



TOP INNOVATOR
TOPi 2030

Conference on FY2023.12 Financial Results

CHUGAI PHARMACEUTICAL CO., LTD.

1 February 2024



INNOVATION BEYOND IMAGINATION



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. Chugai’s recognition of non-recurring items may differ from that of Roche due to the difference in the scale of operations, the scope of business and other factors. 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.

Note:

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

Agenda



01

FY2023 Overview and FY2024 Forecast

Dr. Osamu Okuda

President & CEO

02

Overview of Development Pipeline

Tetsuya Yamaguchi

Executive Vice President
Head of Foundation Medicine Unit

03

FY2023 Consolidated Financial Overview (Core)

Toshiaki Itagaki

Director, Executive Vice President & CFO



FY2023 Overview and FY2024 Forecast

Dr. Osamu Okuda

President & CEO

2023 Financial Performance

- Revenue exceeded 1 trillion JPY for two consecutive fiscal years, and Core operating profit was comparable YoY. The company achieved YoY increases in revenue and profits, excluding the impact of decrease in sales of the COVID-19-related drug
- Core net income increased for seven consecutive fiscal years

Core (billions of JPY)	2022	2023	Growth		2023	Progress (%)
	Jan - Dec actual*	Jan - Dec actual			Jan - Dec forecast	
Revenue	1167.8	1111.4	-56.4	-4.8%	1,070.0	103.9%
Domestic sales	654.7	558.0	-96.7	-14.8%	541.7	103.0%
Overseas sales	384.6	416.5	+31.9	+8.3%	378.3	110.1%
Other revenue	128.6	136.9	+8.3	+6.5%	150.0	91.3%
Operating profit	451.7	450.7	-1.0	-0.2%	415.0	108.6%
Operating margin	38.7%	40.6%	+1.9pts	-	38.8%	-
Net income	317.7	333.6	+15.9	+5.0%	306.0	109.0%
EPS (yen)	193.11	202.71	+9.60	+5.0%	186.00	109.0%

- Domestic sales declined YoY due to the major decrease in sales for the supply of Ronapreve to the government, as well as the effects of the NHI drug price revisions and the market penetration of generic drugs, despite the favorable sales of the mainstay products including Enspryng, Hemlibra, and Tecentriq, in addition to the strong growth of new products such as Polivy and Vabysmo
- Overseas sales increased YoY due to the major increase in the exports of Hemlibra and Alecensa to Roche
- Other revenue increased YoY primarily due to the increase in income related to Hemlibra
- As a result, Core operating profit was comparable YoY to be 450.7 billion JPY, and Core net income increased for seven consecutive fiscal years to 333.6 billion JPY due to a decrease in corporate income tax etc.

* Starting from FY2023, Chugai has excluded income from disposal of product rights from revenue. In conjunction with this change, the results for FY2022 have been restated accordingly.

2024 Forecast

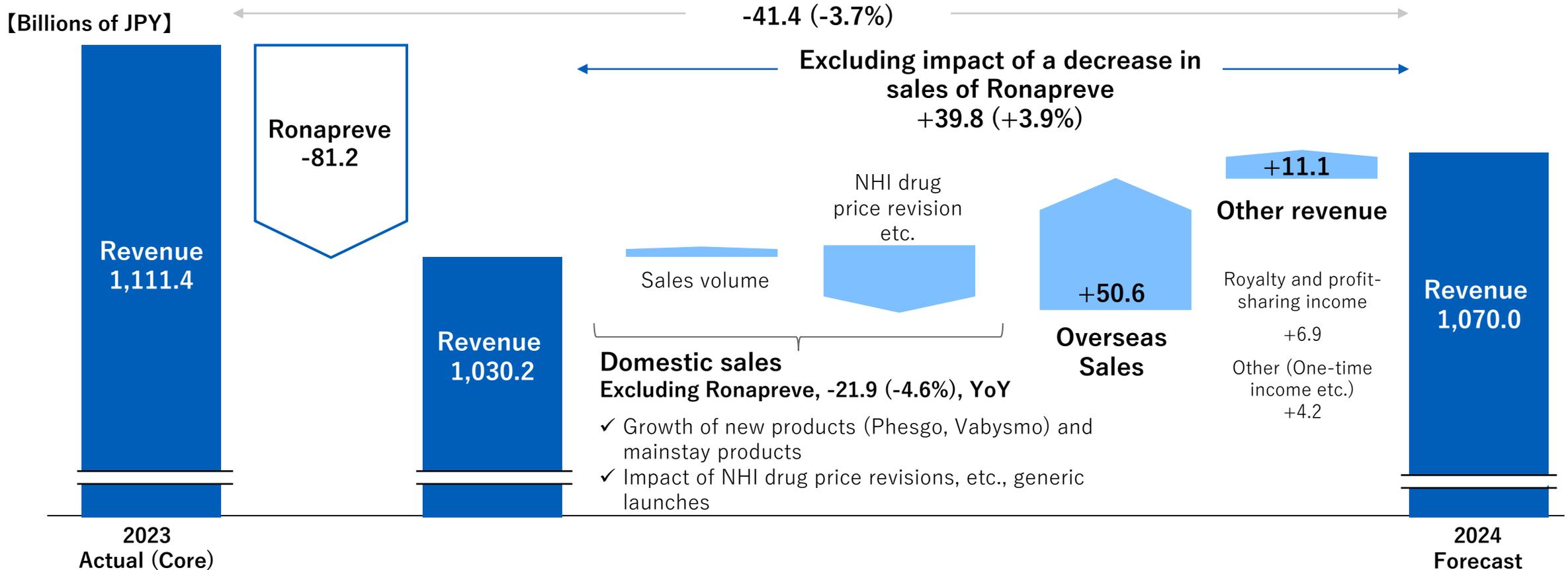
- Revenue is expected to exceed 1 trillion JPY for three consecutive fiscal years, driven by increase in overseas sales of mainstay products and royalties, despite the decrease in domestic sales due to the decrease in sales of Ronapreve and the impacts of NHI drug price revisions etc.
- Core operating profit and Core net income are expected to reach a record high

Core (billions of JPY)	2023 Jan - Dec actual	2024 Jan - Dec forecast	Growth (year on year)	
Revenue	1,111.4	1,070.0	-41.4	-3.7%
Domestic sales	558.0	454.9	-103.1	-18.5%
Overseas sales	416.5	467.1	+50.6	+12.1%
Other revenue	136.9	148.0	+11.1	+8.1%
Operating profit	450.7	460.0	+9.3	+2.1%
Operating margin	40.6%	43.0%	+2.4%pts	-
Net income	333.6	335.5	+1.9	+0.6%
EPS (yen)	202.71	204.00	+1.29	+0.6%

- Domestic sales are expected to decrease 18.5% due to the decrease in the supply of Ronapreve to the government and the impacts of NHI drug price revisions and the penetration of generics. Domestic sales excluding Ronapreve are expected to decrease by 4.6%
- Overseas sales are expected to increase significantly due to the major increase in export of Hemlibra, despite the decrease in export of Actemra due to the impact of the biosimilars etc.
- Other revenue is expected to increase due to the increase of Hemlibra-related income and one-time income

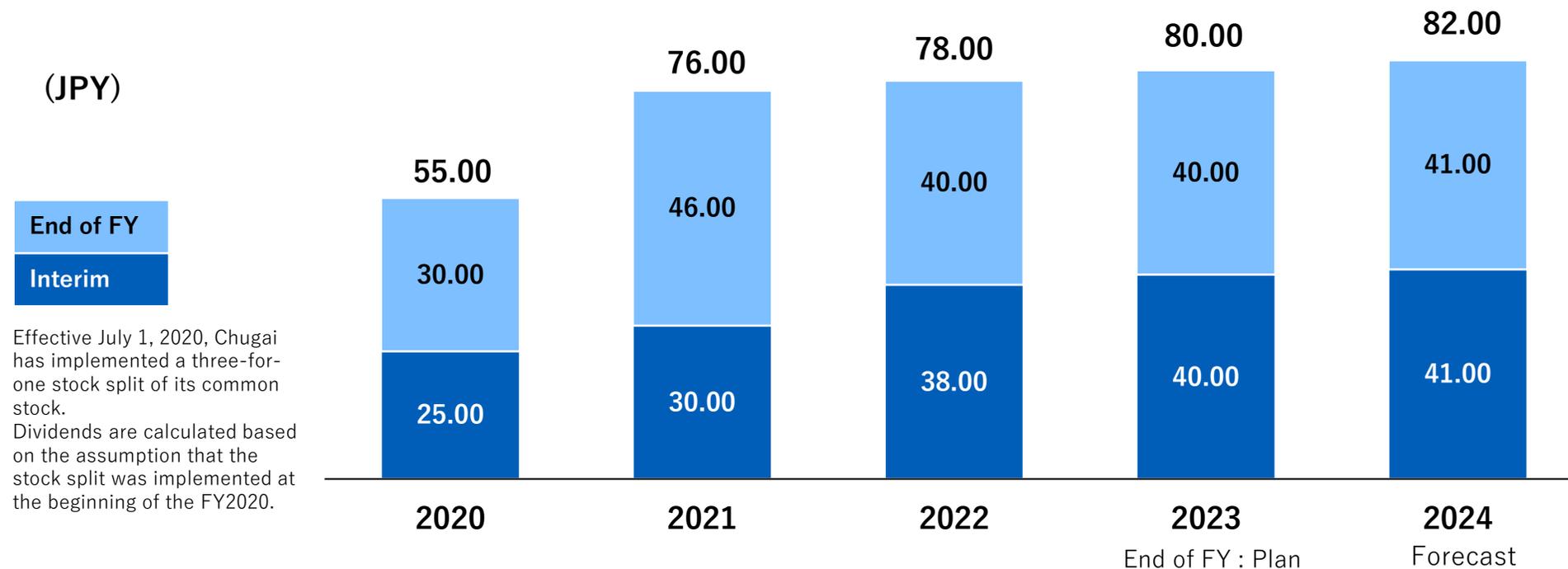
Topline Analysis of 2024 Forecast

- Overseas sales and other revenue increased while domestic sales decreased mainly due to the impact of decrease in Ronapreve, the NHI drug price revisions and the market penetration of generics
- Increased revenues (+39.8 billion JPY, +3.9%, YoY) excluding the impact of a decrease in sales of Ronapreve (-81.2 billion JPY, YoY)



Contribution to Shareholders

- Focusing on the continuous provision of stable dividends, we expect annual dividends of 82 JPY for FY2024
- Basic profit distribution principles
 - ✓ Taking into account strategic funding needs and earnings prospects, Chugai sets a target for a consolidated dividend payout ratio of 45% on average compared with Core EPS, to continuously provide a stable profit allocation of profit to all shareholders.



Core dividend payout ratio	5-year average	2020	2021	2022	2023	2024
	Single FY	44.9%	42.9%	42.0%	40.9%	40.2%
		41.2%	40.1%	40.4%	39.5%	40.2%

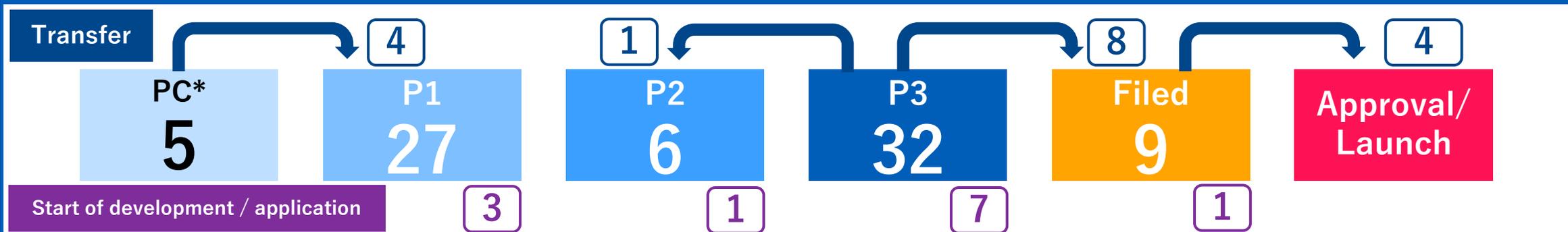
Review of Strategic Policies for 2023 (1/2)

■ Generally on track in late-stage, early-stage and preclinical-stage development, respectively

Strengthening of RED Function

- **Development for mid-size molecule project:** Progressed in both quality and quantity despite some delay
 - ✓ Expected delay to obtain ePoC for LUNA18 from 2024
 - ✓ On the other hand, subsequent mid-size molecule projects have progressed, and 1 project achieved transfer to PC*
- **Continuous creation of new projects and construction of technology infrastructure:** Progressed steadily in establishment of technology infrastructure. Open innovation and DX need to be further promoted toward challenging goals
- **Proof of value of in-house pre-PoC projects and strengthening of foundation:** Achieved bPoC/ePoC across multiple projects
- **Accelerating open innovation:** Established Chugai Venture fund (CVF) and completed its preparation for the full-scale start in 2024

Changes in the number of R&D projects (from January 1 to December 31, 2023)



*PC: Preclinical development

Development Discontinued: 6 projects, Temporarily suspended the development: 1 PJ, Withdrew the application: 1 PJ

Review of Strategic Policies for 2023 (2/2)

■ Although some gaps remain, we are generally on track

<p>Maximize the value of growth drivers</p>	<ul style="list-style-type: none"> ● Enhance value of post-PoC projects: In-house products successfully achieved to file the regulatory applications as planned ● Maximizing value of new products and growth drivers: Although Vabysmo did not achieve the challenging plan, Polivy and Enspryng are steadily growing more than expected ● Operation model evolution for futuristic business model: Stable operation of SPIRITS, the digital foundation for production functions
<p>Strengthen business foundation</p>	<ul style="list-style-type: none"> ● Foster an organizational culture that continues to produce innovation: Implementation of Early retirement incentive program and promotion of career recruitment/dialogue between supervisors and subordinates, expansion of digital human resource development contents, implementation of measures to improve company-wide digital literacy ● Resource creation by business process reform: While ASPIRE* progressed, we are midway through resolving the lack of resources raised as an issue in the employee awareness survey ● Sophistication of risk management functions: Progress in building a system to establish a company-wide third-party risk management ● Promotion of autonomous management of affiliated companies: Changes to the decision-making process ● Measures to address mid-term environmental goals: Decided to implement the measures for Halogenated Hydrocarbon-Free in UK3

*ASPIRE: The name of a business and digital transformation program that will deliver cutting edge global standard processes and the next-generation ERP platforms across Chugai Group

Hemlibra: Trends of domestic hemophilia A patient share

Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
29.2%	30.0%	30.8%	31.7%	32.5%

Strategic Policies for 2024

- Continue to focus on strengthening of RED functions, maximizing the value of growth drivers, and strengthening business foundation
- In regard to strengthening business foundation, the strategic policy items were reviewed based on changes in the environment inside and outside the company

1) Strengthening of RED Function

- Promotion and expansion of development of mid-size molecule projects
- Continuous creation of new projects and construction of technology infrastructure
- Proof of value of in-house pre-PoC projects and strengthening of Foundation
- Accelerating promotion system of Open Innovation

2) Maximize the value of growth drivers

- Enhance value of post-PoC projects
- Maximizing value of new products and growth drivers
- Operation Model Evolution for futuristic business model

3) Strengthen business foundation

- Strengthen HR strategy and business foundation that continues to produce innovation
- Further promotion of sustainability
- Organize related systems and reform business processes to introduce ASPIRE
- New insight business promotion policy

Outlook of Mid- to Long-term Growth to Achieve TOP I 2030

- In the mid term, overcome the impact of overseas Actemra BS and domestic BS/NHI drug price revisions by expanding the indications of in-house products and launching new products, and view sustainable growth
- In the long term, continuous development success of in-house projects will drive further growth

[Hemlibra] Further continuous growth

[Alecensa] Expected to obtain additional indication for postoperative adjuvant therapy for NSCLC within 2024

[Enspryng] Following NMOSD, expected to file and obtain approvals for 4 other additional indications sequentially in 2024 and beyond

[crovalimab] PNH: Expected to be approved and launch in Japan/U.S./EU/China in 2024. In 2025 and beyond, expected to file and obtain approvals for 3 other indications sequentially

[Projects out-licensed to 3rd parties] Expected to contribute to revenue through filing, approval, and launch of multiple projects sequentially

[In-house projects] Expected revenue contribution from global launch

[In-licensed from Roche] Stable contribution to revenue from exclusive marketing of Roche products in Japan

[Domestic: Impacts of BS/NHI drug price revisions] [Overseas: Impact of Actemra BS]

2024	2025	2026	2027	2028	2029	2030 and beyond
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Expand Research Function in Chugai Pharmabody Research

- Expanding the mid-size molecule drug discovery function of CPR, and repositioning it as a permanent overseas drug discovery research function
- Aim to further promote the provision of innovative new drugs to patients through continuous creation of projects, including joint research with research institutions in Singapore

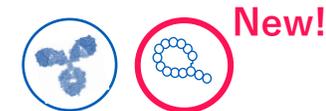
Chugai LSP Yokohama:

Creation of development candidate compounds
Mid-size molecule technology development



CPR :

Primary screening
Hit generation



Provision of primary lead molecules for antibodies and mid-size molecules

CPR original research

+

External joint research:

- Provision of tools necessary for deep cultivation of disease biology
- New drug discovery targets



