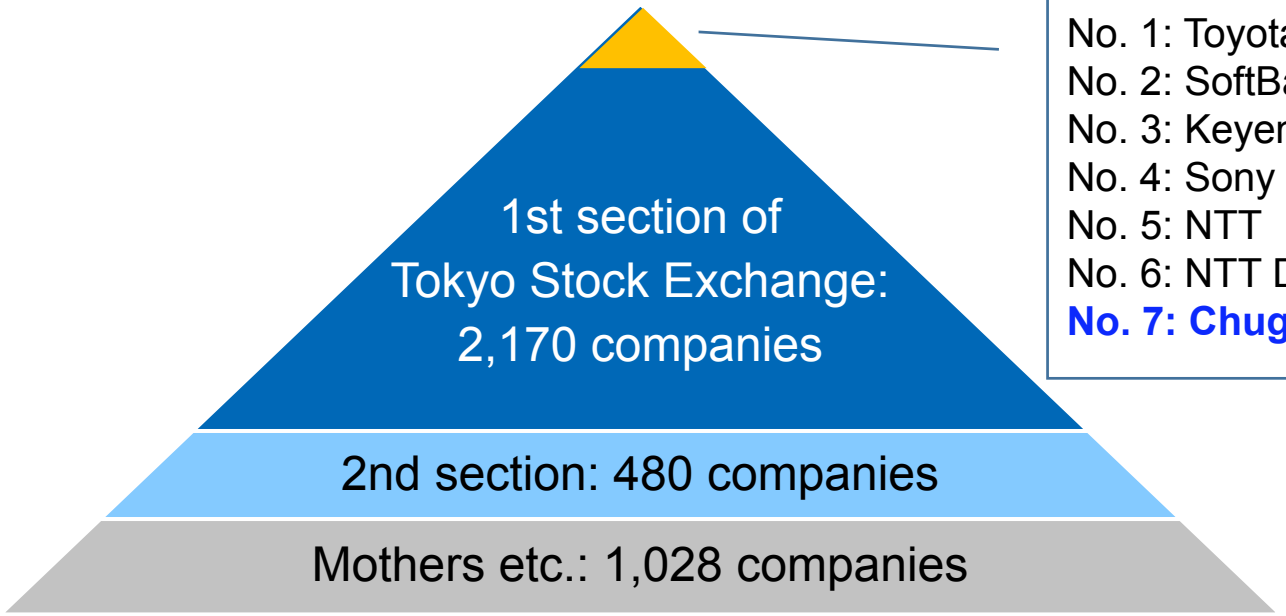
- Significant year-on-year increase in revenues and profits under the influence of COVID-19
- Record-high Q2 revenues, operating profit and net income due to steady exports of Actemra and Hemlibra to Roche and Hemlibra-related income

billion JPY	2019 Jan -Jun actual	2020 Jan - Jun actual	Growth		2020 Jan - Dec forecast	Progress (%)
Revenues	**320.3**	**368.1**	**+47.8**	**+14.9%**	**740.0**	**49.7%**
Sales	282.4	305.7	+23.3	+8.3%	580.0	52.7%
Domestic	210.0	204.6	△ 5.4	△2.6%	411.6	49.7%
Overseas	72.4	101.0	+28.6	+39.5%	168.4	60.0%
Royalties and other operating income (ROOI)	37.9	62.5	+24.6	+64.9%	160.0	39.1%
Core Operating Profit	**103.5**	**143.7**	**+40.2**	**+38.8%**	**275.0**	**52.3%**
Core EPS (yen)*	**45.70**	**63.51**	**+17.81**	**+39.0%**	**122.00**	**52.1%**

* Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. EPS are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Market Capitalization Ranking (as of July 17, 2020)

- Jumped to 7th place in Japan, top in the pharmaceutical industry (about 8.8 trillion yen)
- Aiming to become a top innovator in the healthcare industry as a leading Japanese company



No. 1: Toyota
No. 2: SoftBank Group
No. 3: Keyence
No. 4: Sony
No. 5: NTT
No. 6: NTT Docomo
No. 7: Chugai

Three-for-one Stock split	**Effective: July 1, 2020** Purpose: Reduce the investment unit price for the Company's stock, increase the liquidity of the stocks, and to further expand the investor base

Impact on Business and Performance due to Spread of COVID-19

Impact on Value Chain due to Spread of COVID-19

■ Although there were no major negative impacts on half-year results, the progress of business activities was affected to a certain extent

Revenues	Regulatory Affairs/R&D	Manufacturing	Capital Investment etc.
[Domestic] Delay in market penetration of TEC and HEM due to restraint in sales activities, reduction in the number of hospitalizations and outpatients, etc. [Overseas] Exports were favorable since the delay in switching to HEM was temporary. ACT exports including those for clinical trials increased significantly	[Regulatory Affairs] No significant impact on application/approval timing so far [Development] Some delays in the start and progress of clinical trials but are expected to be resolved in the future [Drug discovery] No delays in high-priority projects	- Maintain a stable product supply system while maximizing the safety of employees/ stakeholders - No impact on product supply both domestically and internationally so far - We will continue to maintain a stable product supply system	[Capital Investment] Resumed all construction works for CLSPY from June with limited impact on overall construction period. [Expenses] Some expenses were curbed due to the cancellation of overseas travel and refraining from domestic sales activities.

TEC: Tecentriq; HEM: Hemlibra

CLSPY: Chugai Life Science Park Yokoyama

Accelerate corporate transformation by taking advantage of changes in the business environment

Development of Antibody Drugs Against COVID-19

Expanding Indication of in-house Product "Actemra"

- Phase 3 “COVACTA” study is on going for adult hospitalized patients with severe COVID-19 pneumonia*
- Phase 3 “REMDACTA” study is being conducted in combination with remdesivir for hospitalized patients with severe COVID-19 pneumonia*
- Domestic Phase 3 “J-COVACTA” study is on-going for hospitalized patients with severe COVID-19 pneumonia

Joint Research

CPR and A*STAR started joint research on antibody drug applying our antibody engineering technology

Technology Transfer

License agreement with Eli Lilly for non-exclusive usage of multiple antibody engineering technologies

*Roche is conducting the study overseas
CPR: Chugai Pharmabody Research Pte. Ltd.
A*STAR: Agency for Science, Technology and Research

Progress of Strategic Policies for 2020 in IBI 21

New Mid-Term Business Plan: 5 Strategies

Accelerate corporate and social development through innovation focused on innovative products

Source: Chugai Investor conference on FY2019 Financial Results

Create global growth drivers and maximize value

1 Value Creation

Realize innovative drug discovery to cure and manage diseases

2 Value Delivery

Deliver patient-centric solutions to maximize value of growth drivers

3 Promote advances in personalized healthcare

Realize the further advancement of PHC and innovate R&D process by utilizing digital technology and data

Strengthen HR and infrastructure that support Chugai's business

4 Human capital and structural reform

Develop high-caliber HR talent that supports innovation, and drastically reform costs, systems and processes

5 Strengthen sustainable platforms

Simultaneously realize company growth and sustainable social development

4 Strategic Policies for 2020

1	Maximize value of growth drivers
2	Create next-generation growth opportunities
3	Promote digital transformation and PHC
4	Implement drastic structural reform and Strengthen sustainable platforms

Main Achievements of 4 Strategic Policies for 2020

Maximize value of growth drivers	• Hemlibra: Domestic market penetration was lower than expected due to COVID-19 impact, but sales steadily increased. • Tecentriq: Expanded sales mainly due to lung cancer under COVID-19 influence. Filed for Hepatocellular carcinoma (February). Plan to file for urothelial carcinoma this year. • Enspryng: Approved in Japan (June). Expected to be approved in US/EU this year.
Create next-generation growth opportunities	• Antibody project: Phase 1 study started for Switch Antibody™ (STA551) (March) • Nemolizumab/CIM331: Domestic Phase 3 study results published in NEJM. Domestic filing planned within this year.
Promote digital transformation and PHC	• Filed for FoundationOne Liquid (March). F1CDx is approved for 16 products and 6 tumor types. • Formulation of “CHUGAI DIGITAL VISION 2030” • License agreement with FRONTEO for AI-based drug discovery support system • Joint development with Biofourmis of digital technology to objectively evaluate pain associated with endometriosis
Implement drastic structural reform and Strengthen sustainable platforms	• Start under a new management system (April) • Launched a new personnel system (April). Continued strategic reorganization • Support for the statement by Japan Climate Initiative (JCI), and the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) • Organized a workshop on multidisciplinary team care in Cambodia

Summary

- COVID-19 impacted business progress to a certain extent, but achieved higher revenue/profits in the first half of FY2020
- Maintaining a stable product supply system in preparation for the 2nd and 3rd waves of COVID-19 under an uncertain business environment.

- While expectations for the healthcare industry, including pharmaceuticals, are increasing, we will continue to focus on developing new therapeutic agents
- Through further promotion and acceleration of digitalization, we will work to improve the efficiency and speed of the value chain, including AI drug discovery, and reforming business processes and work styles of MRs and other employees
- Chugai aims to achieve IBI 21 for medium- to long-term sustainable growth.

FY2020 Q2 Consolidated Financial Overview

Toshiaki Itagaki
Executive Vice President & CFO
CHUGAI PHARMACEUTICAL CO., LTD.

July 27, 2020

Core

Financial Overview

- Significant year-on-year increase in revenues and operating profit
- Record-high Q2 revenues, operating profit and net income
- Progress steady overall in revenues, operating profit and net income

(Billions of JPY)	2020 Jan – Jun	Growth (year on year)		Forecast on Jan. 30 Progress
Revenues	**368.1**	**+47.8**	**+14.9%**	**49.7%**
Cost of sales cost to sales ratio	**-131.2** 42.9%	**-3.7** -2.2%pts	**+2.9%**	**52.1%**
Operating expenses Research and development	**-93.2** -52.9	**-4.0** -5.0	**+4.5%** +10.4%	**43.8%** 46.0%
Operating profit operating margin	**143.7** 39.0%	**+40.2** +6.7%pts	**+38.8%**	**52.3%**
Net income	**104.5**	**+29.4**	**+39.1%**	**52.0%**
EPS (JPY) *	**63.51**	**+17.81**	**+39.0%**	**52.1%**

* Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. EPS are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Year on Year (Core)

Financial Overview Jan - Jun

(Billions of JPY)	2019 Jan - Jun	2020 Jan - Jun	Growth	
Revenues	**320.3**	**368.1**	**+ 47.8**	**+ 14.9%**
Sales	282.4	305.7	+ 23.3	+ 8.3%
Domestic	210.0	204.6	- 5.4	- 2.6%
Overseas	72.4	101.0	+ 28.6	+ 39.5%
Royalties and other operating income	37.9	62.5	+ 24.6	+ 64.9%
Royalty and profit-sharing income	30.2	53.5	+ 23.3	+ 77.2%
Other operating income	7.6	9.0	+ 1.4	+ 18.4%
Cost of sales	-127.5	-131.2	- 3.7	+ 2.9%
(cost to sales ratio)	45.1%	42.9%	-2.2%pts	-
Gross profit	**192.7**	**236.9**	**+ 44.2**	**+ 22.9%**
Operating expenses	-89.2	-93.2	- 4.0	+ 4.5%
Marketing and distribution	-32.9	-32.3	+ 0.6	- 1.8%
Research and development	-47.9	-52.9	- 5.0	+ 10.4%
General and administration	-8.4	-8.0	+ 0.4	- 4.8%
Operating profit	**103.5**	**143.7**	**+ 40.2**	**+ 38.8%**
(operating margin)	32.3%	39.0%	+6.7%pts	-
Financial account balance	-1.3	-1.1	+ 0.2	- 15.4%
Income taxes	-27.1	-38.2	- 11.1	+ 41.0%
Net income	**75.1**	**104.5**	**+ 29.4**	**+ 39.1%**
EPS (JPY) *	45.70	63.51	+17.81	+ 39.0%

Domestic sales
Despite sales volume growth of mainstay products, decrease due to NHI drug price revisions and the launch of generic drugs

Overseas sales
Increase in export of Actemra and Hemlibra to Roche

Royalty and profit-sharing income
Increase in income for Hemlibra

Other operating income
Increase in one-time income

Cost of sales
Cost to sales ratio improved due to a change in product mix, etc.