Technology transfer for screening of mid-size molecule drug discovery to CPR
Chugai LSP Yokohama focuses on mid-size molecule drug discovery technology development



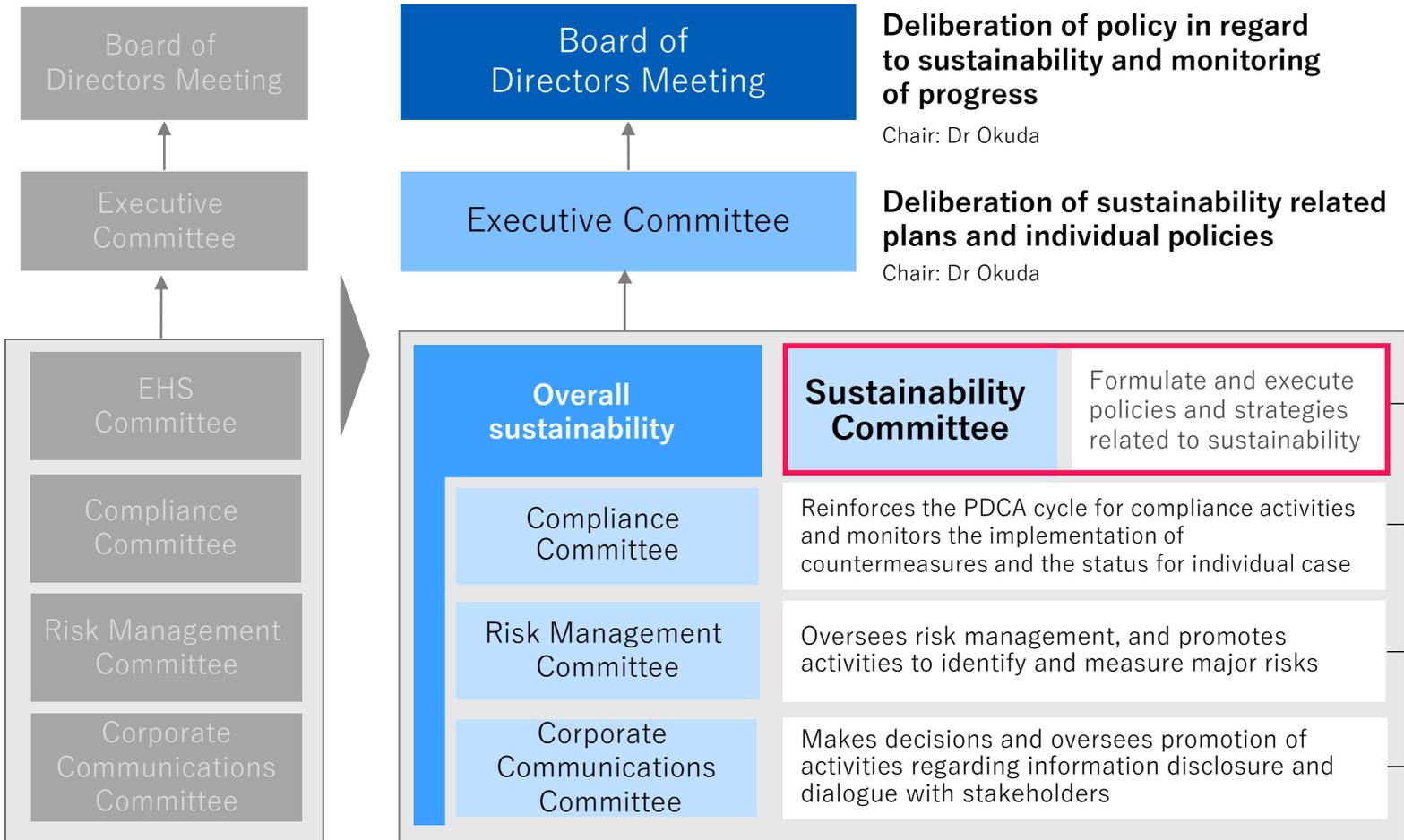
Continuous drug discovery Project creation

Evaluation of novel drug discovery targets

Sustainability Promotion System - Review of Management Advisory Committees -

- Established a new management committee to consolidate functions and enable cross-organizational management to further strengthen sustainability initiatives as a key management issue

Since February 2024



Major Sustainability Responsible Persons

Responsible for Sustainability Overall:
Dr. Osamu Okuda
 Representative Director, President & CEO

Chair of the Committee:
Yoshiyuki Yano
 Executive Vice President
 Supervisory responsibility for Human Resource Management and ESG

Chair of the Committee:
Dr. Kaori Ouchi
 Vice President
 Supervisory responsibility for Risk Management, Compliance and Quality & Regulatory Compliance

Chair of the Committee:
Toshiaki Itagaki
 Director, Executive Vice President & CFO
 Supervisory responsibility for Finance & Accounting, Corporate Communication and Procurement

New Management Structure

Underline: new position/role
 Excluding removal effective on April 1, 2024

Name	Rank	Supervisory responsibility
Dr. Osamu Okuda	Representative Director, President CEO	Chair of the Board of Directors Chair of the Executive Committee External Affairs and Audit
Iwaaki Taniguchi	<u>Director</u> , Executive Vice President <u>CFO</u>	<u>Finance & Accounting, Corporate Communication and Procurement</u>
Dr. Hitoshi Iikura	<u>Director</u> , <u>Executive Vice President</u> Head of Translational Research Div.	<u>Research, Translational Research, Clinical Development</u>

- Iwaaki Taniguchi and Dr. Hitoshi Iikura are scheduled to be appointed as directors upon approval at the 113th Annual General Meeting of Shareholders to be held on March 28, 2024
- Dr. Hisafumi Yamada, Director, Executive Vice President, and Toshiaki Itagaki, Director, Executive Vice President & CFO, will retire on March 28, 2024

Summary

- In 2023, revenue exceeded 1 trillion JPY for two consecutive fiscal years, and Core operating profit was comparable YoY. The company achieved YoY increase in revenue and profits, excluding the impact of decrease in sales of the COVID-19-related drug. Core net income increased for seven consecutive fiscal years
- In 2024, we continue to promote RED SHIFT under the three frameworks of Strengthening of RED function, Maximize the value of growth drivers, and Strengthen business foundation. Chugai aims to promote further provision of innovative new drugs to patients through expansion of CPR functions, etc.
- Revenue for 2024 is expected to exceed 1 trillion JPY for three consecutive fiscal years, driven by increase in overseas sales of mainstay products and royalties, despite the decrease in domestic sales due to the decrease in sales of Ronapreve and the impacts of NHI drug price revisions etc. Core operating profit and Core net income are expected to reach a record high
- In the mid term, we will overcome the impact of overseas Actemra BS and domestic BS/NHI drug price revisions by expanding the indications of in-house products and launching new products, and view sustainable growth. In the long term, we aim for further growth through continuous development success of in-house projects

Updates on Mid-term Milestones Targeting 2023

- Mid-term milestones will be revised in line with current business environment and progress

Letters in pink: KPI not met

<p>Drug Discovery</p>	<p>Developing Next-Generation Antibody Technologies to Solve Drug-Wants</p> <ul style="list-style-type: none"> • PC transition of new antibody engineering technologies that work selectively with tissue and cells following Switch-Ig <p>Establishment of a Technology Platform and New Modality Research Platform Comprising Multiple Modalities with Competitive Advantages</p> <ul style="list-style-type: none"> • PoC of new technologies through a combination of protein engineering technology and new modalities <p>Strengthening the Drug Discovery Process by Utilizing Digital Technology</p> <ul style="list-style-type: none"> • Antibodies: Increased efficiency of the discovery process through machine learning technology
<p>Development</p>	<p>Accelerate Value Expansion of in-House Developed Products through the Simultaneous Development of Multiple Diseases</p> <ul style="list-style-type: none"> • Simultaneous development of multiple diseases in multiple projects based on science and business feasibility <p>Evolution of Late-Stage Development Operations</p> <ul style="list-style-type: none"> • Increase workforce productivity
<p>Pharmaceutical Technology</p>	<p>Establishment of an Efficient Manufacturing System for CPMC</p> <ul style="list-style-type: none"> • Strengthen core manufacturing technologies, establish a cost-competitive CPMC system, and firmly establish operations • Establish a CMO management system for future product portfolio • Launch a new operational model at other sites through the development of digital and IT infrastructure
<p>Value Delivery</p>	<p>Building an Engagement Model to Meet Diversifying Customer Needs</p> <ul style="list-style-type: none"> • Implement a precise individual strategy that combines in-person, remote, and digital channels <ul style="list-style-type: none"> ✓ Customer satisfaction (cancer): No. 1 in obtaining information other than Medical Reps ✓ Customer satisfaction (MA Priority Activity Disease Area Assessment): Top 3 in all areas ✓ Customer satisfaction (providing safety information): No. 1 <p>Functional Reforms Through Resource Shifts and Digital Use, etc.</p> <ul style="list-style-type: none"> • Systematically withdraw from mature areas and invest resources in new areas
<p>Foundation for Growth</p>	<p>Acceleration and Penetration of D&I</p> <ul style="list-style-type: none"> • Ratio of female managers/Ratio of female managers with subordinates: 17% / 17% achieved

Overview of Development Pipeline

Tetsuya Yamaguchi

Executive Vice President, Head of Foundation Medicine Unit

Q4 Topics (1/2)



As of February 1, 2024

Launched	Phesgo	“HER2+ BC” and “advanced or recurrent HER2+ CC that has progressed following cancer chemotherapy and is not amenable to curative resection”	November 2023
Approved	Rituxan	Suppression and treatment of antibody-mediated rejection in organ transplantation	December 2023
Filed	Alecensa	Postoperative adjuvant therapy for <i>ALK</i> fusion gene-positive non-small cell lung cancer	November 2023 (US/EU/China) December 2023 (Japan)
Initiation of study	avutometinib/VS-6766 REVN24	Recurrent LGSOC (combination with defactinib) * Acute diseases	P3 study (December 2023) P1 study (October 2023)
Phase Transition	AMY109	Endometriosis	P1 study→P2 study (January 2024)
Readout	RG6356/SRP-9001 Tecentriq	EMBARC study (DMD) did not meet its primary endpoint (favorable secondary endpoints) IMvoke010 study (head and neck carcinoma) did not meet its primary endpoint	October 2023 2023 Q4
Removed from pipeline	Tecentriq semorinemab	IMvoke010 study (head and neck carcinoma): development discontinued Domestic P1 (Alzheimer’s disease): development discontinued	

Q4 Topics (2/2)



As of February 1, 2024

Medical conference	Hemlibra	HAVEN 7 study (babies with severe hemophilia A): American Society of Hematology (ASH)	December 2023
	Kadcyla	KATHERINE study (HER2+ early-stage breast cancer): San Antonio Breast Cancer Symposium (SABCS)	December 2023
Literature publication	nemolizumab	OLYMPIA 2 study* (prurigo nodularis): New England Journal of Medicine (NEJM)	October 2023
	NXT007	Non-clinical research results: Journal of Thrombosis and Haemostasis	November 2023
	DONQ52	Non-clinical research results: Nature Communications	December 2023
Orphan drug designation	Alecensa	Postoperative adjuvant therapy for <i>ALK</i> fusion gene-positive non-small cell lung cancer	December 2023 (Japan)
Priority review designation	Alecensa	Postoperative adjuvant therapy for <i>ALK</i> fusion gene-positive non-small cell lung cancer	January 2024 (US)
Exercise of option rights by out-licensing partners	EOS789	Worldwide exclusive license to develop, manufacture, and commercialize: Alebund Pharmaceuticals Ltd.	October 2023
Business Transfer	Xeloda	Transfer of the business in Japan: CHEPLAPHARM K.K.	November 2023

2023: Key R&D Milestones



Underlined and bolded are new progress since October 24, 2023

	Product	Indication/Study name	Progress
Projects to be approved	Actemra Hemlibra crovalimab <u>Phesgo</u>	Systemic sclerosis with interstitial lung disease (SSc-ILD) (EU) Moderate hemophilia A (EU) PNH (China) <u>HER2+ breast cancer/colorectal cancer</u>	withdrawal approved 2024 Approved/ launched
P3/Pivotal readouts	<u>Alecensa</u> crovalimab nemolizumab Tecentriq + Avastin Tecentriq <u>Tecentriq</u> Tecentriq+ tiragolumab mosunetuzumab+Polivy <u>delandistrogene</u> <u>moxeparvovec</u>	<u>ALINA study: NSCLC [adjuvant]</u> COMMODORE 1/2 study: PNH ARCADIA 1/2 study ¹ : Atopic dermatitis IMbrave050 study: Hepatocellular carcinoma [adjuvant] IMpassion030: early breast cancer [adjuvant] <u>IMvoke010 study: Head and neck carcinoma [adjuvant]</u> SKYSCRAPER-01 study: NSCLC [1st line] SUNMO study: r/r aggressive B-cell non-Hodgkin's lymphoma <u>EMBARC study: Duchenne muscular dystrophy (DMD)</u>	met PE/ filed met PE/filed met PE met PE Development discontinued did not meet PE /development discontinued H2 2024 ² 2024 <u>did not meet PE (favorable secondary endpoints)</u>

Letters in orange : in-house projects (development in global) Letters in blue : in-licensed from Roche (development and distribution in Japan)

1. Conducted by Galderma, an overseas licensee 2. 2024→H2 2024

2024: Key R&D Milestones

	Product	Indication/Study name	Progress
Projects to be approved	crovalimab Alecensa Vabysmo	Paroxysmal nocturnal hemoglobinuria (Japan/US/EU) NSCLC (adjuvant) (Japan/US/EU) Retinal vein occlusion	
P3/Pivotal readouts	Enspryng Tecentriq + tiragolumab mosunetuzumab mosunetuzumab + Polivy Vabysmo	Luminesce study: generalized myasthenia gravis SKYSCRAPER-01 study: NSCLC(1st Line) Domestic P1 (Expansion cohort): Follicular lymphoma (3rd Line) SUNMO study: r/r aggressive B-cell non-Hodgkin's lymphoma NIHONBASHI study: Angioid streaks	
P2 readouts	GYM329 + Evrysdi	MANATEE study: Spinal muscular atrophy (SMA)	

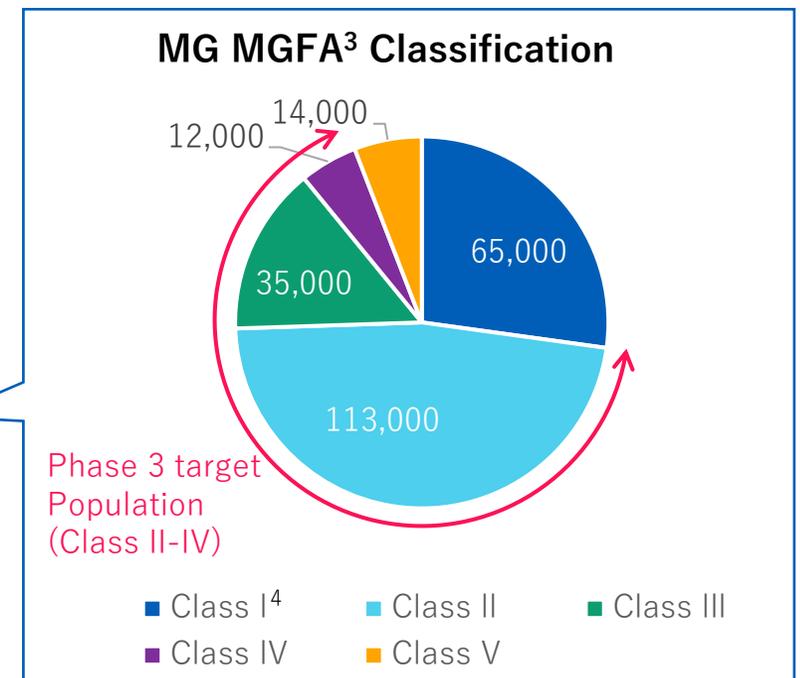
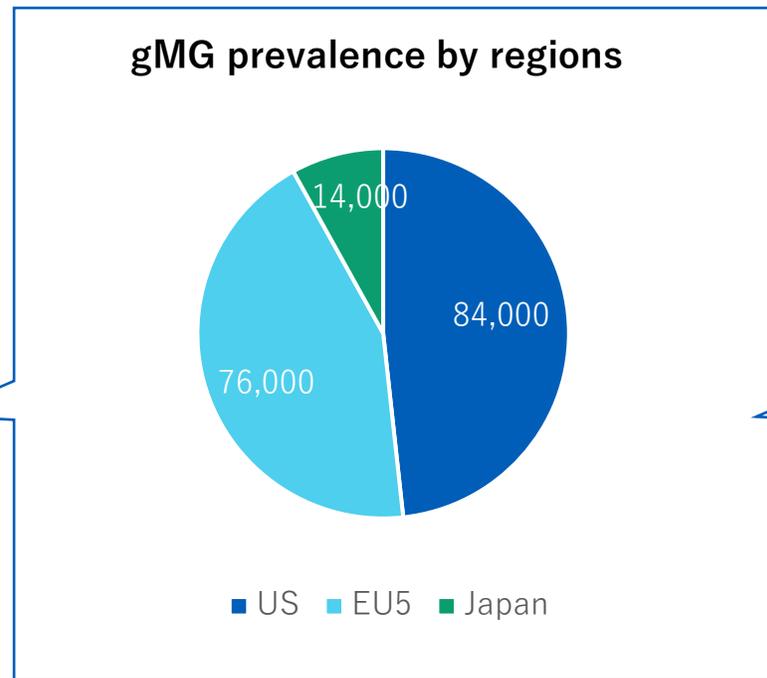
Letters in orange : in-house projects (development in global) Letters in blue : in-licensed from Roche (development and distribution in Japan)

Market Opportunity of Enspryng

- Launched in 2020 for the indication of NMOSD. Global sales in 2023 total 256 mCHF
- Readout of Global P3 study for gMG and regulatory filing are expected in 2024. Four indications are simultaneously under development
- First antibody utilizing Chugai’s proprietary Recycling Antibody® technology which enables convenient every four-week subcutaneous injection. Confirmed favorable safety profile in the data from clinical studies for NMOSD

Diagnosed prevalence in 2025 (# of patients in US/EU5/Japan)

MOGAD	26,000
TED	69,000 ²
AIE	3,000-12,000 ¹
gMG	174,000
NMOSD	24,000



1. AIE; Incidence-based with ranges 2. TED: Incidence-based

Source: Citeline data as of Dec. 2023, numbers are rounded

NMOSD: neuromyelitis optica spectrum disorder, gMG: generalized myasthenia gravis, AIE: autoimmune encephalitis, TED: thyroid eye disease,

MOGAD: myelin oligodendrocyte glycoprotein antibody-associated disease

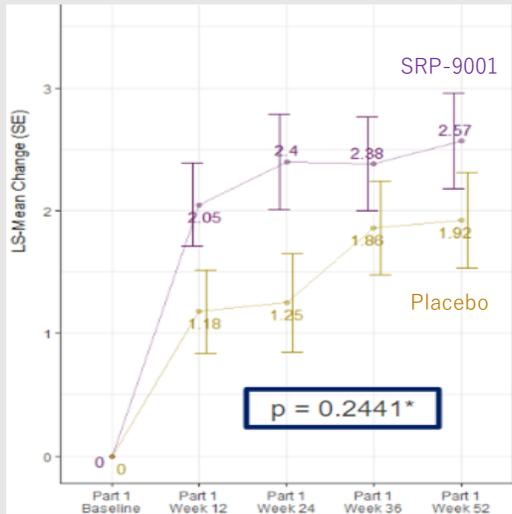
3. MGFA: Myasthenia Gravis Foundation of America

4. Class I is not included in gMG

delandistrogene moxeparovec (RG6356/SRP-9001)

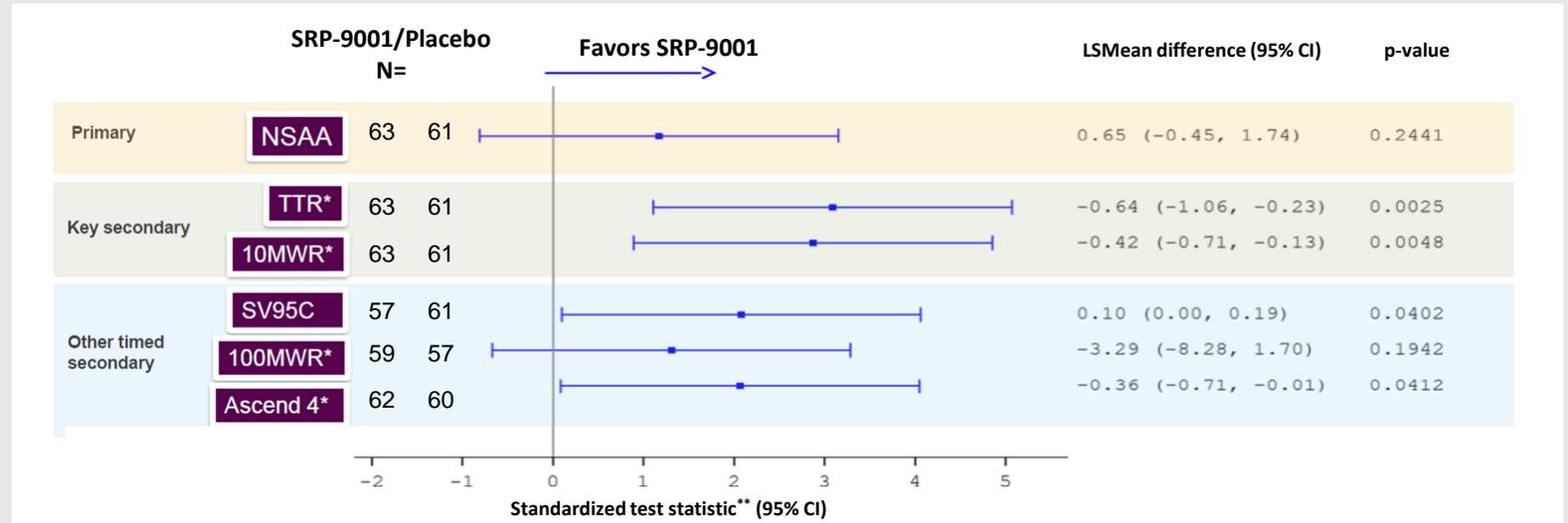
Global Phase 3 EMBARK study did not reach the primary endpoint, but shows positive efficacy outcomes on all timed functional key endpoints.

Primary Endpoint (NSAA)



- SRP-9001-treated patients improved 2.6 points on their NSAA total score at 52 weeks compared to 1.9 points in placebo-treated patients (0.65; n=125; p=0.24).
- The NSAA is a 17-item rating scale used to measure functional motor abilities in ambulant children with DMD. It is used to monitor the progression of the disease and treatment effects in clinical studies for DMD.

Key secondary functional EPs (TTR, 10MWR) with clinically significant treatment benefit



- Both key pre-specified functional secondary endpoints demonstrated robust evidence for a clinically meaningful treatment benefit across age groups in SRP-9001-treated patients (age of 4-7) compared to placebo at 52 weeks.
- TTR (Time To Rise) predicts altered trajectories for the time to loss of ambulation in natural history. At 52w, 3% of SRP-9001-treated patients showed a TTR >5sec compared to 16% in the placebo group (n=124, p=0.0135)^a.
- Safety: Pattern and severity of AE/SAE were consistent with prior studies, no deaths and no discontinuations occurred.
- Based on the results, Chugai will work together with Sarepta and Roche to consult with regulatory authority in Japan.

NSAA:North Star Ambulatory Assessment, TTR:Time To rise from floor, 10MWR:10m walk run test, SV96C: stride velocity 95C measured with ankle pedometer Syde, 100MWR:100m walk run test, Ascend 4: time to climb 4 stairs

**Lines plot standardized t-test statistic (+/- 1.96) after dividing LSM (95%CI) by standard error; t-test statistic signs reversed to align favorable directions among effect endpoints (endpoints with *)

Source; Sarepta Therapeutics Update_30 Oct 2023 <https://investorrelations.sarepta.com/static-files/4871976b-aebc-4ab1-b598-b9ad15c660bf> (Accessed Jan 2024)

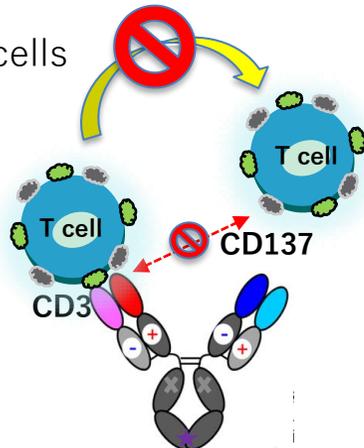
SAIL66: Anti-CLDN6/CD3/CD137 trispecific (Dual-Ig[®])

Next Generation T-cell Redirecting Antibody Targeting Claudin 6 using our Dual-Ig[®] Technology

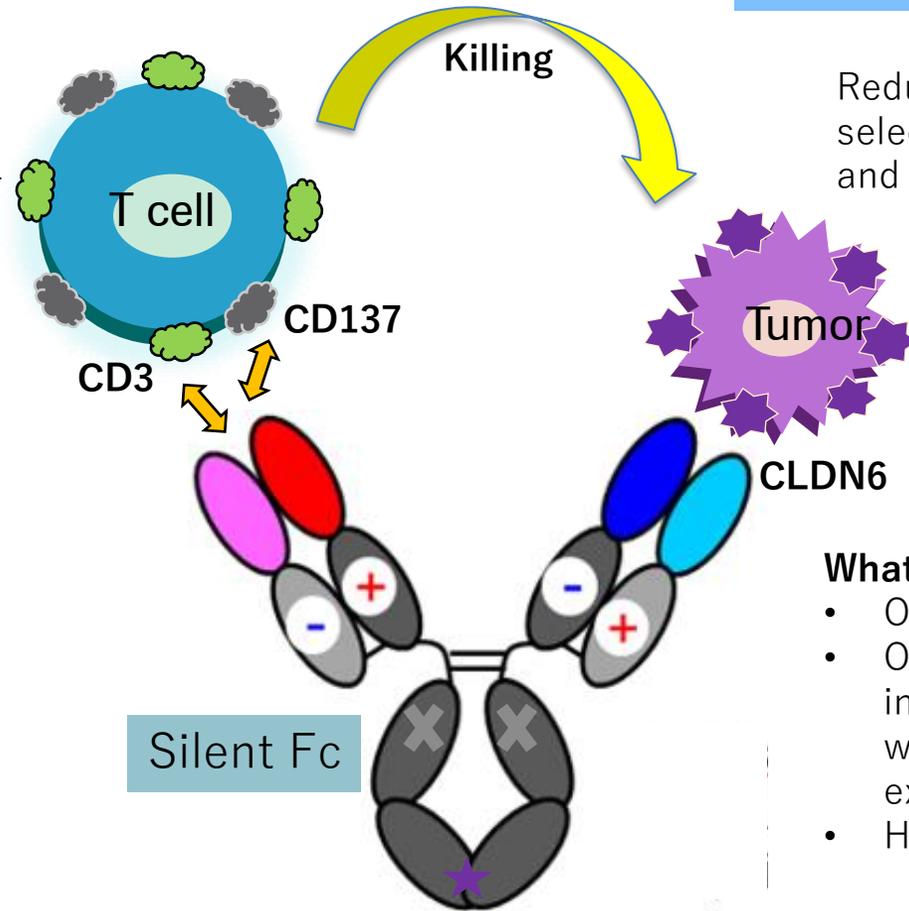
Phase 1 study in patients with CLDN6-positive solid tumors is currently ongoing.

Dual-Ig[®]

- Non-simultaneous binding to CD3 and CD137 and induction of potent T cell activation stimuli in the presence of tumor antigen
- The potential for long-term efficacy through T cell proliferation and the inhibition of exhausted T cell by CD137 costimulatory signals
- Non-simultaneous binding to CD3 and CD137 avoids activation of T cell in a tumor antigen independent manner and killing of immune cells



Anti-CLDN6

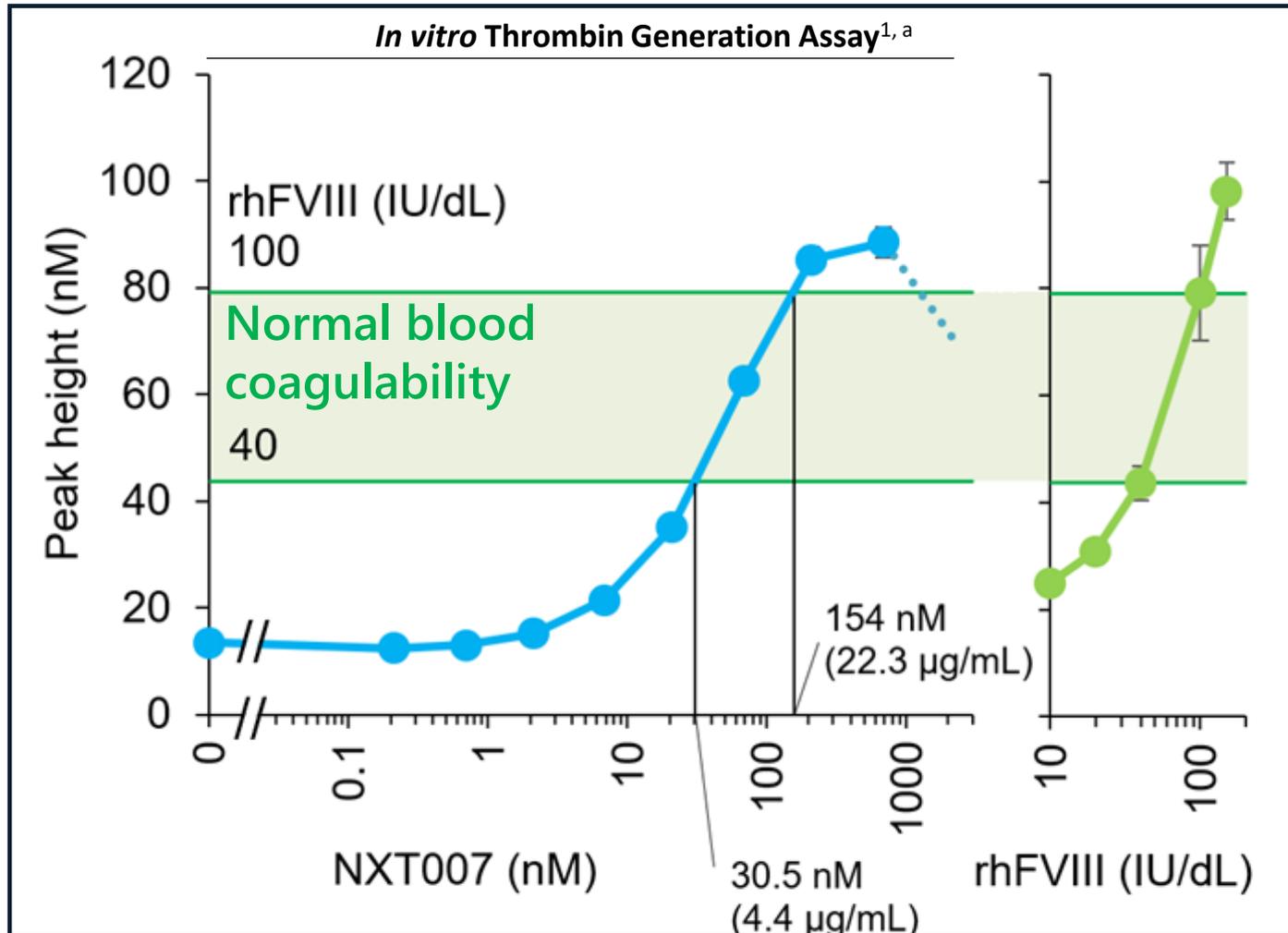


Reduce safety risk by having high selectivity for Claudin 6 (CLDN6) and not binding to CLDN3/4/9

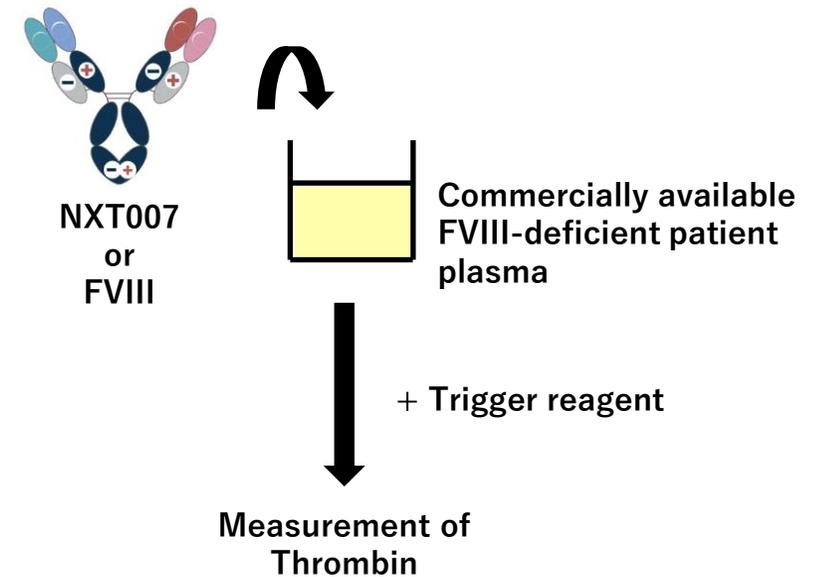
What is Claudin 6 ?