Operating expenses
Increase of research and development expenses due to progress of projects, etc.

Operating profit
Significant year-on-year increase

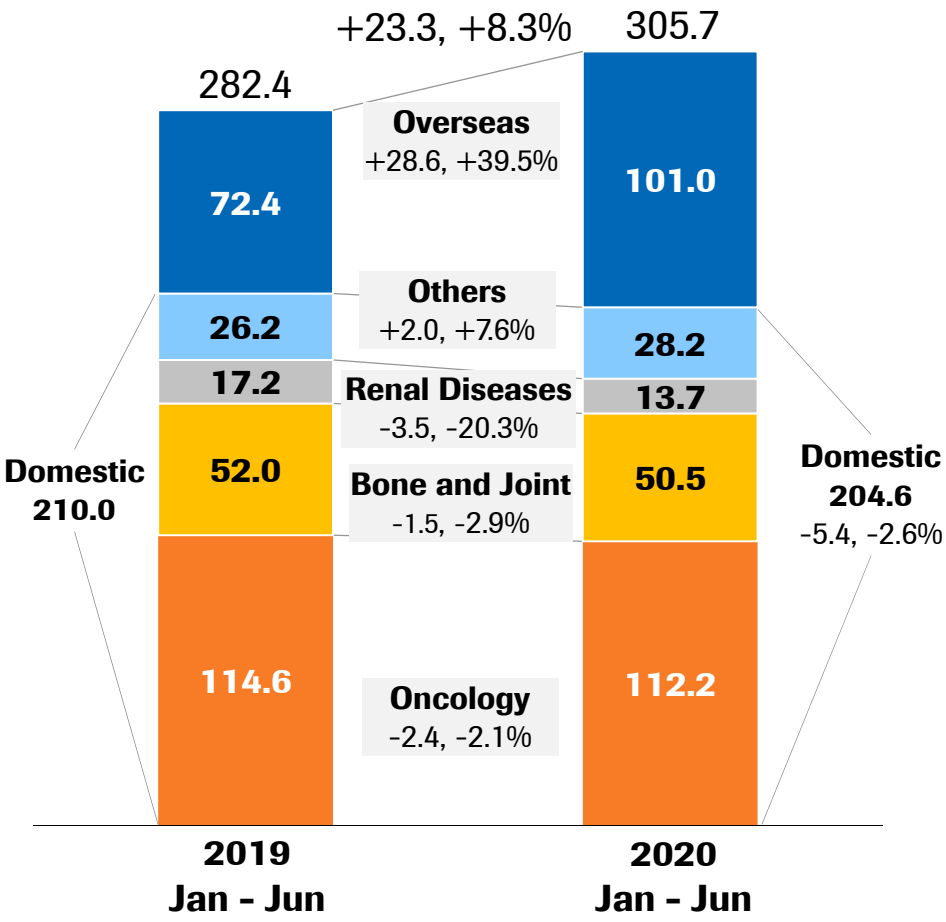
* Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. EPS are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Year on Year (Core)

Sales Jan - Jun

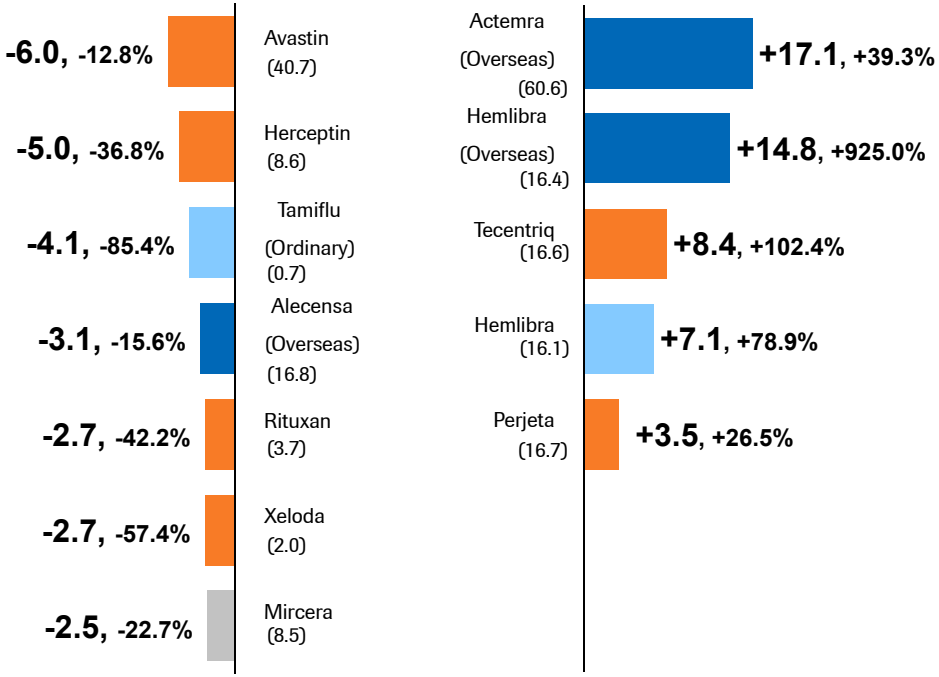
Sales by Disease Area, Year on Year Comparisons

(Billions of JPY)



Sales by Products, Year on Year Changes

( ): Actual sales in FY2020
%: Year-on-year percentage change

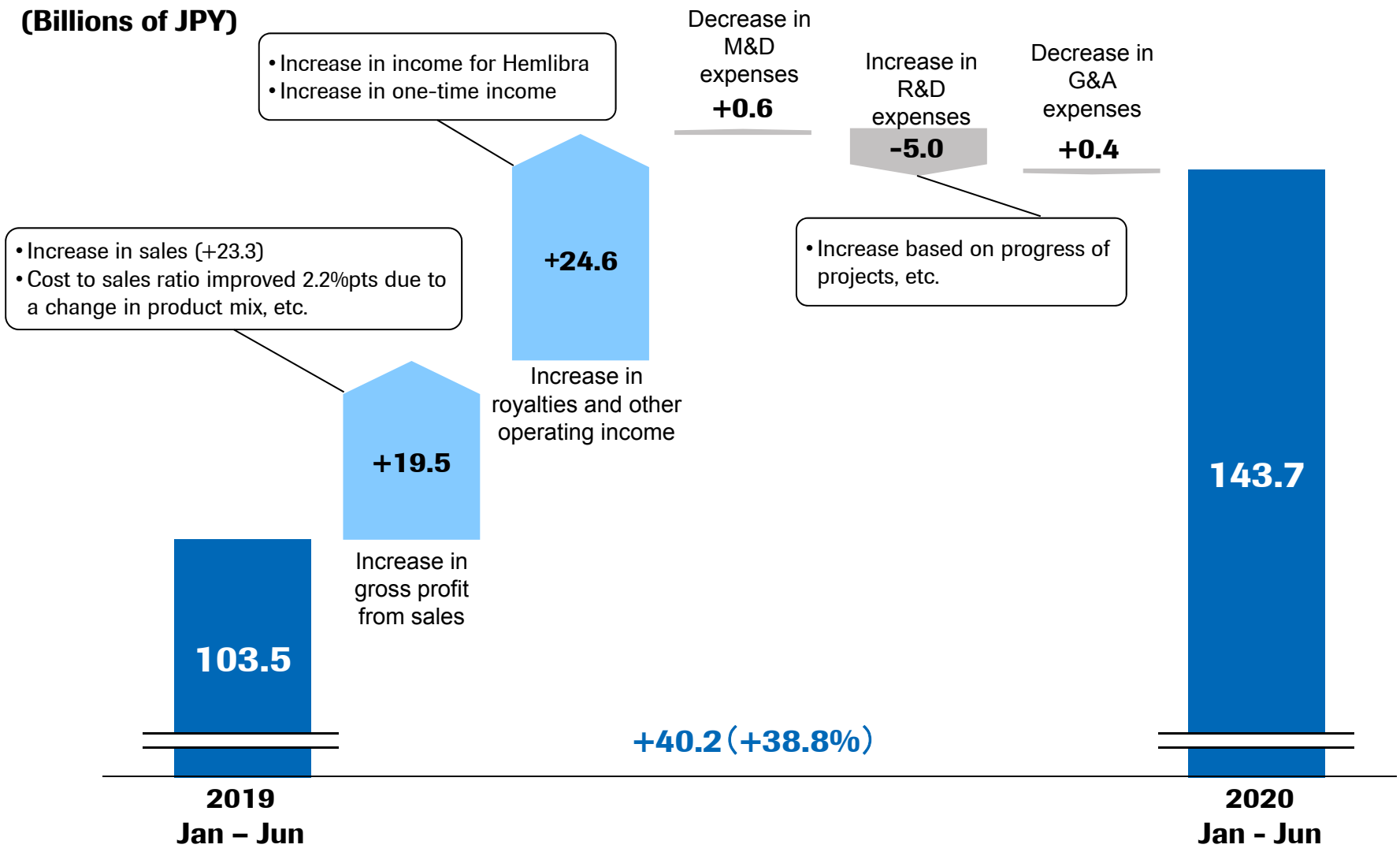


Details of HER2 franchise (29.9) -1.3, -4.2%

Herceptin	(8.6)	-5.0,	-36.8%
Perjeta	(16.7)	+3.5,	+26.5%
Kadcyla	(4.6)	+0.2,	+4.5%

Year on Year (Core)

Operating Profit Jan - Jun

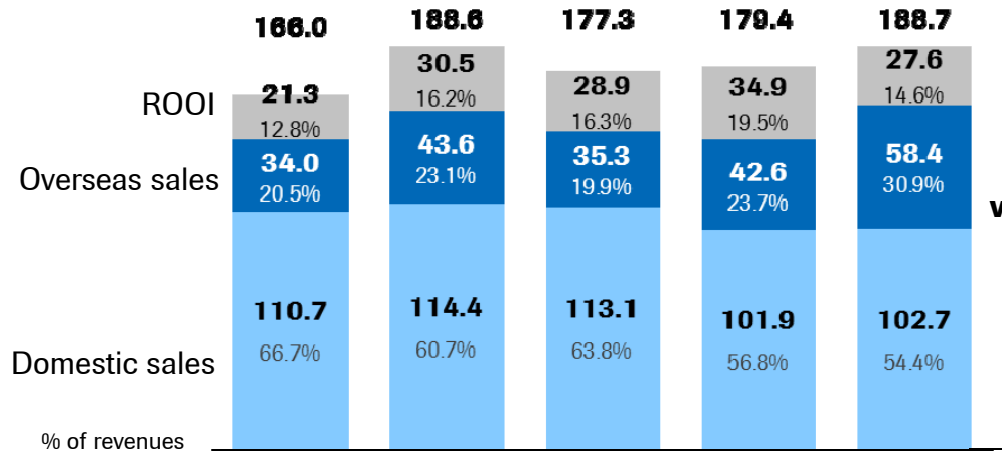


Quarterly (Core)

Structure of Profit by Quarter

(Billions of JPY)

Structure of Revenues



vs. Year on Year (2019 Q2)

Domestic sales: decrease due to NHI drug price revisions and the launch of generic drugs, etc.