- One of the tight junction proteins
- Overexpressed in some malignancies including ovarian cancer and NSCLC, while showing almost silent expression in normal tissues
- High tumor specificity expected

NXT007 Demonstrated Possibility of Maintaining Blood Coagulability Equivalent to Healthy Individuals in People with Hemophilia A



Non-clinical research data (*in vitro*)

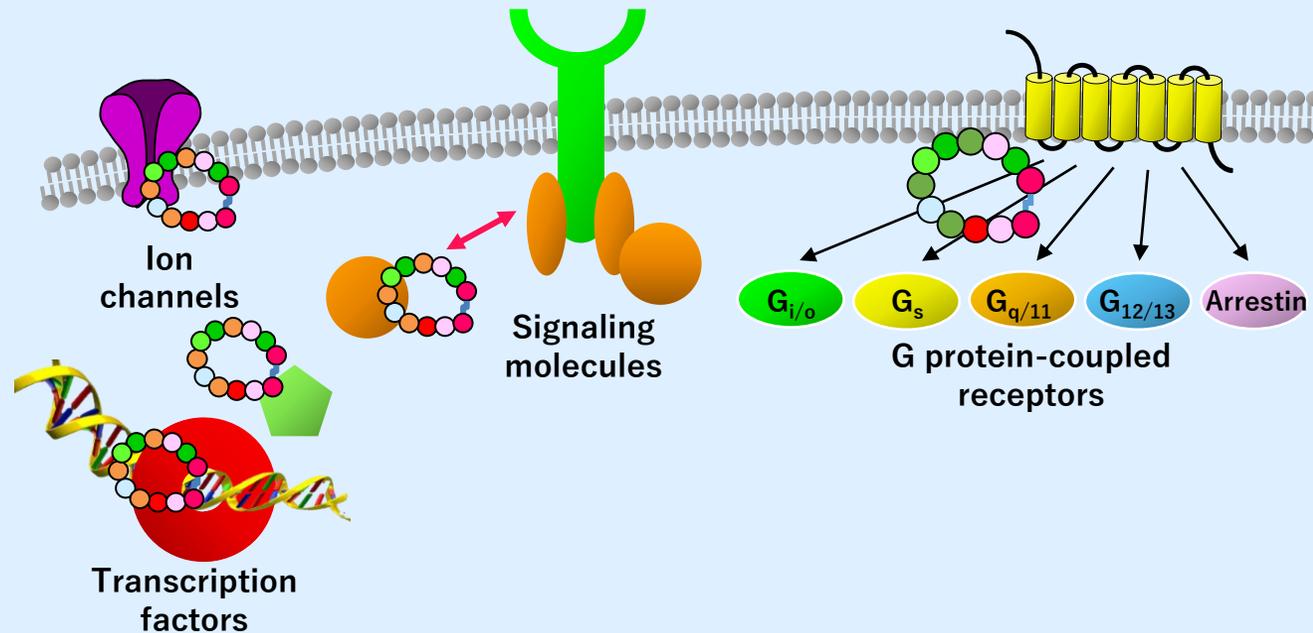


¹ Yuri Teranishi-Ikawa et. al *Journal of Thrombosis and Haemostasis* 2023 (partially modified)

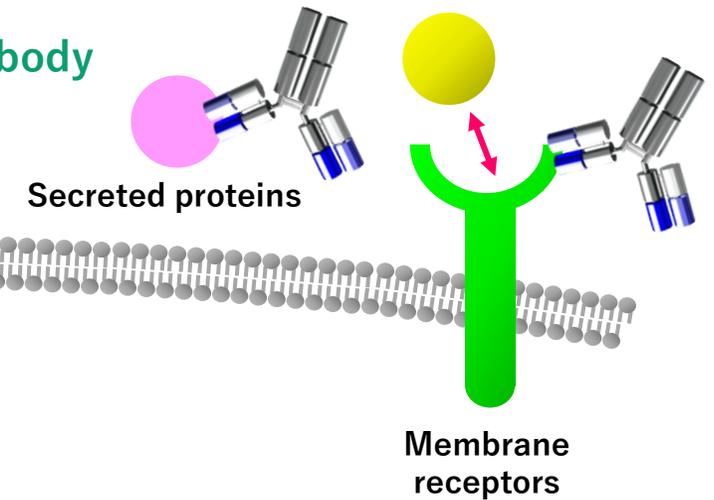
^a tissue factor triggered

Chugai's Mid-Size Molecule Can Address Intracellular Tough Targets Undruggable by Small Molecules and Antibodies

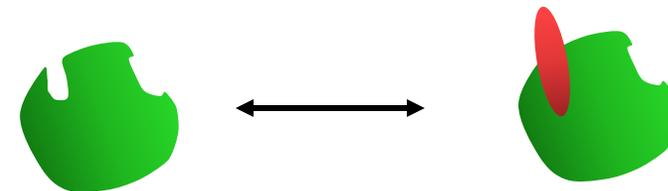
Mid-size molecule



Antibody



Small molecule



- ✓ Antibodies can be applied targets only extracellular molecules (approx. 20% of the total proteins)
- ✓ Small molecules can only be applied to targets with clear pockets (approx. 20% of proteins)

Chugai has Established Unique Mid-Size Molecules Technology

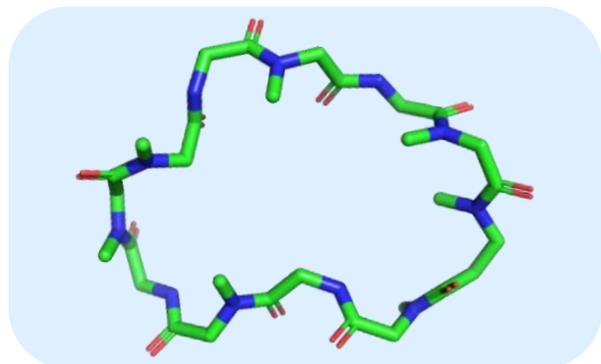
“Chugai Criteria” to create drug-like mid-size molecule beyond “Rule of 5”

Oral bioavailability

Intracellular targeting

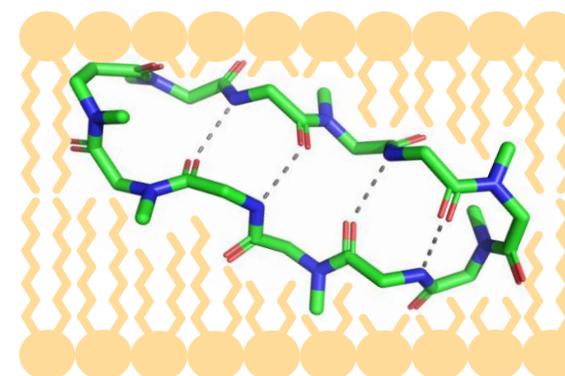
High affinity binding

Cyclic peptides with 9-11 amino acids, more than half should be N-alkylated



Metabolically stable
(hydrophilic and water soluble)

Structure flip
↔
Conformational change

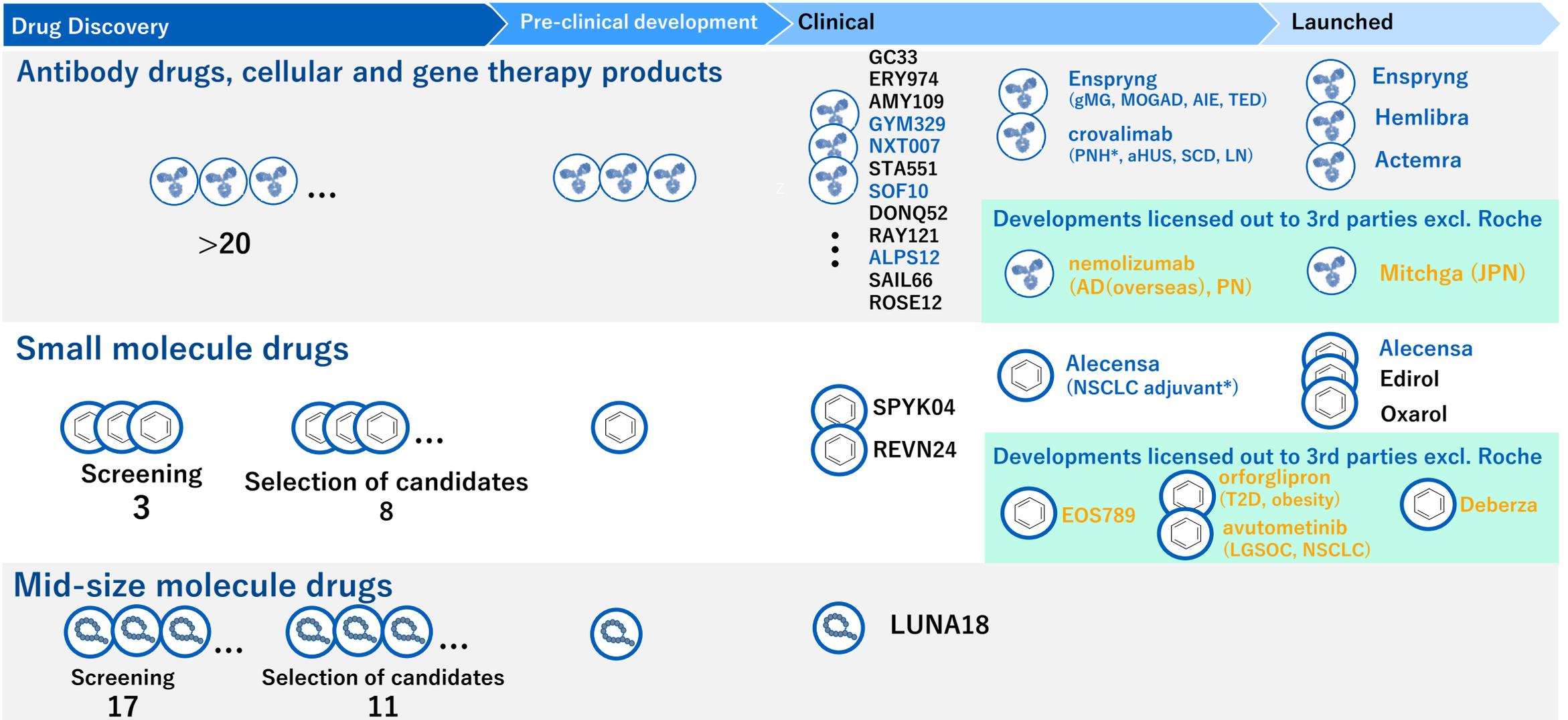


Membrane permeable
(lipophilic only inside the cell membrane)

intramolecular
hydrogen
bonding

Portfolio of Each Modality

As of February 1, 2024



* Filed(JP/US/EU/China) Blue: Joint development with Roche Orange: Outsourced to a third party other than Roche

Projects under Development (1/2)



As of February 1, 2024

	Phase I	Phase II	Phase III	Filed	
Cancer	LUNA18 - solid tumors	RG7421 / cobimetinib - solid tumors	RG6396 / pralsetinib - NSCLC (2L) - solid tumors	AF802 (RG7853) / Alecensa - NSCLC (stage III)* RG7446 / Tecentriq - NSCLC (neoadjuvant) - MIBC (adjuvant) - Ealy BC (neoadjuvant) - HCC (2L) - Prostate cancer (2L)	RG6058 / tiragolumab + RG7446 / Tecentriq - NSCLC (1L) - NSCLC (stage III) - NSQ NSCLC (1L) - Esophageal cancer RG6058 / tiragolumab+RG7446 / Tecentriq+RG435 / Avastin - HCC (1L)
	GC33 / codrituzumab - HCC	RG6026 / glofitamab - hematologic tumors		RG7446 / Tecentriq +RG435 / Avastin - SCLC (1L) - HCC (adjuvant) - HCC (intermediate stage)	RG6171 / giredestrant - BC (adjuvant) - BC (1L) - BC (1L-3L)
	ERY974 - solid tumors	RG6194 / runimotamab - solid tumors			RG7828 / mosunetuzumab - Follicular lymphoma (2L)
	STA551 - solid tumors	RG6330 / KRAS G12C inhibitor - solid tumors			RG7828 / mosunetuzumab + RG7596 / Polivy - r/r aNHL
	SOF10 (RG6440) - solid tumors	RG6433 / SHP2 inhibitor - solid tumors			RG6396 / pralsetinib - NSCLC (1L)
	SPYK04 - solid tumors	RG6160 / cevostamab - r/r multiple myeloma			
	ALPS12 (RG6524) - solid tumors	RG6139 / tobemstomig - solid tumors			
	SAIL66 - CLDN6 positive solid tumors				
	ROSE12 - solid tumors				
RG7828 / mosunetuzumab - Follicular lymphoma (3L)					

Letters in orange : in-house projects (development in global) **Letters in blue** : in-licensed from Roche (development and distribution in Japan)

* maintenance therapy after chemoradiation

In principle, completion of first dose is regarded as pipeline entry into each phase of clinical studies. ★: Projects with advances in stages since October 24, 2023

Projects under Development (2/2)

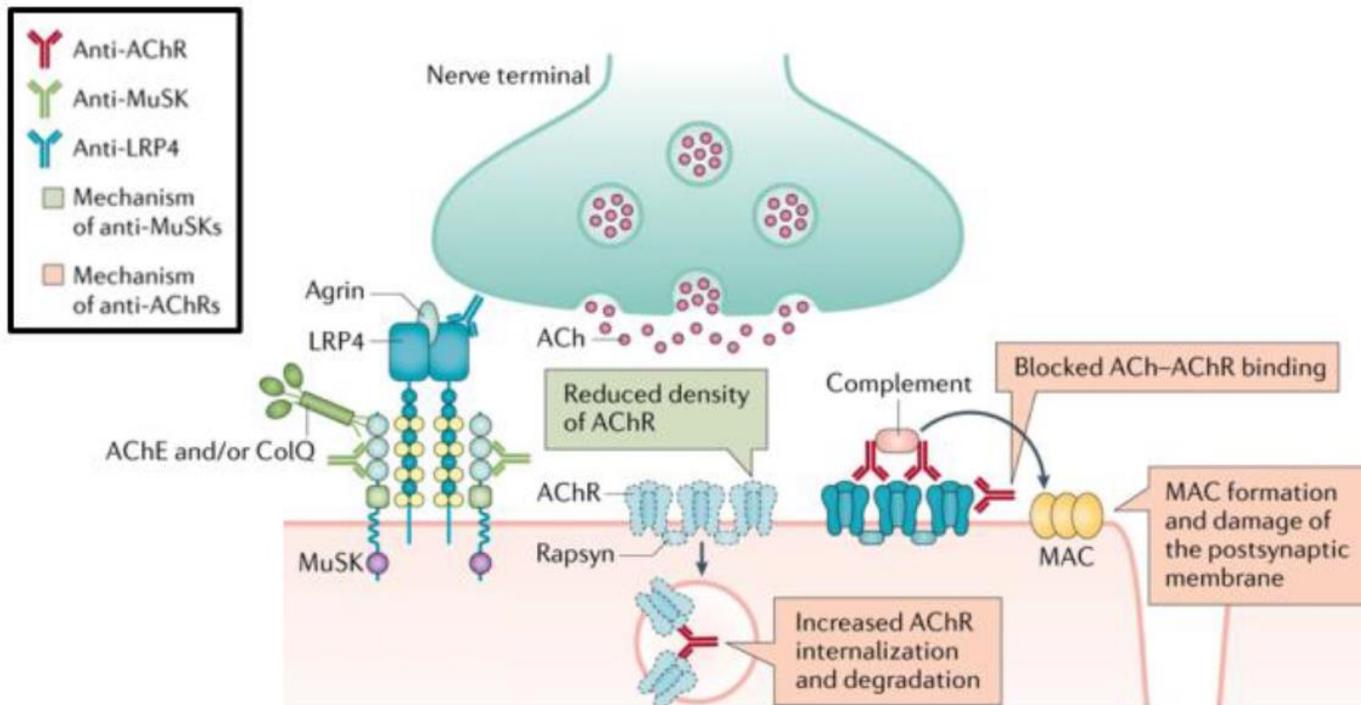
As of February 1, 2024

	Phase I	Phase II	Phase III	Filed
Immunology	DONQ52 - Celiac disease RAY121 - Autoimmune disease	SKY59(RG6107)/crovalimab - Lupus nephritis	RG7159 / Gazyva - Lupus nephritis - Pediatric nephrotic syndrome - Extra renal lupus	
Neurology	RG7935 / prasinezumab - Parkinson's disease RG6102 / trontinemab - Alzheimer's disease (PI/II)	GYM329 (RG6237) + Evrysdi - SMA (PII/III) - FSHD RG6042 / tominersen - Huntington's disease	SA237 (RG6168) / Enspryng - gMG - MOGAD - AIE SRP-9001(RG6356) / delandistrogene moxeparvovec -DMD*	
Hematology	NXT007 (RG6512) - hemophilia A (PI/II)	SKY59 (RG6107) / crovalimab (US/EU) - SCD	SKY59 (RG6107) / crovalimab - aHUS	SKY59 (RG6107) / crovalimab (Japan, US, EU) - PNH SKY59 (RG6107) / crovalimab (China) - PNH
Ophthalmology	RG6321 / PDS - nAMD (PI/II) - DME (PI/II)		SA237 (RG6168) / Enspryng - TED ★ RG7716 / Vabysmo - Angioid streaks	RG6179 - UME RG7716 / Vabysmo - RVO
Other	REVN24 - acute diseases ★	AMY109 - Endometriosis ★		

Letters in orange : in-house projects (development in global) Letters in blue : in-licensed from Roche (development and distribution in Japan) * Sarepta manages the global study, including Japan
 In principle, completion of first dose is regarded as pipeline entry into each phase of clinical studies. ★: Projects with advances in stages since October 24, 2023

Generalized Myasthenia Gravis (gMG)

Enspryng: IL-6 blockade may reduce pathogenic autoantibody production



Source: Roche Pharma Day materials (September 14, 2021)

1) Myasthenia gravis clinical practice guideline 2014 (supervisor: Japanese Society of Neurology), Nankodo
 2) Kerty E, Elsaï A, Argov Z, et al. EFNS/ENS Guidelines for the treatment of ocular myasthenia. European Journal of Neurology 2014;21:687-93.
 3) Gilhus N, Tzartos S, Evoli A, et al. Myasthenia gravis. Nat Rev Dis Primers 2019;5(30). Available from the Internet: <https://www.nature.com/articles/s41572-019-0079-y>
 4) Health and Labor Sciences Research Grants Policy Research Project for Intractable Diseases (Policy Research Project for Intractable Diseases) Verification of Diagnostic Criteria, Severity Classification, Guidelines and Patient QOL Based on Evidence of Neuroimmune Diseases Summary / Sharing Research report (2018)