Overseas sales: significant increase in export to Roche

ROOI: increase in income for Hemlibra

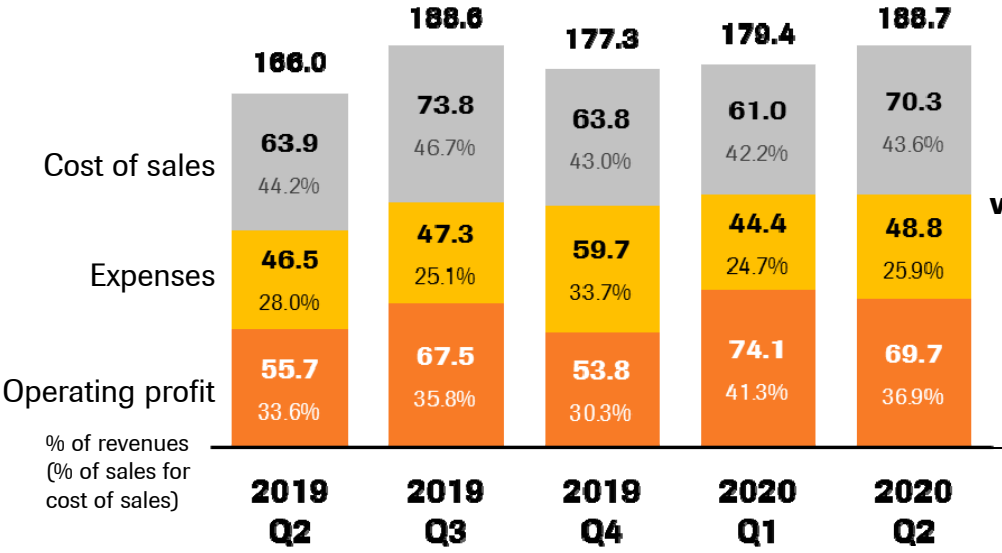
vs. Previous Quarter (2020 Q1)

Domestic sales: slight increase due to growth of mainstay products despite NHI drug price revisions and decrease in government stockpiles of Tamiflu

Overseas sales: mainly increase in export of Actemra to Roche

ROOI: decrease due to onetime income in 2020 Q1

Structure of Costs and Profit



vs. Year on Year (2019 Q2)

Operating profit: increase of +14.0 (+25.1%)

Expenses: increase in research and development expenses

Cost of sales ratio: improved due to a change in product mix, etc.

vs. Previous Quarter (2020 Q1)

Operating profit: decrease of -4.4 (-5.9%)

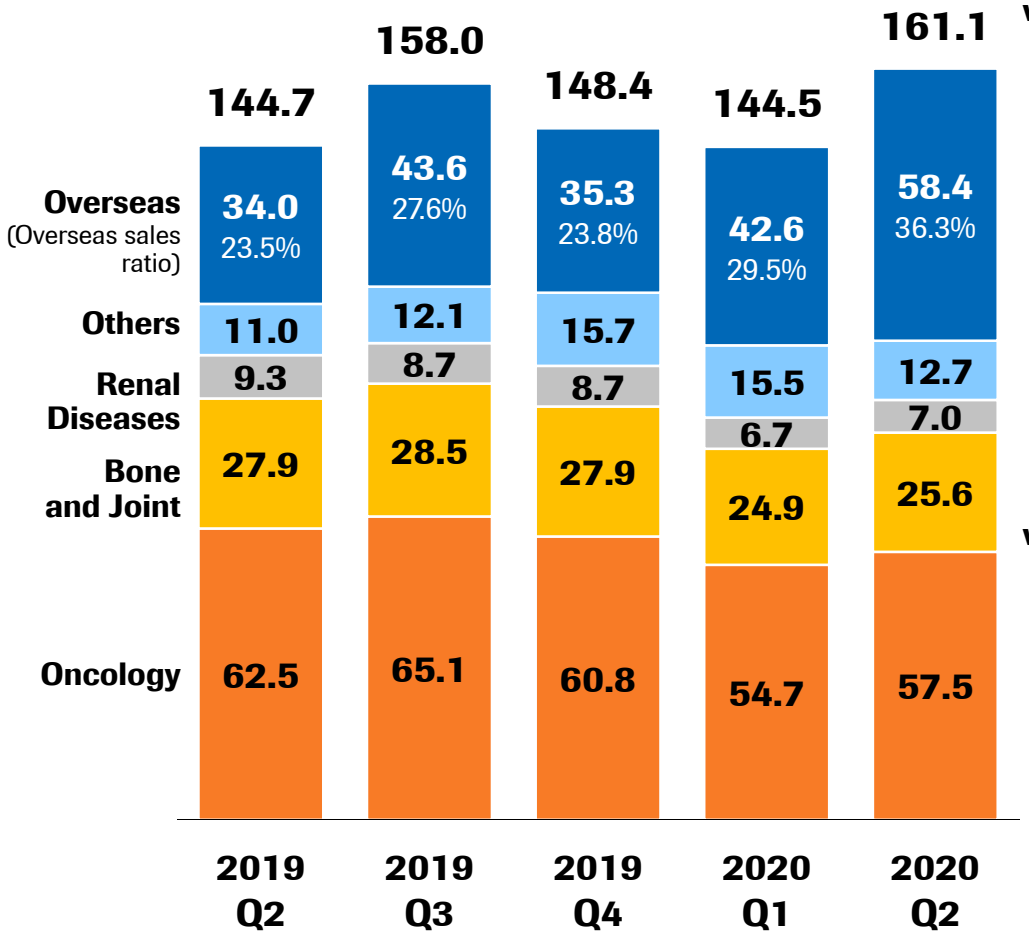
Expenses: mainly increase in research and development expenses

Cost of sales ratio: worsened due to effect of NHI drug price revisions of domestic products

Quarterly (Core)

Structure of Sales by Quarter

(Billions of JPY)



vs. Year on Year (2019 Q2)

Overseas

Increase in export of Actemra (+18.3) and Hemlibra (+7.0)

Domestic

Increase: Tecentriq (+4.2)
Hemlibra (+1.9)

Decrease: Avastin (-4.9)
Herceptin (-3.3)

Mainly a decrease in oncology due to NHI drug price revisions and the launch of generic drugs, etc.

vs. Previous Quarter (2020 Q1)

Overseas

Increase in export of Actemra (+12.4) and Alecensa (+4.5)

Domestic

Decrease in others due to decrease in government stockpiles of Tamiflu (-2.6) in 2020 Q1

vs. Forecast (Core)

Financial Overview Jan - Jun

(Billions of JPY)	Actual 2020 Jan - Jun	Forecast 2020 Jan - Dec	Progress	2019 Progress *1
Revenues	**368.1**	**740.0**	**49.7%**	**46.7%**
Sales	305.7	580.0	52.7%	48.0%
Domestic	204.6	411.6	49.7%	48.0%
Overseas	101.0	168.4	60.0%	47.9%
Royalties and other operating income	62.5	160.0	39.1%	39.0%
Royalty and profit-sharing income	53.5	141.0	37.9%	39.5%
Other operating income	9.0	19.0	47.4%	36.5%
Cost of sales	- 131.2	- 252.0	52.1%	48.1%
(cost to sales ratio)	42.9%	43.4%	-	-
Gross profit	**236.9**	**488.0**	**48.5%**	**45.8%**
Operating expenses	- 93.2	- 213.0	43.8%	45.5%
Research and development	- 52.9	- 115.0	46.0%	46.9%
Operating profit	**143.7**	**275.0**	**52.3%**	**46.0%**
(operating margin)	39.0%	37.2%	-	-
Net income	**104.5**	**201.0**	**52.0%**	**44.8%**
EPS (JPY) *2	63.51	122.00	52.1%	44.8%

Domestic sales
Delay in market penetration of new products and products obtaining additional indication

Overseas sales
Sales of Actemra progressed well in view of the forecast

Royalty and profit-sharing income
Progress nearly in line with forecast

Other operating income
Progress nearly in line with forecast

Cost of Sales
Cost to sales ratio nearly in line with forecast

Operating expenses
Progress lower than forecast due to voluntary restraint of some activities

Operating profit
Progress steadily in view of the forecast

*1 Jan – Jun progress versus Jan – Dec
*2 Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. EPS are calculated based on the assumption that the stock split was implemented.

vs. Forecast (Core)

Sales Jan - Jun

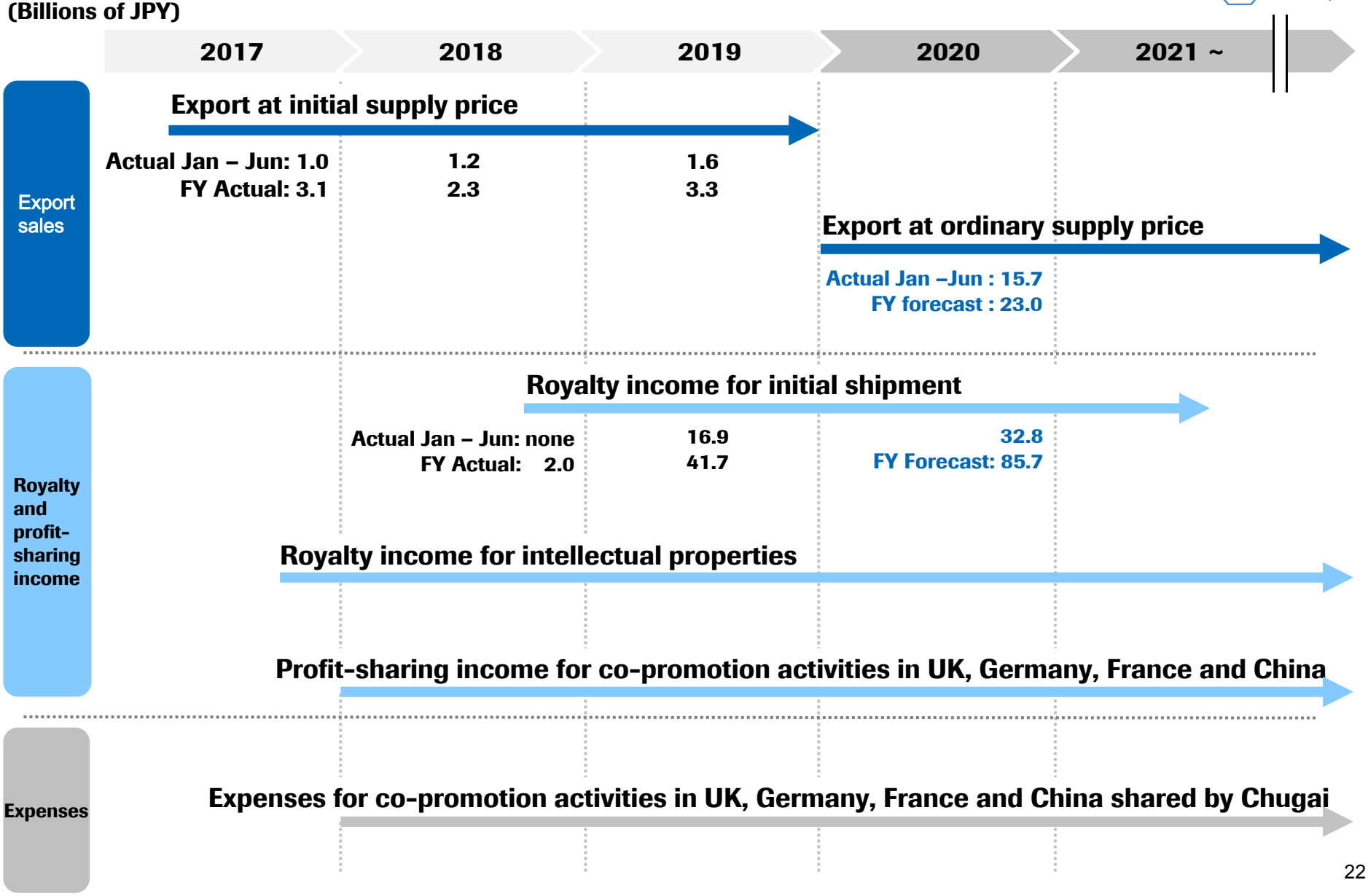
(Billions of JPY)	Actual 2020 Jan - Jun	Forecast 2020 Jan - Dec	Forecast Progress	2019 Progress *1
Sales	**305.7**	**580.0**	**52.7%**	**48.0%**
Domestic	**204.6**	**411.6**	**49.7%**	**48.0%**
Oncology	**112.2**	**228.8**	**49.0%**	**47.7%**
Avastin	40.7	73.3	55.5%	48.8%
Tecentriq	16.6	44.6	37.2%	39.8%
Perjeta	16.7	28.8	58.0%	43.0%
Alecensa	12.3	24.8	49.6%	48.3%
Herceptin	8.6	19.2	44.8%	50.9%
Kadcyla	4.6	11.7	39.3%	48.9%
Rituxan	3.7	6.3	58.7%	53.8%
Gazyva	2.1	5.4	38.9%	41.7%
Xeloda	2.0	3.1	64.5%	58.8%
Rozlytrek	0.1	1.0	10.0%	-
Other	4.9	10.5	46.7%	42.5%
Bone and Joint	**50.5**	**90.1**	**56.0%**	**48.0%**
Actemra	19.1	38.2	50.0%	47.4%
Edirol	18.3	26.1	70.1%	47.1%
Bonviva	4.2	9.7	43.3%	49.5%
Other	8.8	16.0	55.0%	50.5%

(Billions of JPY)	Actual 2020 Jan - Jun	Forecast 2020 Jan - Dec	Forecast Progress	2019 Progress *1
Renal	**13.7**	**24.7**	**55.5%**	**49.7%**
Mircera	8.5	15.4	55.2%	49.5%
Oxarol	3.1	5.2	59.6%	49.3%
Other	2.2	4.1	53.7%	50.0%
Others	**28.2**	**68.0**	**41.5%**	**48.4%**
Hemlibra	16.1	42.1	38.2%	35.7%
CellCept	4.5	8.4	53.6%	49.5%
Tamiflu(Ordinary use)	0.7	3.4	20.6%	64.9%
Tamiflu(Govt. stockpiles, etc.)	2.6	3.2	81.3%	100.0%
Foundation Medicine	1.2	4.5	26.7%	-
Other	3.1	6.5	47.7%	53.5%
Overseas	**101.0**	**168.4**	**60.0%**	**47.9%**
Actemra	60.6	90.8	66.7%	49.3%
Alecensa	16.8	39.0	43.1%	43.9%
Hemlibra	16.4	23.9	68.6%	44.4%
Neutrogin	4.5	9.1	49.5%	50.5%
Enspryng *2	0.4	1.6	25.0%	-
Other	2.2	4.0	55.0%	57.1%

*1 Jan – Jun progress versus Jan – Dec

*2 Enspryng: Forecast announced on Jul 27

Outline of Hemlibra Sales to Roche



vs. 2019 Year End

Overview of Financial Position

(Billions of JPY)	2019 Dec	2020 Jun	Change
Trade accounts receivable	139.6	169.2	+ 29.6
Inventories	168.1	172.0	+ 3.9
Trade accounts payable	-47.7	-44.7	+ 3.0
Other net working capital*1	-22.9	8.5	+ 31.4
Net working capital	**237.2**	**305.0**	**+ 67.8**
Property, plant and equipment	255.6	275.3	+ 19.7
Right-of-use assets	9.7	7.7	- 2.0
Intangible assets	23.5	24.0	+ 0.5
Other long-term assets - net*2	21.0	24.4	+ 3.4
Long-term net operating assets	**309.8**	**331.3**	**+ 21.5**
Net operating assets	**547.0**	**636.3**	**+ 89.3**
Debt	-	-	-
Marketable securities	129.1	94.1	- 35.0
Cash and cash equivalents	203.9	196.6	- 7.3
Net cash	**333.1**	**290.7**	**- 42.4**
Other non-operating assets - net*3	**-26.1**	**-21.1**	**+ 5.0**
Net non-operating assets	**307.0**	**269.6**	**- 37.4**
Total net assets	**854.0**	**905.9**	**+ 51.9**
Total assets	1,058.9	1,072.1	+ 13.2
Total liabilities	-204.9	-166.2	+ 38.7

Increase in net working capital

Increase in trade accounts receivable due to increase of export to Roche

Increase in long-term net operating assets

Increase in property, plant and equipment due mainly to the investment in Chugai Life Science Park Yokohama

Increase in other non-operating assets – net

Decrease in accrued corporate tax

Ratio of equity attributable to Chugai shareholders

End of June 2020	84.5%
End of December 2019	80.6%

*1 Other net working capital: accrued receivable, accrued payable, accrued expenses, etc.
*2 Other long-term assets - net: long term prepaid expenses, long-term provisions, etc.
*3 Other non-operating assets - net: deferred income tax assets, accrued corporate tax, etc.

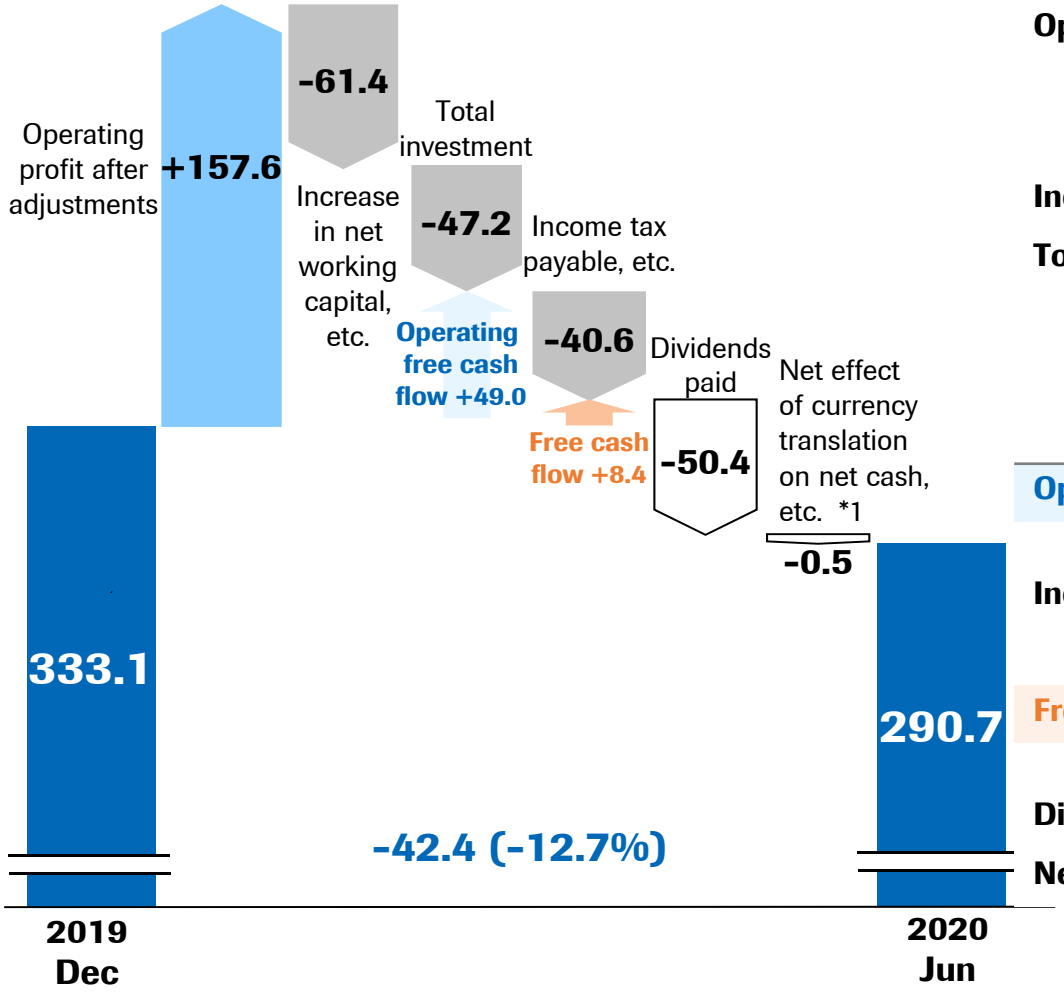
FX rate to the JPY (end of period)

	2019 Dec	2020 Jun
1CHF	112.31	113.07
1EUR	121.93	120.93
1USD	108.88	107.57
1SGD	80.72	77.18

vs. 2019 Year End

Net Cash

(Billions of JPY)



Operating profit after adjustment	**+157.6**
Operating profit	+140.6
Depreciation, amortization and impairment	+14.9
Increase in net working capital, etc.	**-61.4**
Total investment	**-47.2**
Property, plant and equipment	-40.6
Payment for lease liabilities	-4.2
Intangible assets	-2.3
Operating free cash flow	**+49.0**
Income tax payable, etc.	**-40.6**
Income tax payable	-41.9
Free cash flow	**+8.4**
Dividends paid	**-50.4**
Net effect of currency translation on net cash, etc.	**-0.5**