- gMG is a chronic autoimmune disease against molecules on the postsynaptic membrane of the neuromuscular junction and is characterized by painless muscle loss with easy fatigability of skeletal muscle.¹⁾
- Transition from initial symptoms such as ptosis and diplopia to systemic type is observed. gMG with cervical limb weakness, dysarthria, dysphagia, breathing disability, etc. accounts for 85% of the total.^{1) 2)}
- Although the autoantibody positive rate varies slightly depending on the report, it is reported that 80-85% of the total are acetylcholine receptor (AChR) antibody positive and about 5% are muscle specific kinase (MuSK) antibody positive.³⁾
- In Japan, the 2018 National Epidemiological Survey estimates that there are 29,210 MG patients, or 23.1 per 100,000.⁴⁾

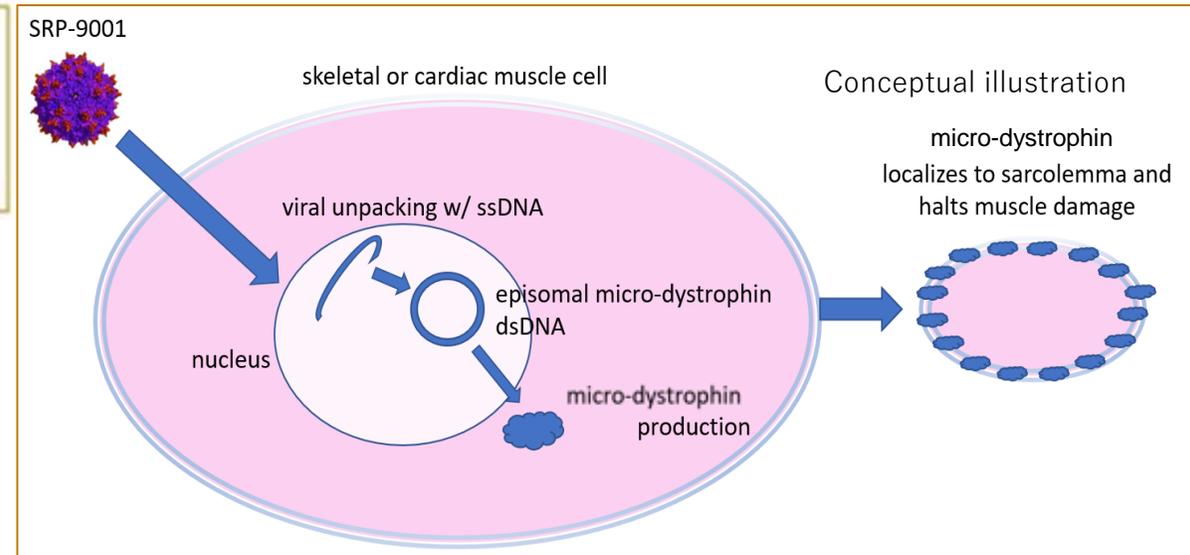
Delandistrogene moxeparvovec (RG6356/SRP-9001)

Gene transfer therapy developed for targeted muscle expression of micro-dystrophin, a shortened, functional dystrophin protein

Delandistrogene moxeparvovec (SRP-9001/ RG6356) is an investigational gene transfer therapy developed for targeted muscle expression of micro-dystrophin, a shortened, functional dystrophin protein, that addresses the genetic cause of DMD.



- Aims to express **micro-dystrophin** – a smaller but still functional version of dystrophin, used because naturally-occurring dystrophin is too large to fit in an AAV vector¹.
- Employs the **AAVrh74 vector**, which has a robust affinity for muscle cells, making it an ideal choice for delivering the micro-dystrophin transgene. AAVrh74 also has a relatively low level of pre-existing immunity¹.
- The **MHCK7 promoter** drives the expression of the micro-dystrophin transgene selectively in skeletal and cardiac muscle, and contains an **α -MHC enhancer** that has been shown to drive high protein expression, particularly in cardiac muscle.^{1,2}



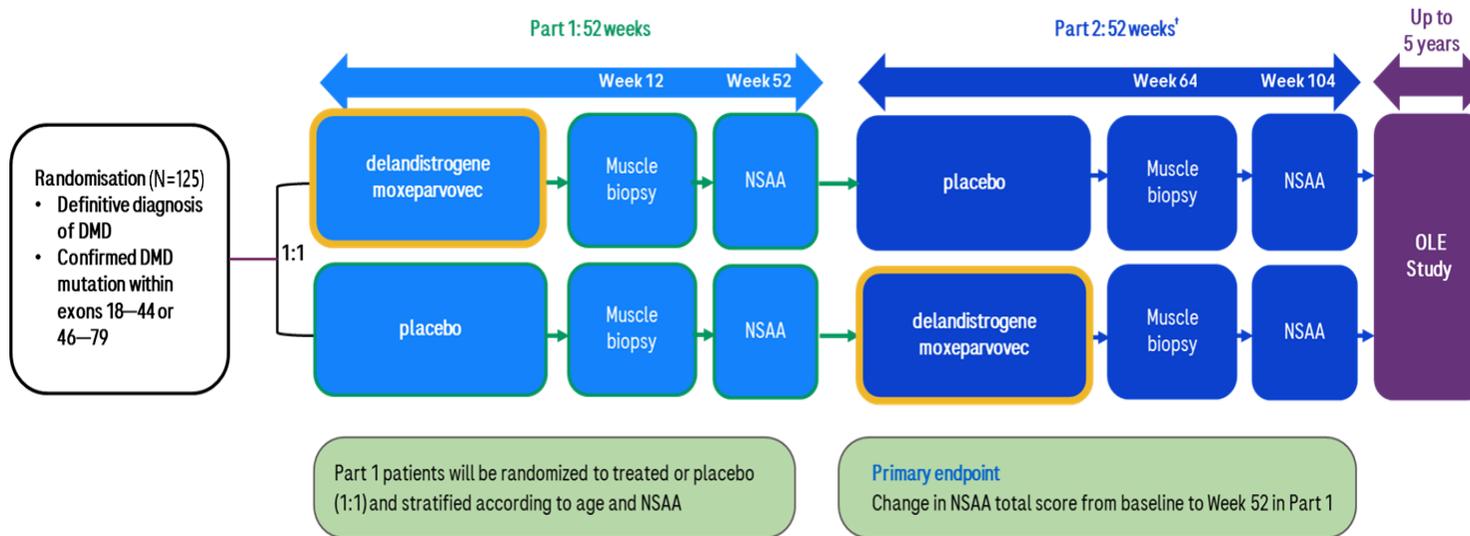
Source: Roche internal materials

1. Asher D, et al. Clinical development on the frontier: gene therapy for duchenne muscular dystrophy. Expert Opinion on Biological Therapy. 2020; 20:263-274;
2. Salva MZ, et al. Design of Tissue-specific Regulatory Cassettes for High-level rAAV-mediated Expression in Skeletal and Cardiac Muscle. Mol Ther. 2007; 15:320-9;

Delandistrogene moxeparvovec (RG6356/SRP-9001)

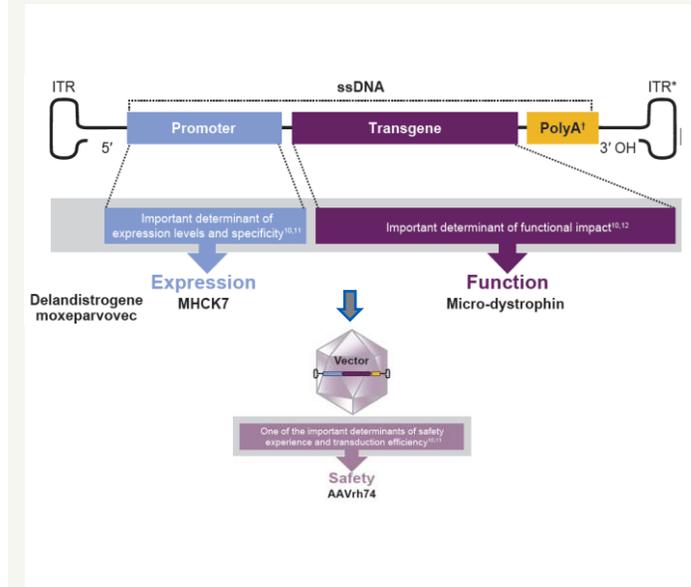
Phase 3 EMBARK study in ambulatory boys (≥ 4 to < 8 yrs) with DMD, design and mode of action

Ph III EMBARK study design¹



- The EMBARK study is a double-blind, placebo-controlled trial in ambulatory 4-7 year-old boys with DMD (n=125, 1:1; Part1, 52 week observation period)
- † Patients, caregivers, investigators, and site staff remain blinded. Only a subset of patients will receive a muscle biopsy for expression assessments.

Mode of Action

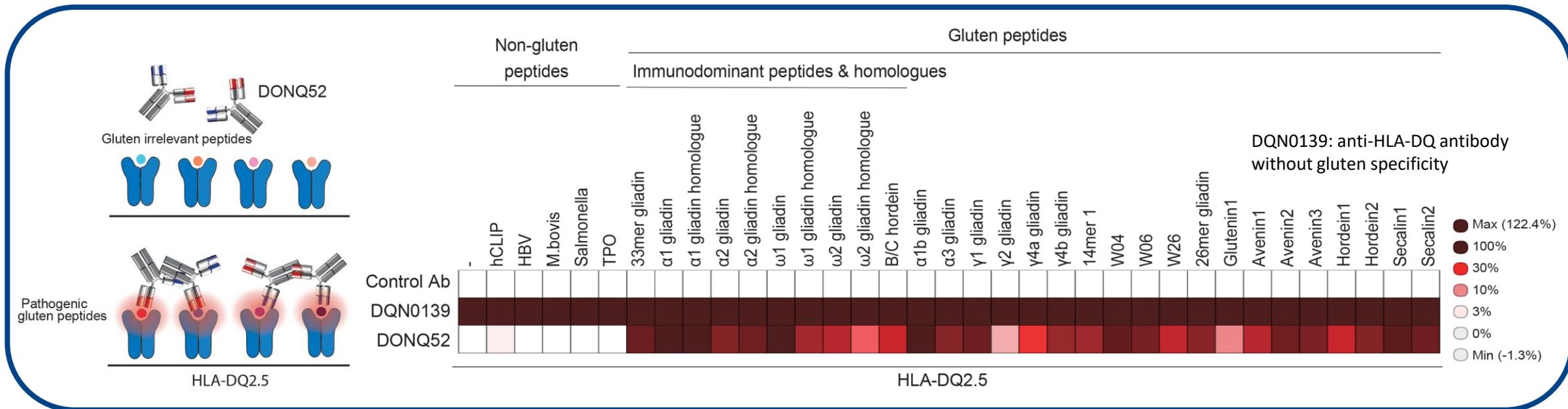


- Targeted delivery of micro-dystrophin transgene to key muscle tissue can enable meaningful and durable functional response
- AAVrh74 vector: low likelihood of pre-existing immunity and high tropism for skeletal & cardiac muscles
- Expression potentiated by the MHCK7 promoter in cardiac & skeletal muscle

DONQ52: Non-Clinical Research Results Published in Nature Communications

DONQ52 binds to more than 25 types of gluten peptides that cause celiac disease

- Specific binding to complex of HLA-DQ2.5/gluten peptides. No binding to HLA molecule itself or complex of HLA-DQ2.5/irrelevant peptides.
- Binding to more than 25 peptides responsible for celiac disease by flexibly recognizing the unique motif of gluten epitopes



Small Molecule Drug Discovery: Portfolio

As of February 1, 2024

In-house molecule

	 Chronic disease	 Chronic disease	 Cancer	 SPYK04 (cancer)	 Alecensa (NSCLC adjuvant)	 Alecensa (NSCLC)
	 Chronic disease	 Chronic disease		 REVN24 (acute disease)		 Ediol (osteoporosis)
	 Chronic disease	 Chronic disease				 Oxarol (psoriasis)
	 Cancer	 Cancer				

Outsourced to a third party other than Roche

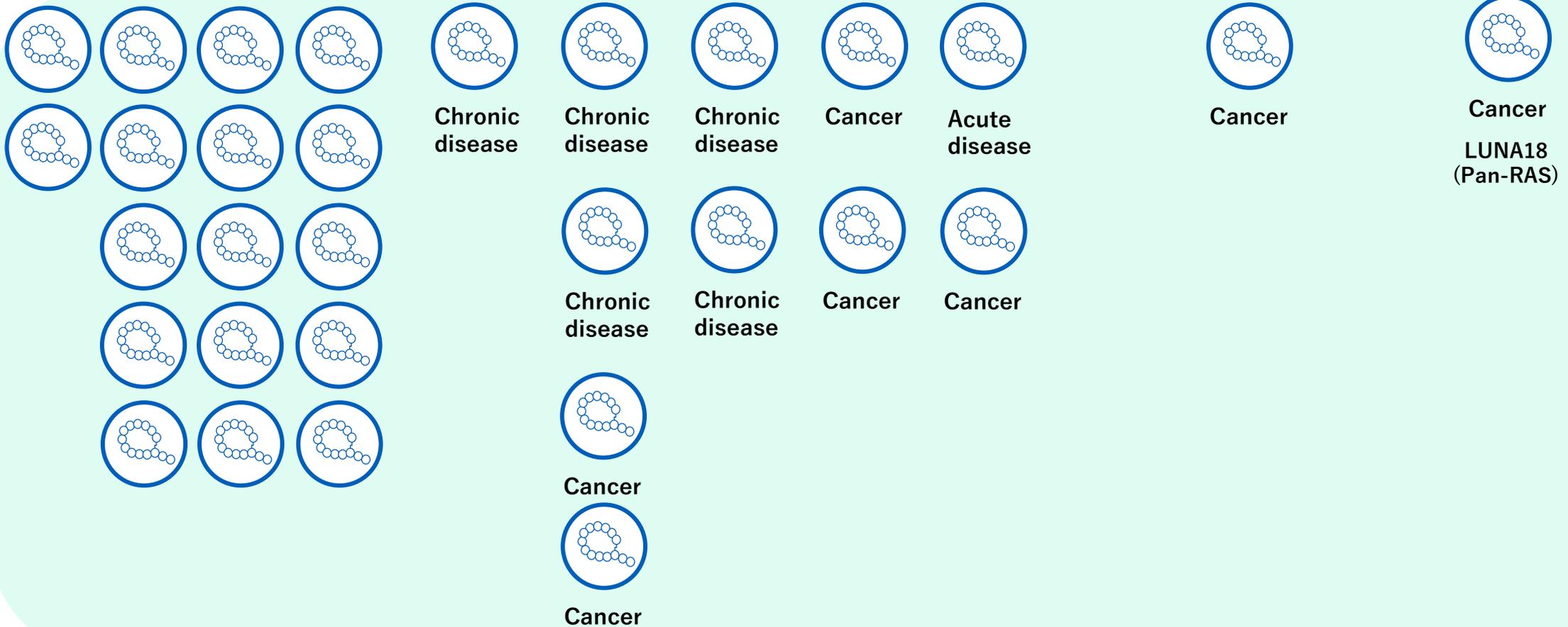
 EOS789 (hyperphosphatemia)	 orforglipron* (T2D /obesity)	 Deberza (T2D)
	 avutometinib (LGSOC)	



*The worldwide development and commercialization rights have been licensed out to Eli Lilly

Mid-Size Molecule Drug Discovery: Portfolio

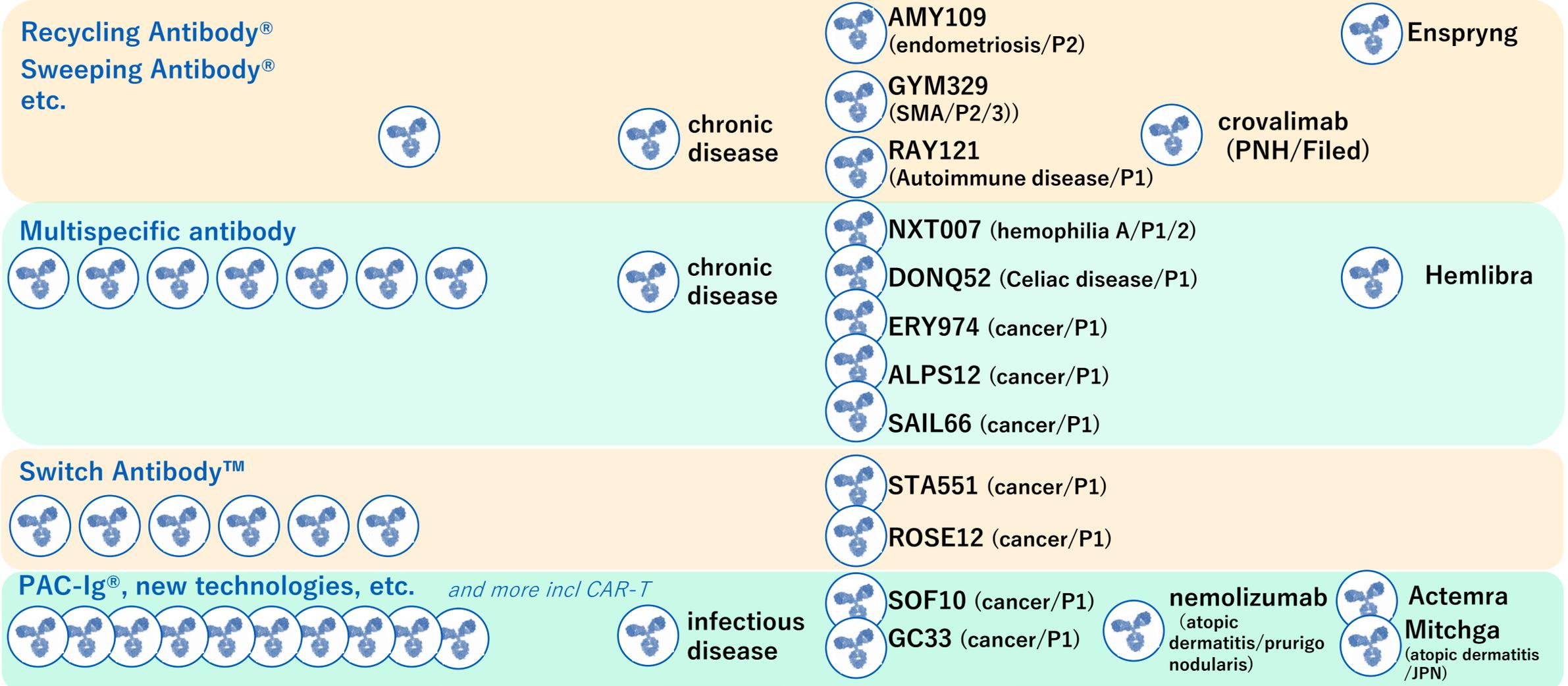
As of February 1, 2024



Antibody Drug, Cellular and Gene Therapy Product: Portfolio

* Projects that utilize multiple technologies are displayed in each technology.

As of February 1, 2024



Advances in Major Chugai Originated Projects Out Licensed to 3rd Parties

As of February 1, 2024

Generic name/development code	Mode of Action	Licensee	Granted rights to licensee	Indication	Stage	Progress
avutometinib/ VS-6766	RAF/MEK inhibitor	Verastem Oncology	exclusive global license for the manufacturing, development and marketing	Recurrent LGSOC	global: P3	<ul style="list-style-type: none"> US FDA BTD (recurrent LGSOC in combination with defactinib) RAMP301 trial initiated★
				NSCLC	global: P2	—
					global: P1/2	<ul style="list-style-type: none"> RAMP 203 trial (in combination with KRAS G12C inhibitor sotorasib) initiated RAMP 204 trial (in combination with KRAS G12C inhibitor, adagrasib) initiated
nemolizumab	Anti-IL-31 receptor A humanized monoclonal antibody	Global (Galderma)	Galderma exclusive global license for the development and marketing excluding Japan and Taiwan	Atopic dermatitis	global: P3	<ul style="list-style-type: none"> Two P3 studies met primary endpoints
				Prurigo nodularis	Japan: filed	<ul style="list-style-type: none"> Filed for additional indication for pruritus associated with atopic dermatitis (pediatric)
		Japan (Maruho)	Maruho rights for development and marketing in the skin disease area for the Japanese market	Prurigo nodularis	global: P3	<ul style="list-style-type: none"> US FDA BTD Two P3 studies met primary endpoints
				CKDaP	Japan: filed	<ul style="list-style-type: none"> Filed for additional indication for prurigo nodularis
orforglipron/ LY3502970	Oral non-peptidic GLP-1 receptor agonist	Eli Lilly and Company	worldwide development and commercialization rights	T2D	global: P3	<ul style="list-style-type: none"> In a phase 2 study, orforglipron achieved HbA1c reduction up to 2.1% and 10.1 kg of weight reduction at 26 weeks. The results were published in <i>The Lancet</i>*
				Obesity	global: P3	<ul style="list-style-type: none"> In the other phase 2 study, orforglipron demonstrated up to 14.7% weight reduction at 36 weeks. The results were published in the <i>New England Journal of Medicine</i>**

* Juan PF, et al. Efficacy and safety of oral orforglipron in patients with type 2 diabetes: a multicentre, randomised, dose-response, phase 2 study. *Lancet* 2023.

** Sean W, et al. Daily Oral GLP-1 Receptor Agonist Orforglipron for Adults with Obesity. *NEJM* 2023.

★ Changes from the last announcement on October 24, 2023

FoundationOne CDx Cancer Genomic Profile -Companion diagnostic indications-

* Underlined are the companion diagnostic features and relevant drugs currently under application for regulatory approval

As of February 1, 2024

Alterations	Cancer type	Relevant drugs
Activated <i>EGFR</i> gene alterations	NSCLC	afatinib dimaleate, erlotinib hydrochloride, gefitinib, osimertinib mesilate, dacomitinib hydrate
<i>EGFR</i> exon 20 T790M alterations		osimertinib mesilate
<i>ALK</i> fusion genes		alectinib hydrochloride, crizotinib, ceritinib, brigatinib
<i>ROS1</i> fusion genes		Entrectinib
<i>MET</i> exon 14 skipping alterations		capmatinib hydrochloride hydrate
<i>BRAF</i> V600E and V600K alterations	Malignant melanoma	dabrafenib mesylate, trametinib dimethyl sulfoxide, vemurafenib, encorafenib, binimetinib
<i>ERBB2</i> copy number alterations (HER2 gene amplification positive)	BC	trastuzumab (genetical recombination)
<i>KRAS/NRAS</i> wild-type	CRC	cetuximab (genetical recombination), panitumumab (genetical recombination)
Microsatellite Instability-High		nivolumab (genetical recombination)
Microsatellite Instability-High	Solid tumors	pembrolizumab (genetical recombination)
Tumor Mutational Burden-High		pembrolizumab (genetical recombination)
<i>NTRK1/2/3</i> fusion gene		entrectinib, larotrectinib sulfate
<u><i>RET</i> fusion genes</u>		<u>selpercatinib</u>
<i>BRCA1/2</i> alterations	Ovarian cancer	olaparib
<i>BRCA1/2</i> alterations	Prostate cancer	olaparib, <u>talazoparib tosilate</u>
<i>FGFR2</i> fusion genes	Biliary tract cancer	pemigatinib

FoundationOne Liquid CDx Cancer Genomic Profile

Companion diagnostic indications

As of February 1, 2024

Alterations	Cancer type	Relevant drugs
Activated <i>EGFR</i> gene alterations	Non-small cell lung cancer (NSCLC)	afatinib dimaleate, erlotinib hydrochloride, gefitinib, osimertinib mesilate
<i>EGFR</i> exon 20 T790M alterations		osimertinib mesilate
<i>ALK</i> fusion genes		alectinib hydrochloride, crizotinib, ceritinib
<i>ROS1</i> fusion genes		entrectinib
<i>MET</i> exon14 skipping alterations		capmatinib hydrochloride hydrate
<i>NTRK1/2/3</i> fusion gene	Solid tumors	entrectinib
<i>BRCA1/2</i> alterations	Prostate cancer	olaparib

FY2023 Consolidated Financial Overview(Core)

Toshiaki Itagaki

Director, Executive Vice President & CFO

P/L Jan – Dec (Non-core adjustment)

(Billions of JPY)	IFRS results	Non-core items		Core results
		Intangible assets	Others	
Revenue	1,111.4			1,111.4
Sales	974.5			974.5
Other revenue	136.9			136.9
Cost of sales	-413.3	+1.2	+0.1	-412.0
Research and development	-174.9	+5.4	+6.7	-162.8
Selling, general and administration	-112.6		+10.6	-102.0
Other operating income (expense)	28.6		-12.5	16.1
Operating profit	439.2	+6.6	+4.9	450.7
Financial account balance	4.6			4.6
Income taxes	-118.3	-2.0	-1.4	-121.8
Net income	325.5	+4.6	+3.5	333.6
EPS (JPY)	197.80			202.71

Non-core items

(Billions of JPY)

Intangible assets

Amortization	+1.6
Impairment	+5.1

Others

Restructuring expenses, etc. including gain on disposal of assets	-5.5
Early retirement incentive program	+10.3

P/L Jan – Dec (Year on Year)

(Billions of JPY)	2022	2023	Growth	
Revenue	1,167.8	1,111.4	- 56.4	- 4.8%
Sales	1,039.2	974.5	- 64.7	- 6.2%
Domestic	654.7	558.0	- 96.7	- 14.8%
Overseas	384.6	416.5	+ 31.9	+ 8.3%
Other revenue	128.6	136.9	+ 8.3	+ 6.5%
Cost of sales	-475.0	-412.0	+ 63.0	- 13.3%
(cost to sales ratio)	45.7%	42.3%	-3.4%pts	-
Research and development	-143.7	-162.8	- 19.1	+ 13.3%
Selling, general and administration	-98.8	-102.0	- 3.2	+ 3.2%
Other operating income (expense)	1.4	16.1	+ 14.7	12 times
Operating profit	451.7	450.7	- 1.0	- 0.2%
(operating margin)	38.7%	40.6%	+1.9%pts	-
Financial account balance	-2.1	4.6	+ 6.7	-
Income taxes	-131.8	-121.8	+ 10.0	- 7.6%
Net income	317.7	333.6	+ 15.9	+ 5.0%
EPS (JPY)	193.11	202.71	+9.60	+ 5.0%

Domestic sales

Decrease in the supply of Ronapreve to the government

Overseas sales

Significant increase in sales of Hemlibra and Alecensa

Other revenue

Increase in income of Hemlibra and one-time income

Cost of sales

Cost to sales ratio improved due to product mix, etc.

Research and development expenses

Increase due to investments in research and early development, including start of operations at Chugai Life Science Park Yokohama and progress of development projects

Selling, general and administration expenses

Increase in various expenses

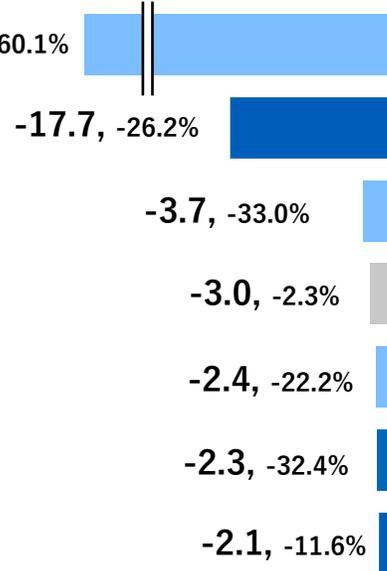
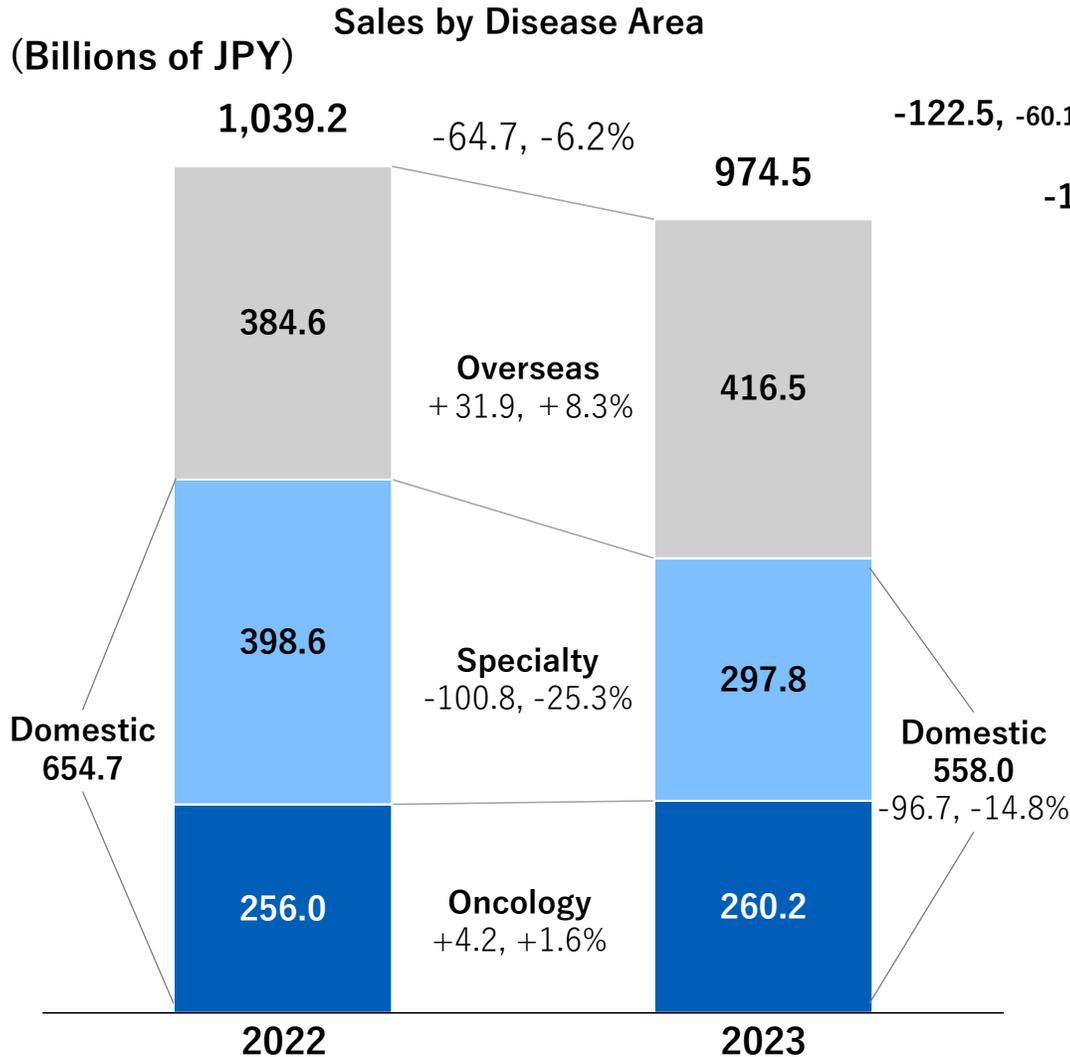
Other operating income (expense)

Increase in income from disposal of product rights and gain on sales of property, plant and equipment, etc.

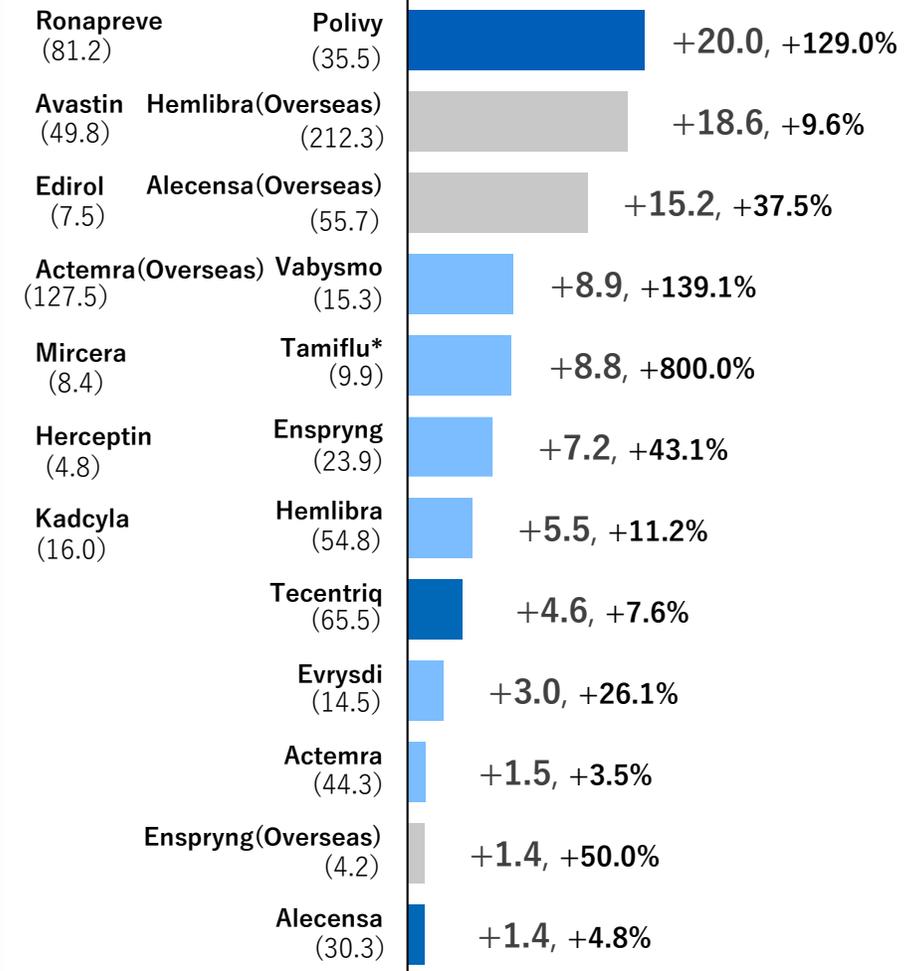
Net income

Increase due to decrease in income taxes and improvement in financial account balance, etc.