*1 Net effect of currency translation on net cash, etc. = Transaction in own equity instruments + Purchase of non-controlling interests + Net effect of currency translation on net cash(*2)
*2 Results from using different types of exchange rates when consolidating overseas subsidiaries in financial statements, i.e. net cash using end of period exchange rate and free cash flows using average exchange rate. (Chugai defines this term based on International Accounting Standard (IAS) 7 and IAS 21)

Appendix

Rate of NHI Drug Price Revisions

(%)	2018 Apr	2019 Oct*	2020 Apr	Notes
Domestic Sales	**- 6.7**	**- 0.2**	**- 9.2**	
Oncology				
Avastin	-	+1.9	- 15.7	Apr 2016: -10.9, Special re-pricing for market expansion
Tecentriq		+1.9	-	Apr 2012: -8.8, Re-pricing for market expansion
Perjeta	-	+1.9	- 15.0	
Alecensa	-	+1.9	-	
Herceptin	- 20.4	- 2.8	- 3.8	Apr 2010: -18.0, Re-pricing for market expansion
Kadcyla	- 1.5	+1.9	-	
Rituxan	- 26.2	- 3.5	- 2.2	Apr 2006: -13.1, Re-pricing for market expansion
Gazyva		+1.9	-	
Xeloda	- 0.6	- 3.2	- 27.4	
Rozlytrek		+1.9	-	
Bone and Joint				
Actemra	-	+1.9	- 18.5	Apr 2012: -25.0, Re-pricing for market expansion
Edirol	- 1.3	+0.7	- 0.4	
Bonviva	- 4.7	- 2.4	- 0.9	
Renal				
Mircera	- 8.6	- 4.7	- 1.9	Apr 2016: -19.7, Including return of price maintenance premium
Oxarol	- 8.9	- 6.5	- 1.2	
Others				
Hemlibra		+1.9	- 15.0	Apr 2018: Including return of price maintenance premium (dry syrup)
CellCept	- 9.3	- 7.2	- 4.0	Apr 2016: -11.0, Including return of price maintenance premium (capsule)
Tamiflu(Ordinary use)	- 10.6	- 1.9	- 0.4	Apr 2006: -13.0, Re-pricing for market expansion

Legend:
Minus sign indicates price reduction, plus sign indicates price increase

Includes reduction due to return of price maintenance premium

Re-pricing for market expansion

* Includes impact of consumption tax increase

IFRS and Core Results Jan - Jun

(Billions of JPY)	IFRS results 2020 Jan - Jun	Non-core items		Core results 2020 Jan - Jun
		Intangible assets	Others	
Revenues	**368.1**			**368.1**
Sales	305.7			305.7
Royalties and other operating income	62.5			62.5
Cost of sales	-131.8	+0.6		-131.2
Gross profit	**236.3**	**+0.6**		**236.9**
Operating expenses	**-95.7**	**+0.2**	**+2.3**	**-93.2**
Marketing and distribution	-32.8		+0.5	-32.3
Research and development	-54.9	+0.2	+1.8	-52.9
General and administration	-8.0		+0.0	-8.0
Operating profit	**140.6**	**+0.8**	**+2.3**	**143.7**
Financing costs	-0.0			-0.0
Other financial income (expense)	-0.2			-0.2
Other expense	-0.9			-0.9
Profit before taxes	**139.6**	**+0.8**	**+2.3**	**142.7**
Income taxes	-37.3	-0.2	-0.7	-38.2
Net income	**102.3**	**+0.6**	**+1.6**	**104.5**
EPS(JPY) *	62.18			63.51

(Billions of JPY)

Non-Core items

Intangible assets	
Amortization	+0.7
Impairment	+0.1
Others	
Restructuring expenses	+2.3

* Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. EPS are calculated based on the assumption that the stock split was implemented.

vs. Forecast (Core)

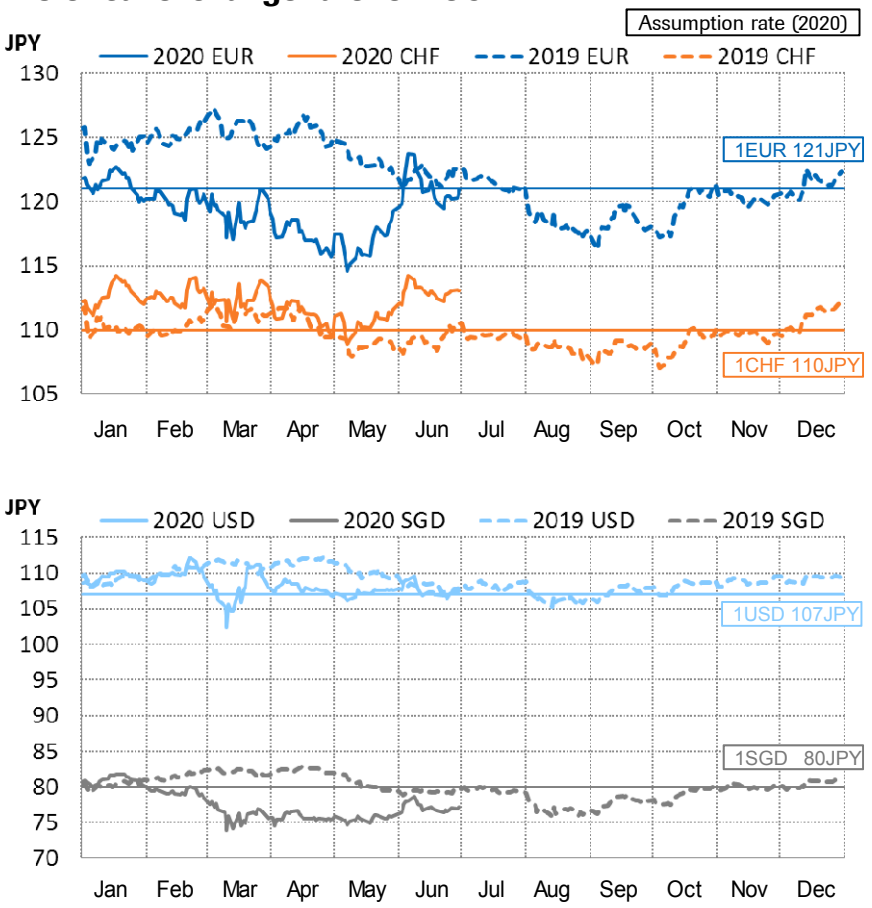
Impact from Foreign Exchange

(Billions of JPY)	FX impact Jan – Jun 2020 (FX impact vs. Assumption)	
Revenues	**+0.2**	
	Sales	+0.0
	Royalties and other operating income	+0.2
Cost of sales Operating expenses	Cost of sales	+0.0
	Expenses	+0.1
Operating profit	**+0.2**	

Actual / Assumption rate* (JPY)	2019 Jan - Jun Actual	2020 Jan -Dec Assumption	2020 Jan - Jun
1CHF	110.09	110.00	112.07
1EUR	124.34	121.00	119.27
1USD	110.07	107.00	108.28
1SGD	80.99	80.00	77.42

* Actual: market average exchange rate for the period Jan - Jun

Historical exchange rate to the JPY



Overview of Development Pipeline

Dr. Minoru Watanabe
Vice President
Head of Project & Lifecycle Management Unit
CHUGAI PHARMACEUTICAL CO., LTD.

July 27, 2020

Overview of Development Pipeline

Projects under Development (1)

As of July 27, 2020

	Phase I	Phase II	Phase III	Filed
Oncology	**GC33 / codrituzumab** - HCC **ERY974** - solid tumors **RG7421 / cobimetinib** - solid tumors **RG7802 / cibisatamab** - solid tumors **RG7828 / mosunetuzumab** - hematologic tumors **RG7461 (FAP-IL2v)** - solid tumors **AMY109** - solid tumors **STA551** - solid tumors **RG6026 / glofitamab** - hematologic tumors **RG6171** - breast cancer	**OBP-301** - esophageal cancer	**RG435 / Avastin (Tecentriq combo)** - SCLC - HCC (adjuvant) **RG7440 / ipatasertib** - prostate cancer - breast cancer **RG6264 (Herceptin+Perjeta)** - breast cancer (Fixed-dose combination, subcutaneous injection) **RG6058 / tiragolumab (Tecentriq combo)** - SCLC - NSCLC **AF802 (RG7853) / Alecensa** - NSCLC (adjuvant) **RG7446 / Tecentriq** - NSCLC (adjuvant) - NSCLC (neoadjuvant) - urothelial carcinoma - RCC (adjuvant) - early breast cancer - ovarian cancer - HCC (adjuvant) - HNC (adjuvant) **RG7596 / polatuzumab vedotin** - DLBCL	**RG3502 / Kadcyla** - breast cancer (adjuvant) **RG435 / Avastin (Tecentriq combo)** - HCC **RG7446 / Tecentriq** - HCC **RG7596 / polatuzumab vedotin** - r/r DLBCL★
Bone & Joint			**NRD101 / Suvenyl (China)** - knee osteoarthritis/shoulder periarthritis	**ED-71 / Edirol (China)** - osteoporosis

In principle, completion of first dose is regarded as the start of clinical studies in each phase.

★: **Projects with advances in stages since April 23, 2020**
Letters in orange: in-house projects*
*Includes projects that Chugai owns / retains domestic and overseas development rights

HCC: hepatocellular carcinoma
SCLC: small cell lung cancer
RCC: renal cell carcinoma

DLBCL: diffuse large B-cell lymphoma
r/r: relapsed / refractory
NSCLC: non-small cell lung cancer
HNC: head and neck carcinoma

Overview of Development Pipeline

Projects under Development (2)

As of July 27, 2020

	Phase I	Phase II	Phase III	Filed
Renal	**EOS789** - Hyperphosphatemia			
Autoimmune	**RG7845 / fenebrutinib** - rheumatoid arthritis **RG7880 (IL-22 fusion protein)** - inflammatory bowel disease			
Neurology	**RG7935 / prasinezumab** - Parkinson's disease **GYM329 (RG6237)** - neuromuscular disease **RG6100 / semorinemab** - Alzheimer's disease	**RG7906 / ralmitaront** - schizophrenia	**RG1450 / gantenerumab** - Alzheimer's disease **RG6042 / tominersen** - Huntington's disease **RG7916 / risdiplam** - spinal muscular atrophy (PII/III)	**SA237 (RG6168) / Enspryng (US/EU)** - NMOSD
Others	**PCO371** - hypoparathyroidism **AMY109** - endometriosis **NXT007** - hemophilia A (PI/II)	**SKY59 (RG6107) / crovalimab** - PNH (PI/II)	**RG7716 / faricimab** - DME - nAMD **MRA (RG1569) / Actemra (JPN)** - COVID-19 pneumonia ★ **ACE910 (RG6013) / Hemlibra** - Acquired hemophilia A ★	

In principle, completion of first dose is regarded as the start of clinical studies in each phase.