Sales Jan – Dec (Year on Year)

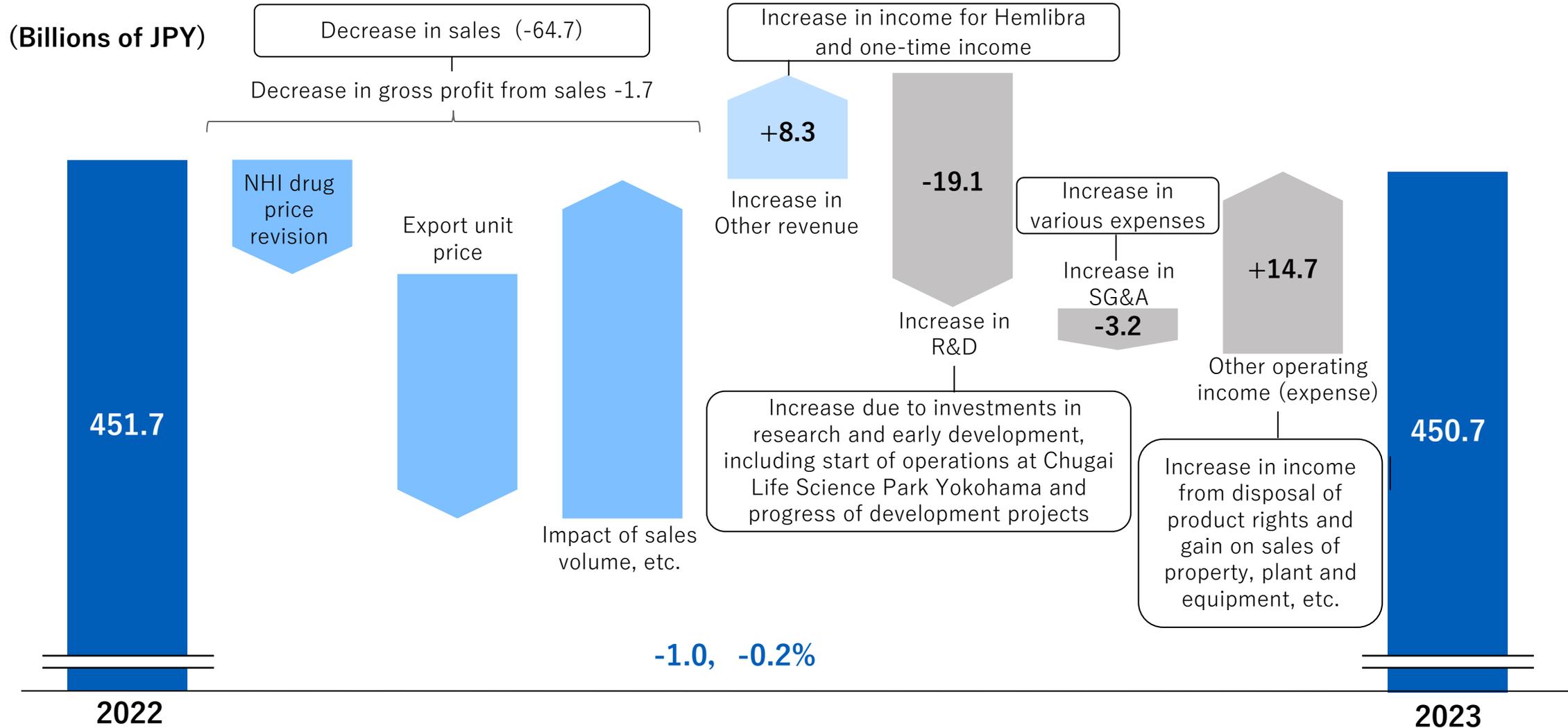


Sales by Product



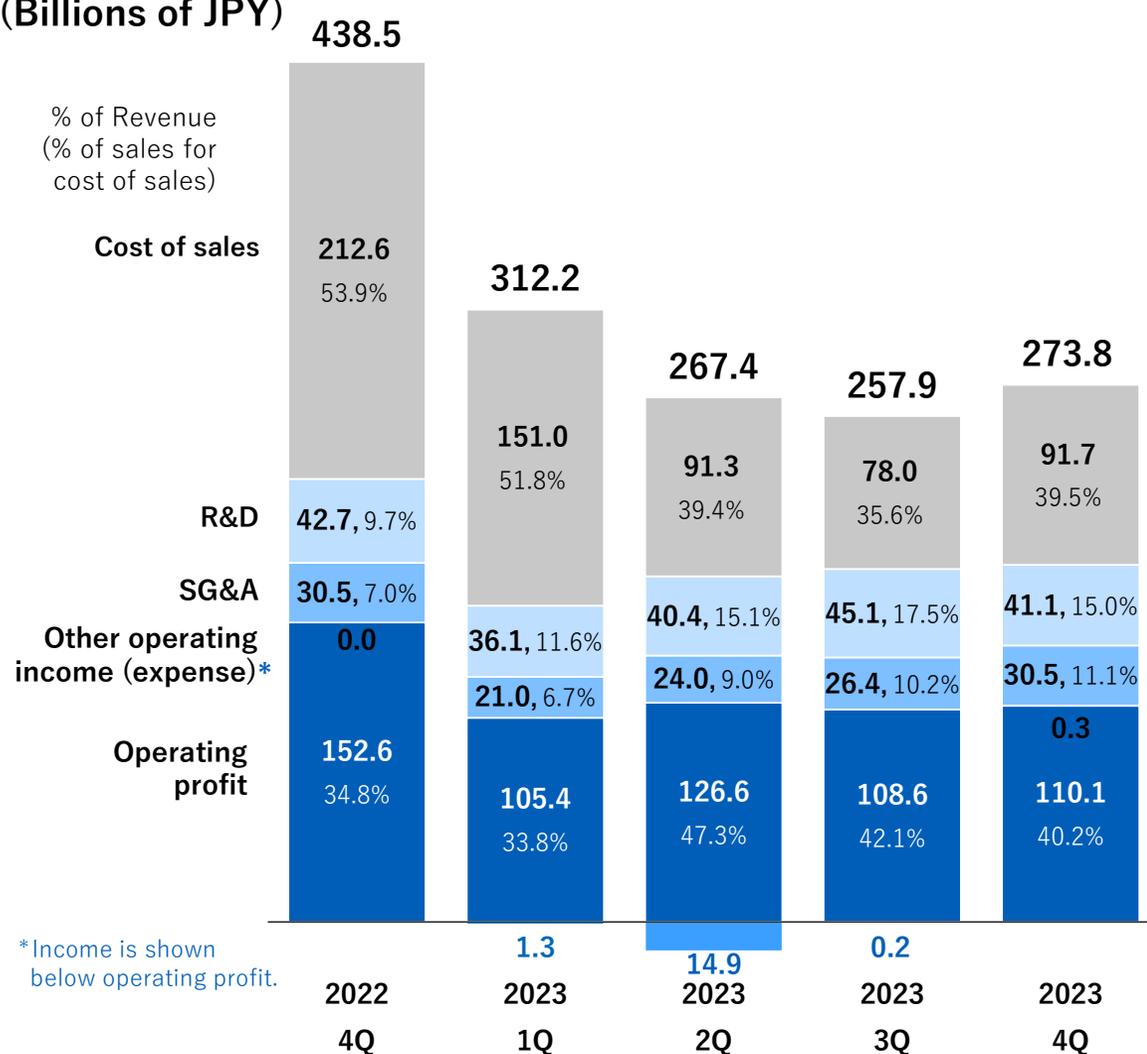
(): Actual sales in FY2023
 %: Year-on-year percentage change
 *included in Other products of Speciality

Operating Profit Jan – Dec (Year on Year)



Structure of Costs and Profit by Quarter

(Billions of JPY)



* Income is shown below operating profit.

Year on Year (vs. 2022 Q4)

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

R&D: difference from the timing of incurred expenses

SG&A: same level as the same period of the previous year

Other operating income (expense): same level as the same period of the previous year

Operating profit: -42.5 billion JPY, -27.9%

Quarter on Quarter (vs. 2023 Q3)

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

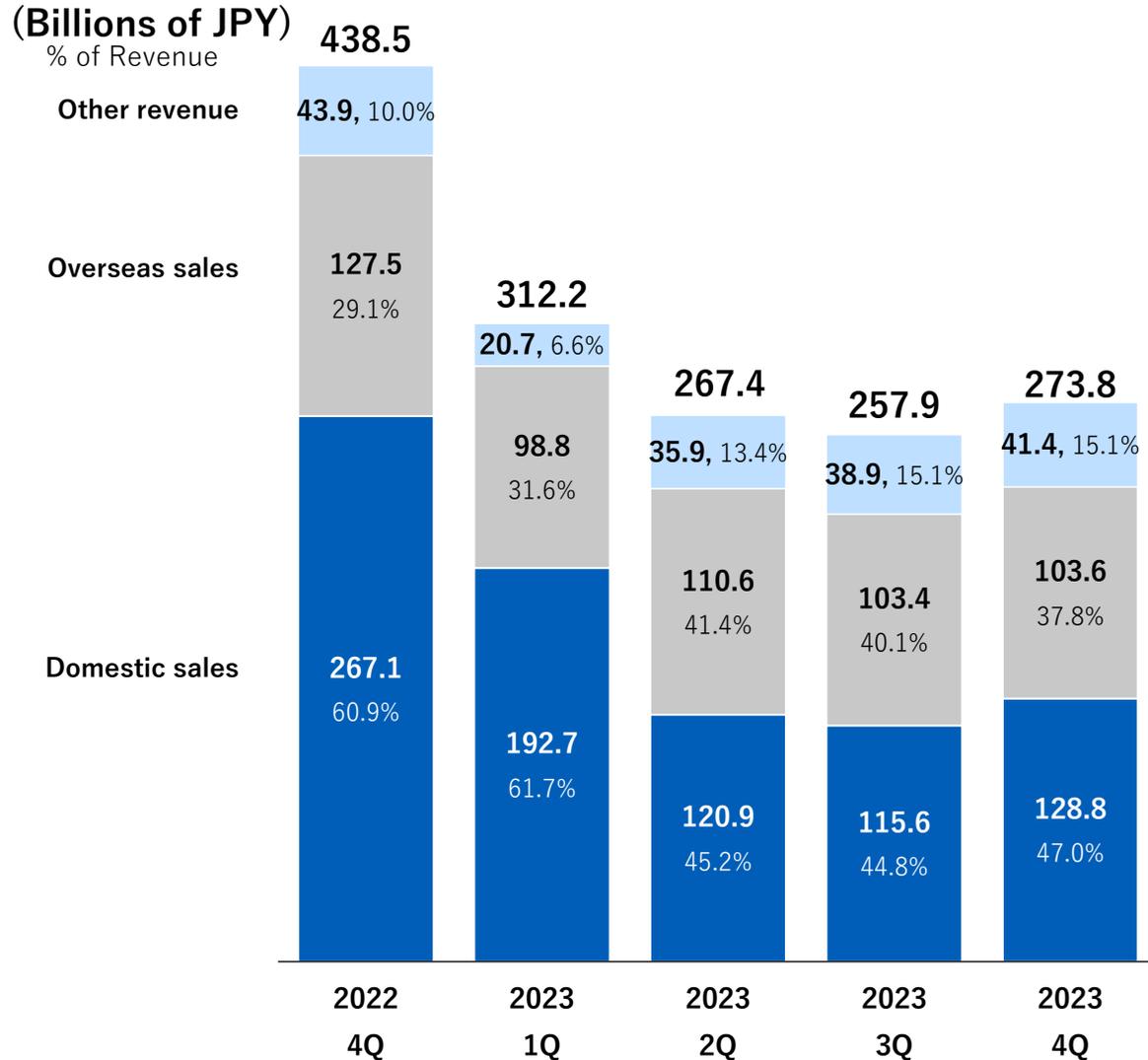
R&D: difference from the timing of incurred expenses

SG&A: increase due to the annual upward trend of cost

Other operating income (expense): same level as the previous quarter

Operating profit: +1.5 billion JPY, +1.4%

Structure of Revenue by Quarter



Year on Year (vs. 2022 Q4)

Domestic sales: decrease due to the absence of Ronapreve supplied to the government

Overseas sales: decrease in sales of Hemlibra and Actemra

Other revenue: decrease in royalty income of Actemra, etc.

Quarter on Quarter (vs. 2023 Q3)

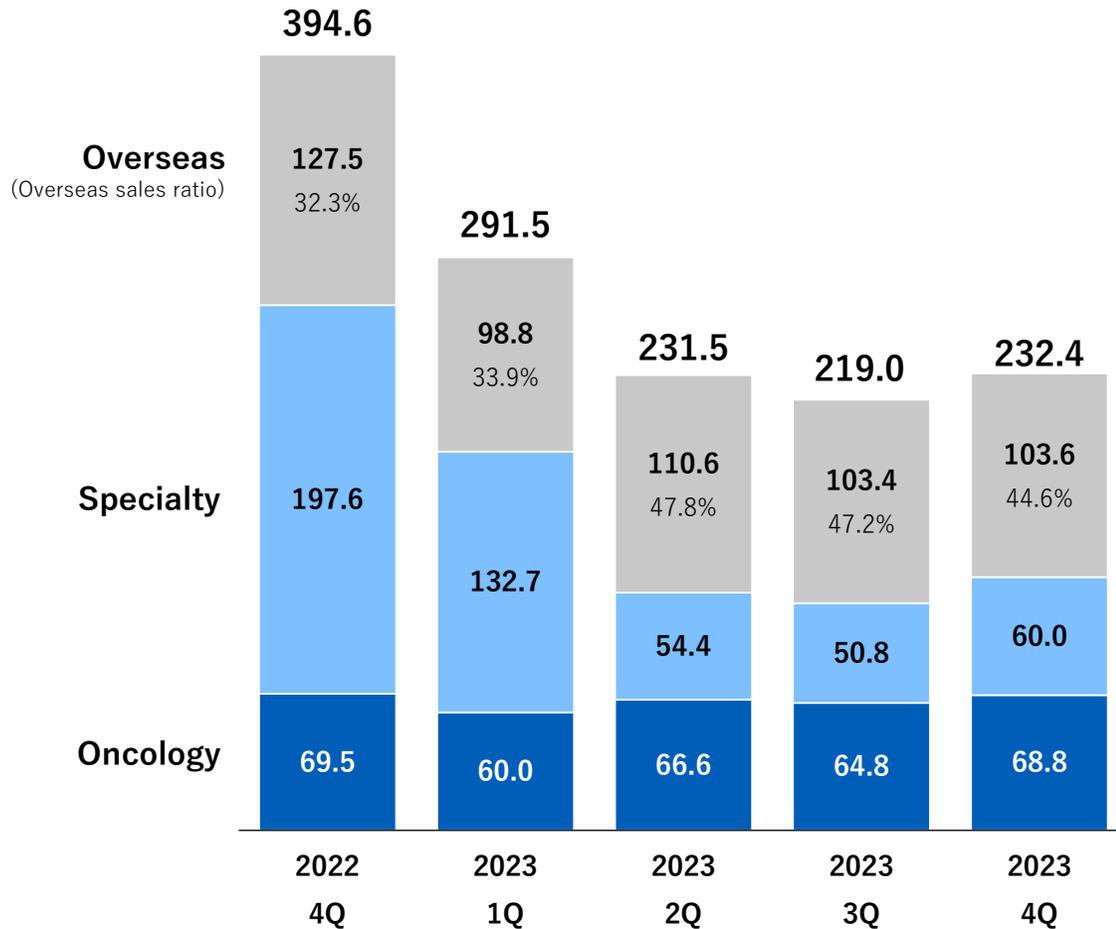
Domestic sales: increase due to growth of mainstay and new products

Overseas sales: increase in sales of Actemra and Alecensa, offsetting the decrease in sales of Hemlibra due to the timing of shipment

Other revenue: increase in royalty income of Hemlibra, etc.

Structure of Sales by Quarter

(Billions of JPY)



Year on Year (vs. 2022 Q4)

Oncology	Avastin:	-5.1	Polivy:	+3.6
	Phesgo:	+0.7		
Specialty	Ronapreve:	-142.8	Tamiflu*:	+3.6
	Enspryng:	+1.9	Vabysmo:	+1.4
Overseas	Hemlibra:	-18.2	Actemra:	-9.3
	Alecensa:	+4.3		

Quarter on Quarter (vs. 2023 Q3)

Oncology	Tecentriq:	+1.3	Alecensa:	+0.7
	Phesgo:	+0.7		
Specialty	Tamiflu*:	+3.0	Enspryng:	+1.1
	Actemra:	+0.9	Vabysmo:	+0.6
Overseas	Actemra:	+19.5	Alecensa:	+11.3
	Hemlibra:	-27.4	Enspryng:	-3.3

*included in Other products of Specialty

P/L Jan – Dec (vs. Forecast)

(Billions of JPY)	2023		+/-	Achiev.
	Forecast	Actual		
Revenue	1,070.0	1,111.4	+ 41.4	103.9%
Sales	920.0	974.5	+ 54.5	105.9%
Domestic	541.7	558.0	+ 16.3	103.0%
Overseas	378.3	416.5	+ 38.2	110.1%
Other revenue	150.0	136.9	- 13.1	91.3%
Cost of sales	- 405.0	- 412.0	- 7.0	101.7%
(cost to sales ratio)	44.0%	42.3%	-1.7%pts	-
Research and development	- 165.0	- 162.8	+ 2.2	98.7%
Selling, general and administration	- 100.0	- 102.0	- 2.0	102.0%
Other operating income (expense)	15.0	16.1	+ 1.1	107.3%
Operating profit	415.0	450.7	+ 35.7	108.6%
(operating margin)	38.8%	40.6%	+1.8%pts	-
Net income	306.0	333.6	+ 27.6	109.0%
EPS (JPY)	186.00	202.71	+ 16.71	109.0%

Domestic sales

Various products outperformed the forecast (see next slide)

Overseas sales

Sales of Hemlibra, Actemra and Alecensa exceeded the forecast

Other revenue

One-time income and income for Hemlibra were lower than the forecast

Cost of sales

Cost to sales ratio improved compared to the forecast due to the impact of product mix, etc.