PNH: paroxysmal nocturnal hemoglobinuria
DME: diabetic macular edema
nAMD: neovascular age-related macular degeneration
NMOSD: neuromyelitis optica spectrum disorder

Letters in orange: in-house projects*
★: Projects with advances in stages since April 23, 2020
*Includes projects that Chugai owns / retains domestic and overseas development rights

Key News Flows in Q2

Approved	**Enspryng**	NMOSD（Japan, Canada, Switzerland）	JPN: June, CH: July, 2020
	F1CDx	CDx for Capmatinib（*MET* ex14 + NSCLC）	May, 2020
Filed	**polatuzumab vedotin**	r/r DLBCL	June, 2020
	F1CDx	CDx for Lynparza（HRR-related gene alterations + CRPC）	June, 2020
New to Pipeline	**Actemra**	COVID-19 pneumonia	P3 domestic study（J-COVACTA）
	Hemlibra	Acquired hemophilia A	P3 domestic study（AGEHA）
Development Discontinued	**Tecentriq + Avastin**	Renal cell carcinoma	P3 study（IMmotion151）
	Kadcyla + Perjeta	HER2+ breast cancer（adjuvant）	P3 study（KAITLIN）
	balovaptan	Autism spectrum disorder	P1 study
Late-stage Readouts	**Tecentriq**	Triple negative breast cancer（neo-adjuvant）	P3（IMpassion031）
	ipatasertib	CRPC (loss of PTEN)	P3（IPATtential150）
Medical Conference	**Enspryng**	SAkuraStar / SAkuraSky studies（long-term safety）	EAN
	risdiplam	FIREFISH study part 2（after one-year treatment）	AAN
	risdiplam	SUNFISH study part 1（after two-year treatment）	CureSMA
	Alecensa	ALEX study（5-year survival rate）	ASCO
	tiragolumab	CITYSCAPE study（combination with Tecentriq）	ASCO
Others	**nemolizumab**	Atopic dermatitis / domestic P3 study*1	NEJM
	Technology transfer	Antibody engineering technology	Eli Lilly and Company
	Joint research	Antibody-drug against COVID-19	A*STAR
	Joint development	Digital technology for pain scoring in endometrosis	Biofourmis

NMOSD: neuromyelitis optica spectrum disorder; r/r DLBCL: relapsed or refractory diffuse large B-cell lymphoma; F1CDx: FoundationOne CDx;
NSCLC: non-small cell lung cancer; HRR: homologous recombination repair; CRPC: castration-resistant prostate cancer; PTEN: phosphatase and tensin homolog
SMA: spinal muscular atrophy; A*STAR: Agency for Science, Technology and Research

Letters in orange: **in-house projects*2**

*1 conducted by Maruho, licensee in Japan

*2 Includes projects that Chugai owns / retains domestic and overseas development rights

Response to COVID-19

1. **Clinical trial**: evaluate the efficacy and safety of Actemra against COVID-19 pneumonia

Trial	Sponsor / Region	Population	Dosing regimen	Estimated filing
J-COVACTA (Phase 3)	Chugai / Japan	Hospitalized severe patients >10	Single 8mg/kg IV dose; up to one additional dose may be given	2020
COVACTA (Phase 3)	Roche / Global	Hospitalized severe patients 450	Same as above	2020
REMDACTA (Phase 3)	Roche* / Global * collaboration with Gilead Sciences, Inc.	Hospitalized severe patients 450	Same as above** ** combination with remdesivir	2020

2. **Joint research**: develop antibody drug against COVID-19
   - CPR and A*STAR aim to create an antibody drug candidate with Chugai's proprietary antibody engineering technologies
3. **Technology transfer**: Chugai's antibody engineering technologies
   - Grant Elli Lilly and Company rights to use Chugai's antibody engineering technologies for their research activities to develop COVID-19 treatments and the rights for the development and marketing of therapeutic antibodies applying the technologies.

CPR: Chugai Pharmabody Research Pte. Ltd. A*STAR Agency for Science, Technology and Research

Enspryng (anti-IL-6 receptor recycling antibody)

Drug with novel MOA, approved in Japan and overseas

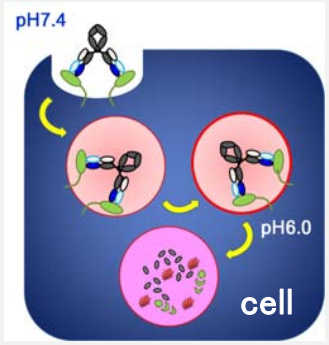
- Treatment for anti-aquaporin-4 seropositive NMOSD in both adults and children
- First drug applying Chugai's proprietary recycling antibody technology, provides convenience by subcutaneous injection every four weeks
- Approval was granted based on the results from two global phase III studies which showed that monotherapy and combo-therapy with immunosuppressive treatment significantly reduced risk of relapse in people with NMOSD
- Long-term prevention of relapse and tolerability was confirmed against NMOSD, which is a chronic autoimmune disease

NMOSD: neuromyelitis optica spectrum disorder

Recycling Antibody® Technology

Technology enable single antibody molecule to bind to an antigen multiple times.

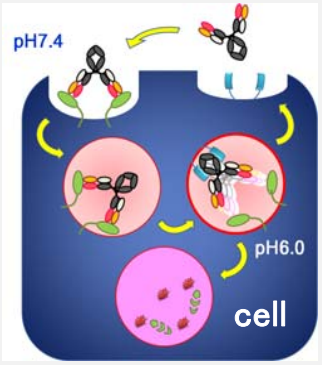
Conventional antibody



Membrane-bound antigen

Engineer antibody to dissociate from the antigen in a pH-dependent manner

Recycling antibody®



✓Can bind to the antigen only once
✓Binds to the antigen and is rapidly cleared

✓Can bind to the antigen multiple times
✓Able to reduce the antibody clearance

Nature Biotechnology. **28**, 1203-7, 2010

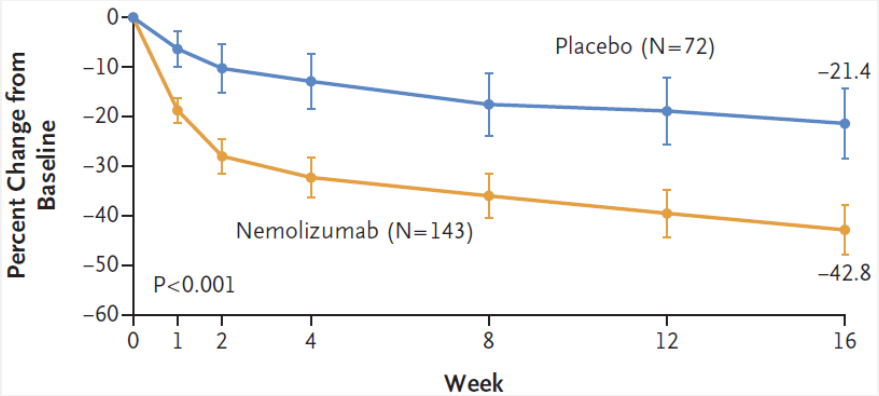
Nemolizumab (anti-IL-31 receptor A antibody)

Pruritus in moderate to severe atopic dermatitis/domestic P3*1 (NEJM)

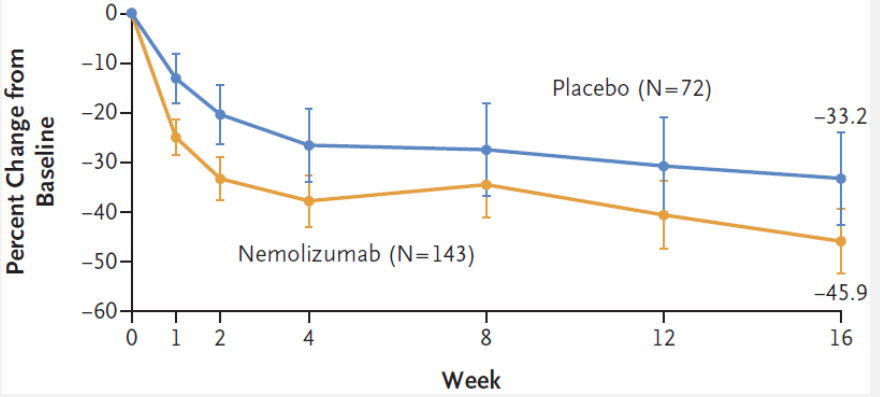
- Achieved primary endpoint for pruritus
- Improved evaluation indices including severity of eczema, QOL and sleep

Endpoint (after 16 weeks)	Primary endpoint	Secondary endpoints			Safety
	Mean percent change in VAS score for pruritus*2	Change in EASI*3 score	DLQI*4 score 4 or less (proportion)	ISI*5 score 7 or more improvements (proportion)	Adverse event rate
nemolizumab group	-42.8%	-45.9%	40%	55%	71%
placebo group	-21.4%	-33.2%	22%	21%	71%
difference between two groups (95%CI)	-21.5% (-30.2, -12.7), P < 0.001	-12.6% (−24.0, −1.3)	17% (2, 31)	33% (17, 48)	—

Change in VAS score of pruritus from baseline



Change in EASI score from baseline



*1 conducted by Maruho, licensee in Japan
*2 visual-analogue scale (VAS) score for pruritus: range, 0 to 100, with higher scores indicating worse pruritus
*3 EASI (Eczema Area and Severity Index): an evaluation index to demonstrate the extent (area) and severity of atopic dermatitis
*4 DLQI (Dermatology Life Quality Index): a quality of life index specific to skin diseases
*5 ISI (Insomnia Severity Index): a patient's subjective evaluation index in regard to sleep

Source: Kenji Kabashima et al. NEJM 2020; 382:141-150.

Hemlibra

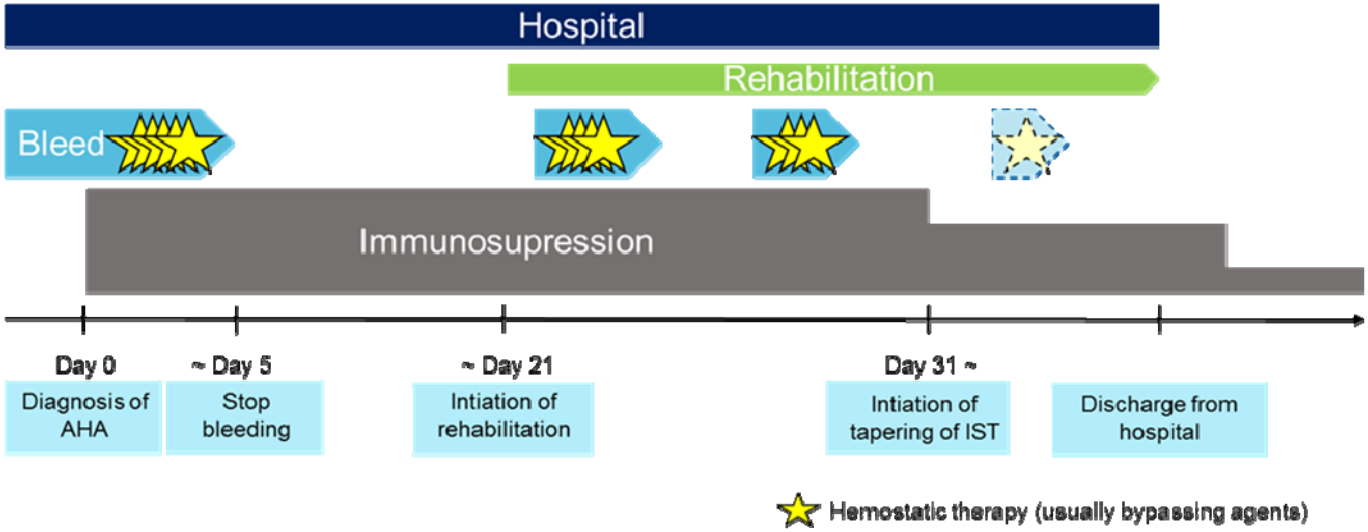
Anti-coagulation factor IXa/X humanized bispecific monoclonal antibody

Acquired Hemophilia A (AHA)

- Autoimmune disease caused by autoantibodies against coagulation factor VIII and characterized by sudden subcutaneous or intramuscular bleeding (serious bleeding is not uncommon)
- A very rare disease reported in the UK national survey with 1.48 cases per million annually*
- Immunosuppressive therapy (IST) is started immediately after diagnosis for the purpose of removing autoantibodies, and bypass hemostatic agents are widely used for bleeding
- Poor prognosis, with many deaths occurring particularly in early stages, most deaths are due to severe bleeding and severe infectious diseases caused by IST (9.1% due to bleeding and 11% due to infection, according to the UK national survey*)

Conventional treatment (conceptual Illustration)

* Blood (2007) 109 (5): 1870–1877

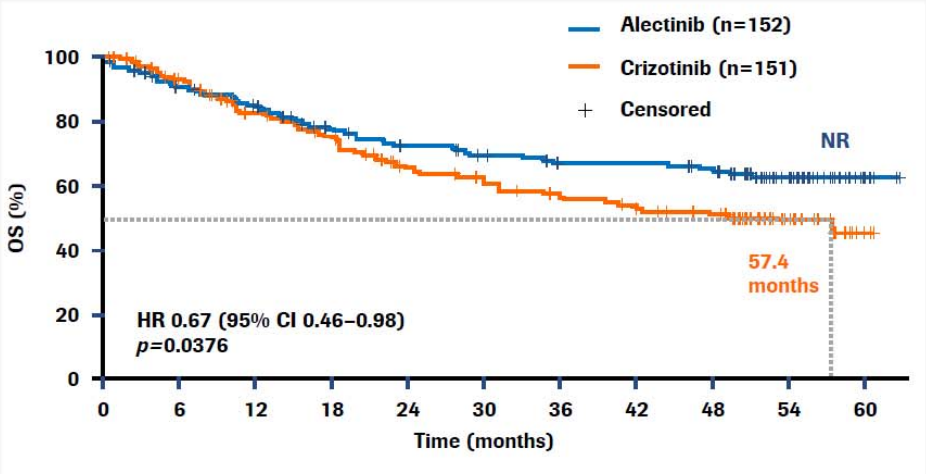


Alecensa：Updated OS data of P3 ALEX study

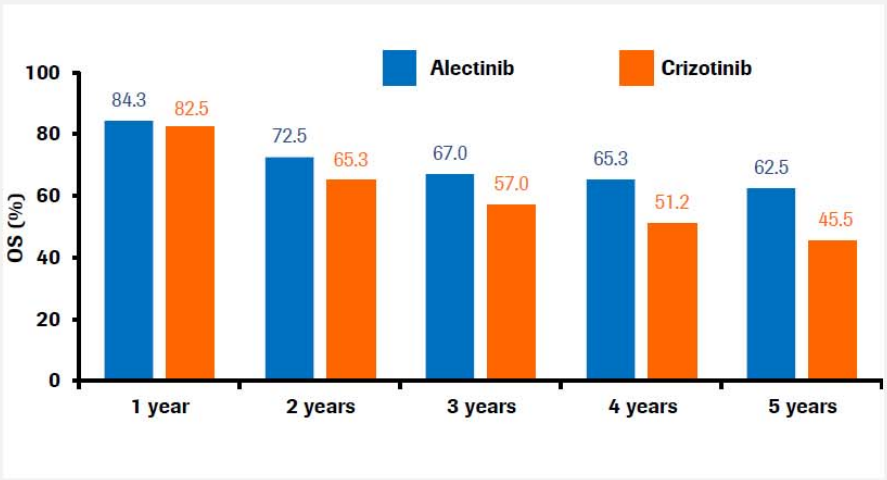
- Five-year survival rate exceeds 60%-（ASCO2020 ）

- Median OS: Alectinib group NR, Crizotinib group 57.4 months（95% CI 34.6-NR）
  HR：0.67（95%CI 0.46-0.98）p=0.0376
- 5-year survival rate: Alectinib group 62.5%, Crizotinib group 45.5%

5-year OS rate (ITT)



Changes in OS rate of two groups



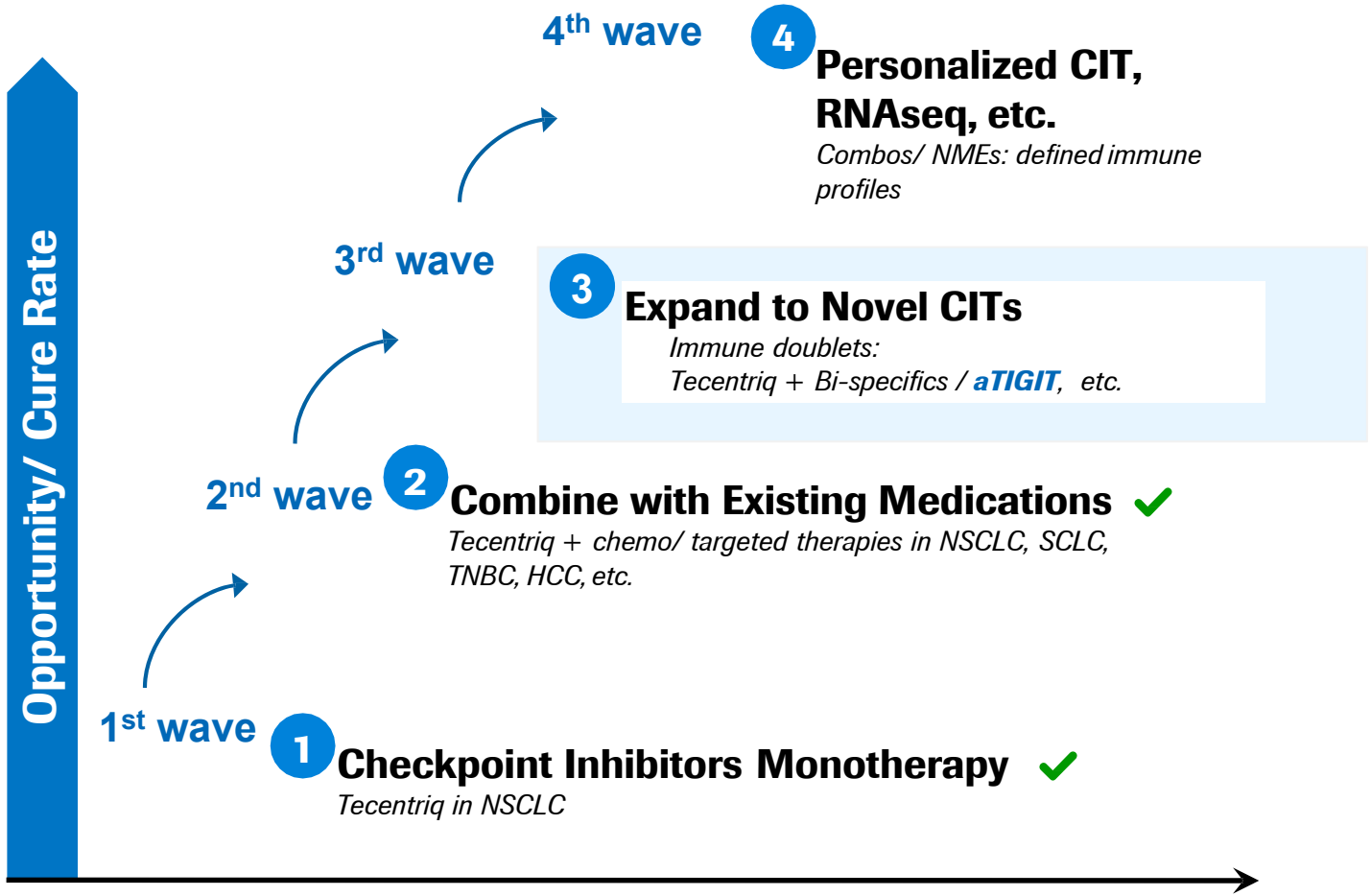
The updated analysis confirms the superior OS efficacy and tolerability of Alecensa compared to crizotinib

Data cut-off 29 Nov 2019　ITT: intention-to-treat; OS: overall survival; NR: not reached

Dose for ALEX study: alectinib 600mg twice daily
Approved dose in Japan: alectinib 300mg twice daily

Source：ASCO20 Virtual Roche Analyst Events（partially modified）

Establishing Tecentriq as Standard of Care in Major Tumor Types



NSCLC: non-small cell lung cancer
SCLC: small cell lung cancer

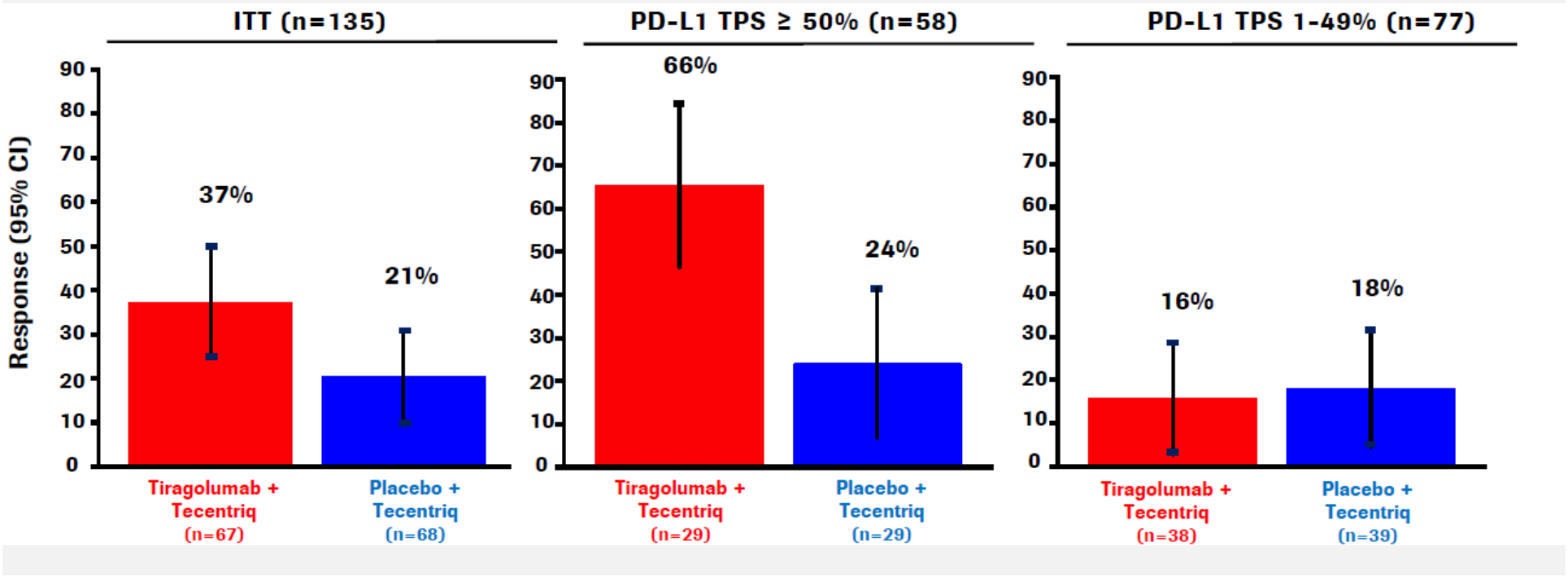
TNBC: triple-negative breast cancer
HCC: hepatocellular carcinoma

Source: Roche JPMorgan Healthcare Conference, San Francisco 2020 (partially modified)

Tiragolumab：P2 CITYSCAPE 1L NSCLC（1/2）

Confirmed the efficacy with Tecentriq in a randomized controlled study（**ASCO2020**）

Updated ORR analysis with 10.9 months median follow-up



Consistent and clinically meaningful ORR, mainly driven by the PD-L1 high population

Follow-up data cut-off: December 2, 2019; ORR：overall response rate; ITT=intention-to-treat; TPS=tumor proportion score

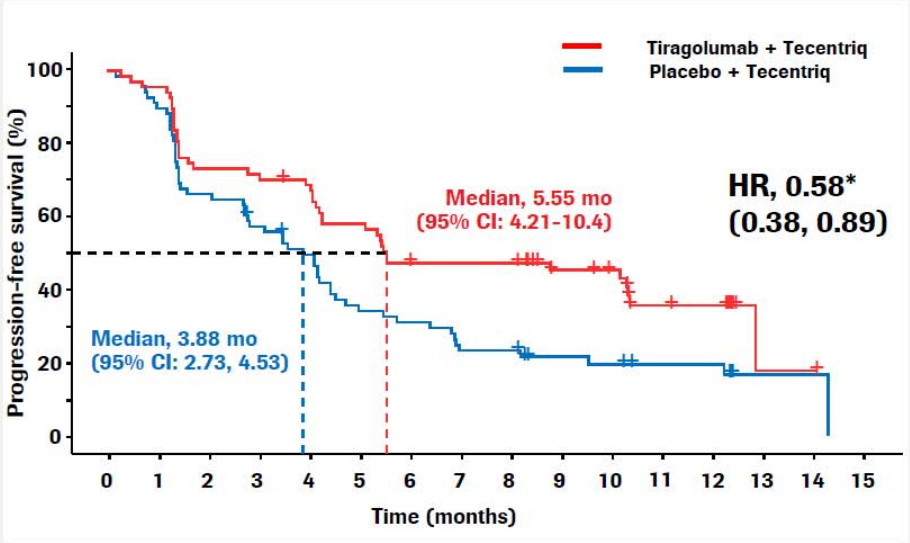
Source：ASCO20 Virtual Roche Analyst Events（partially modified）

Tiragolumab：P2 CITYSCAPE 1L NSCLC（2/2）

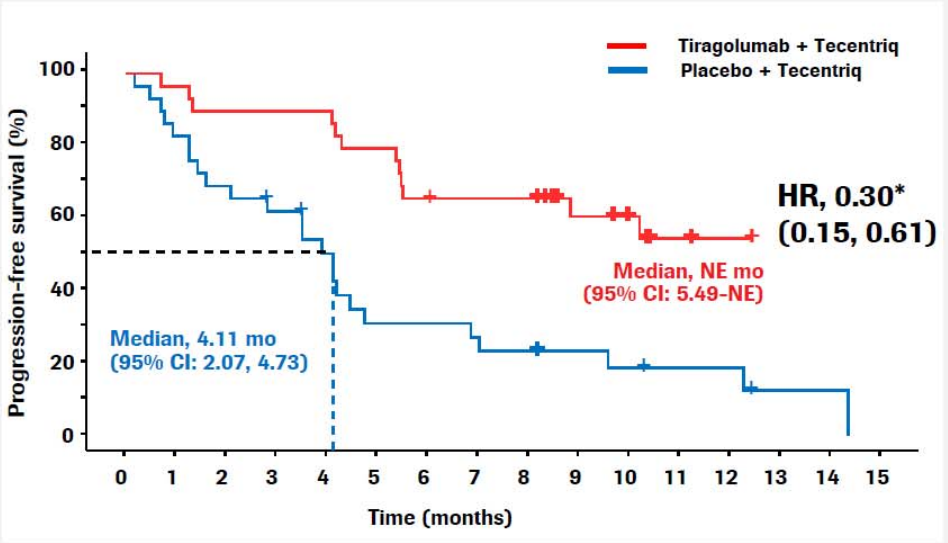
Confirmed the efficacy with Tecentriq in a randomized controlled study（**ASCO2020**）

Updated PFS analysis with 10.9 months median follow-up

Updated investigator-assessed PFS: ITT



Updated Investigator-Assessed PFS: PD-L1 TPS ≥ 50%



Consistent and clinically meaningful PFS at longer follow-up with greater magnitude of improvement in the PD-L1 high population

Follow-up data cut-off: December 2, 2019; NE = non-evaluable; PFS = progression free survival; ITT=intention-to-treat; TPS = tumor proportion score
*unstratified HR

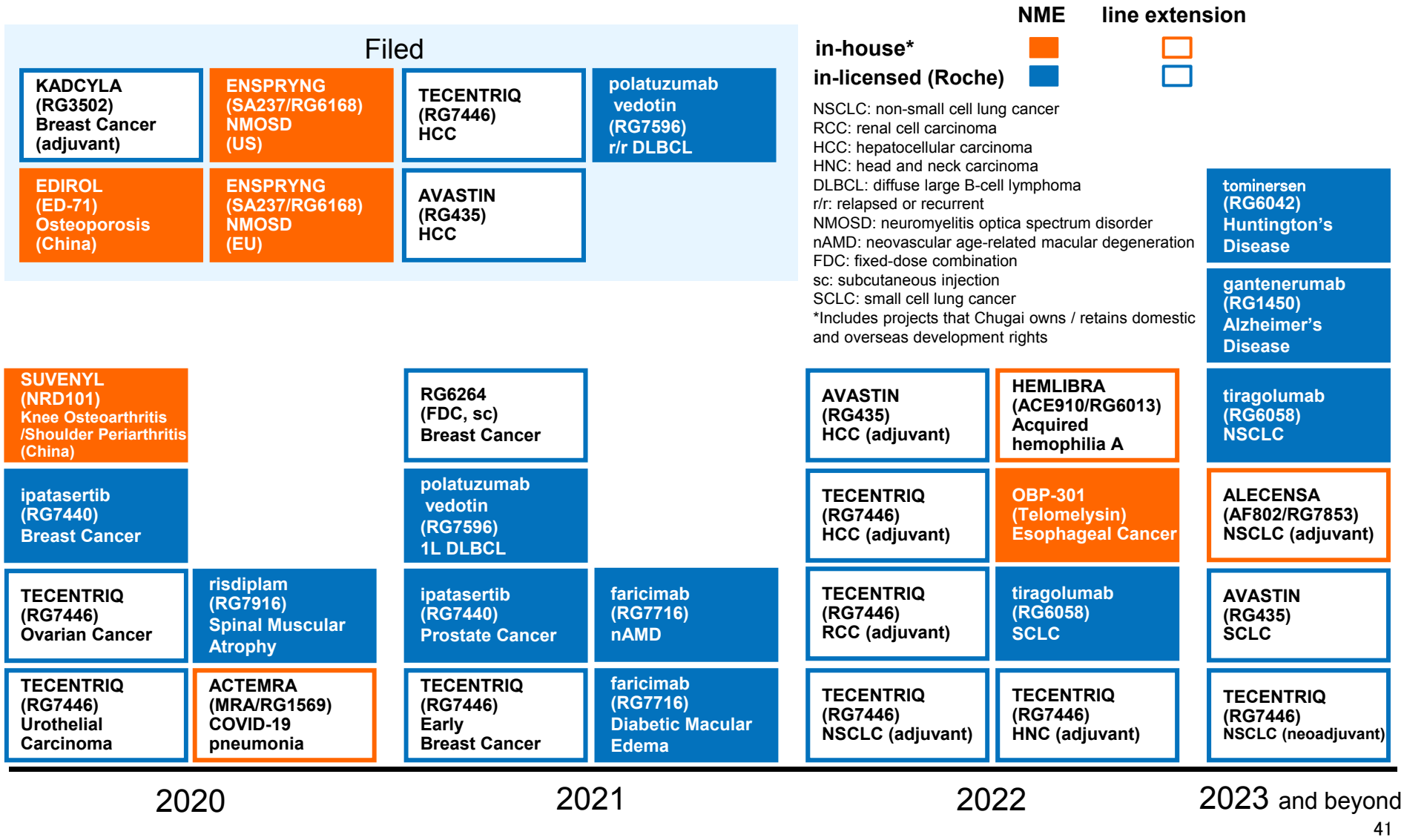
Source：ASCO20 Virtual Roche Analyst Events（partly modified）

Overview of Development Pipeline

Projected Submissions (Post PoC NMEs and Products)

as of July 27, 2020

CHUGAI
Roche Roche Group



Current Status on the Development Requests for Unapproved Drugs/Indications

Review Committee of Development Requests for Unapproved Drugs/Indication

- 1st round requests: all approved (ten indications, including additional dosages and administrations of eight products)
- 2nd round requests: all approved (three indications of three products)
- 3rd round requests: requests were made for three indications of three products, including additional dosages and administrations, and two of them were approved

Product	Indication	Current Status
Avastin®	Additional dosage and administration for ovarian cancer	Submitted company opinion and waiting for evaluation by the committee

- 4th round requests: requests were made for five indications of five products, and one of them was approved

Product	Indication	Current Status
Xeloda®	Neuroendocrine tumor	Submitted company opinion and waiting for evaluation by the committee
Avastin®	Cerebral edema induced by radiation necrosis	Submitted company opinion and waiting for evaluation by the committee
Neutrogin®	Combination treatment with chemotherapy including fludarabine for relapsed/refractory AML	Submitted company opinion and waiting for evaluation by the committee
CellCept®	Inhibition of graft versus host disease (GVHD) in patients received allogeneic hematopoietic stem cell transplantation	Submitted company opinion and waiting for evaluation by the committee

No advances in status since January 30, 2020

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