Research and development expenses

Mostly in line with the forecast

Selling, general and administration expenses

Mostly in line with the forecast

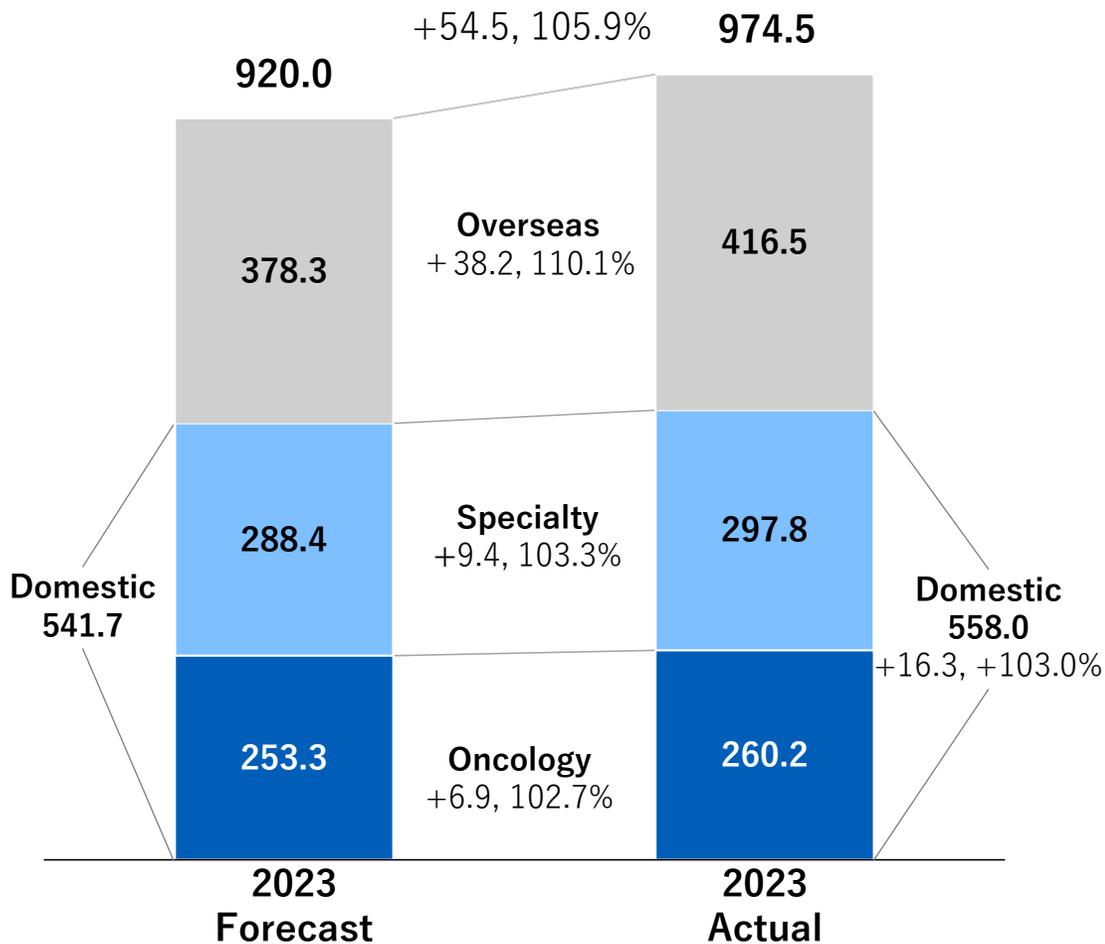
Other operating income (expense)

Mostly in line with the forecast

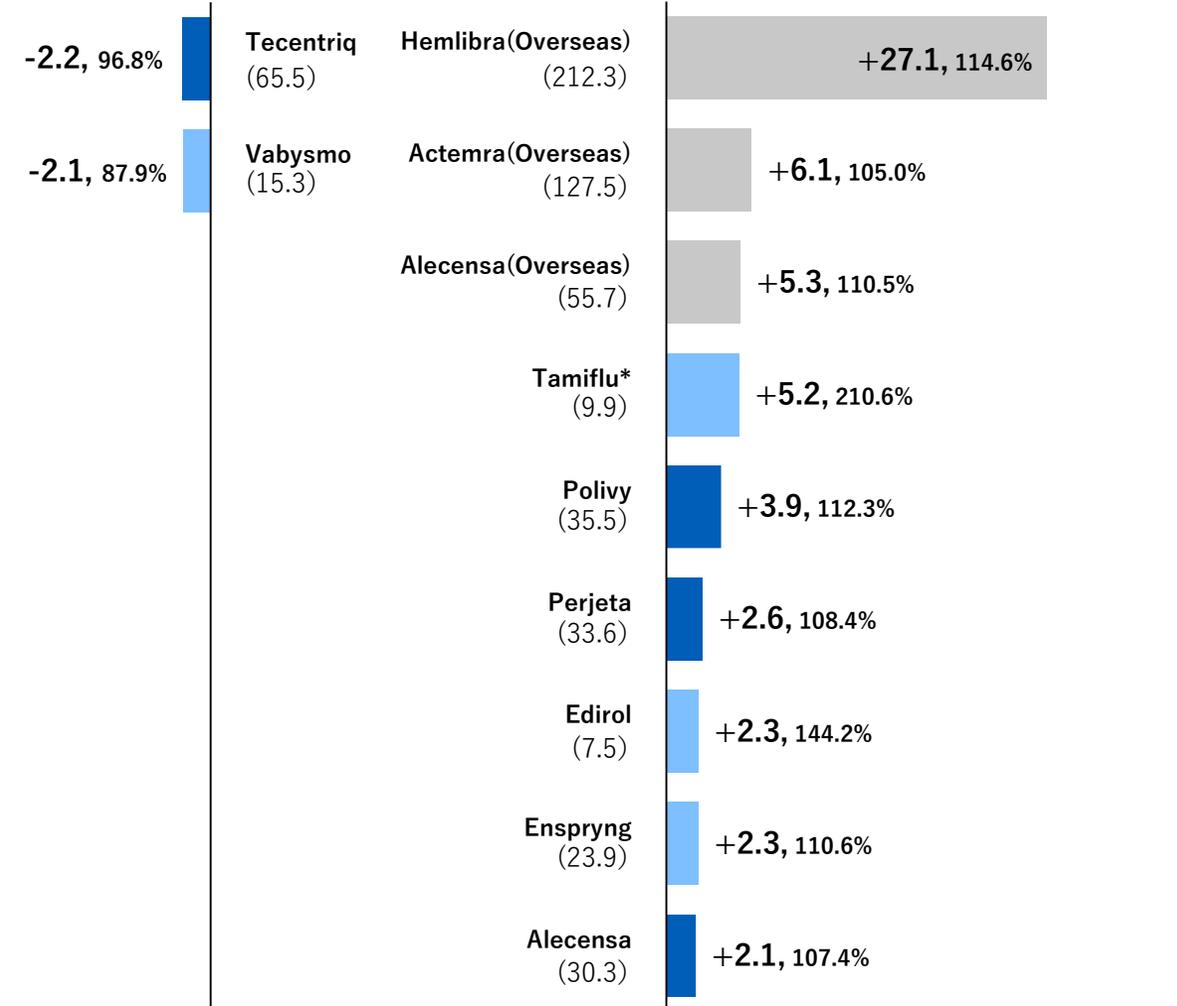
Sales Jan – Dec (vs. Forecast)

Sales by Disease Area

(Billions of JPY)



Sales by Product



(): Actual sales in FY2023

%: Achievement

*included in Other products of Speciality

Impact from Foreign Exchange Jan – Dec

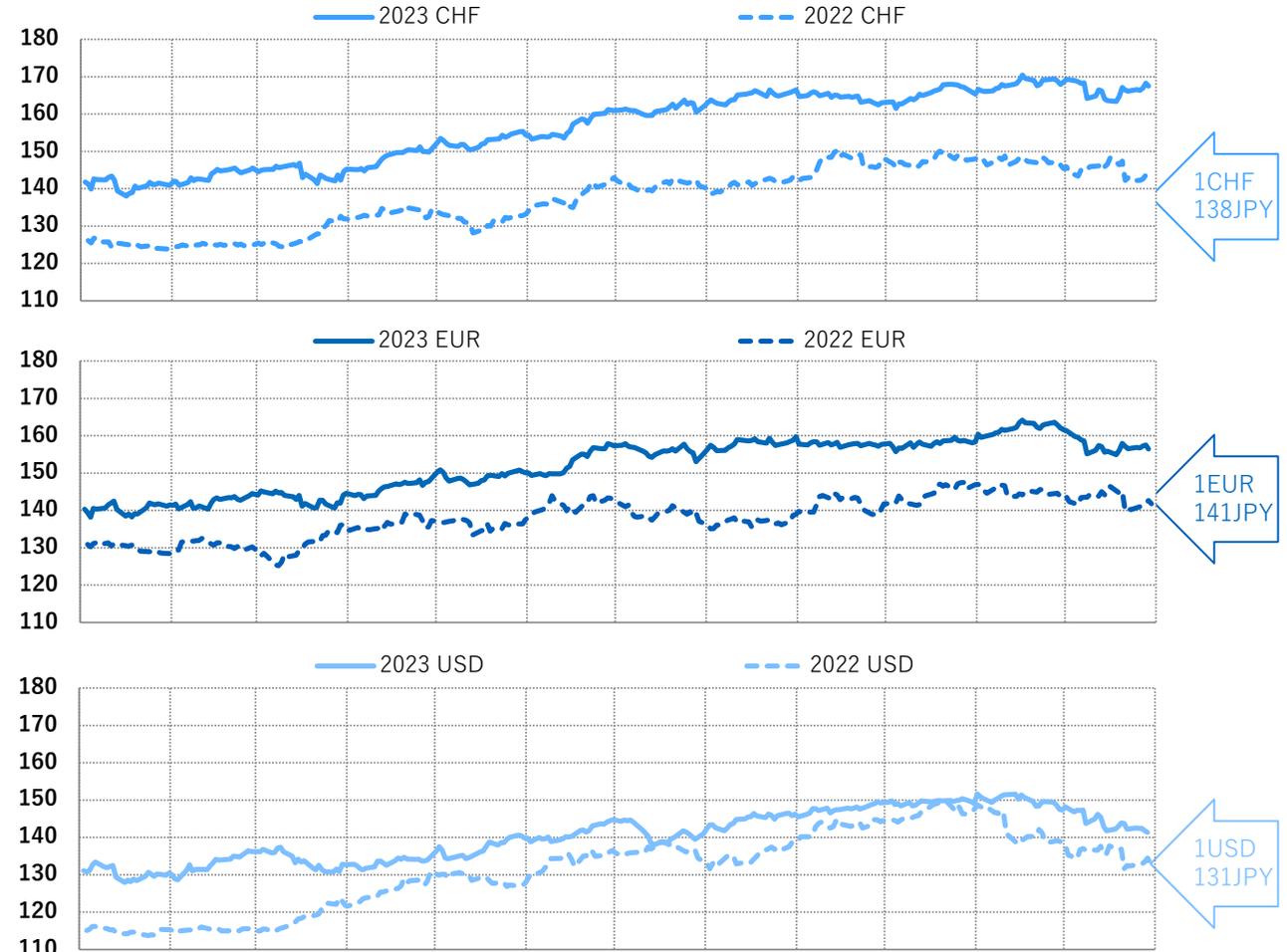
(Billions of JPY)	vs. 2022 Actual rate	vs. 2023 Forecast rate *1
Revenue	+51.9	+10.3
Sales	+41.4	+8.9
Other revenue	+10.5	+1.4
Cost of sales	-26.1	-0.6
Other than above *2	-4.6	-2.8
Operating profit	+21.2	+7.0

Exchange rate (JPY)	2022 Jan - Dec Actual rate *3	2023 Jan - Dec Actual rate *3
1CHF	125.17	140.31
1EUR	137.67	151.38
1USD	116.27	134.21

*1 Foreign Exchange effect from Jan-Dec Forecast rate(2023)
 *2 Total of R&D, SG&A and other operating income (expense)
 *3 Weighted average of the exchange rates used to record foreign currency transactions included in categories from revenue to operating profit

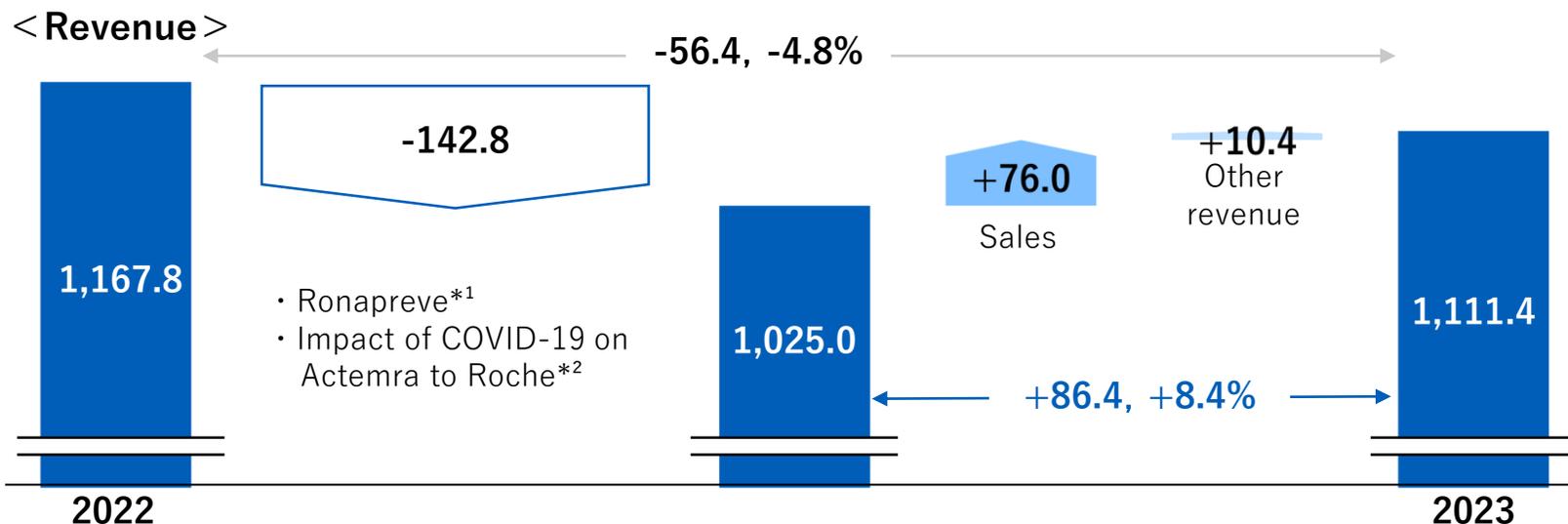
Historical exchange rate to the JPY

◀ : Full-year Forecast rate(2023)



P/L Analysis Jan – Dec (Year on Year)

(Billions of JPY)

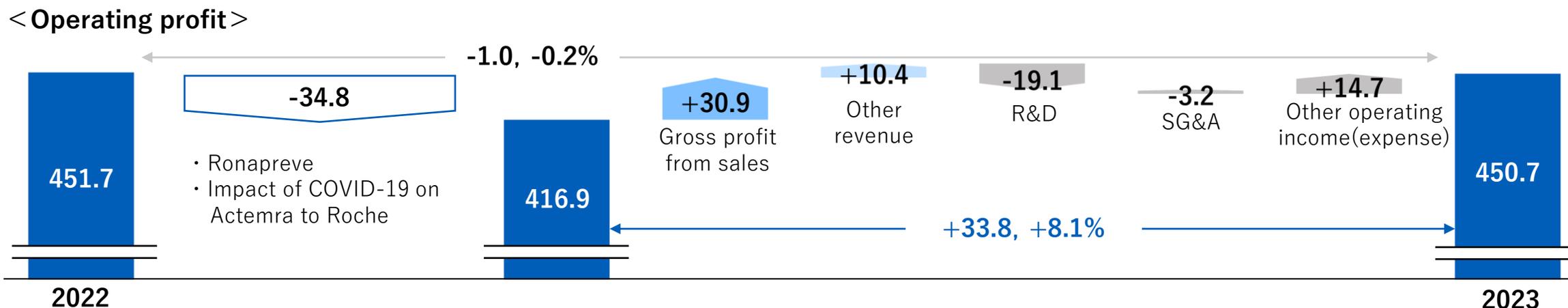


*¹Ronapreve sales

2022 Jan-Dec	203.7
2023 Jan-Dec	81.2
Year on Year	-122.5

*²Impact of COVID-19 on Actemra to Roche
 Decrease in export of IV products and royalty and profit-sharing income (ROY&PS) considered as impact of COVID-19

2022 Jan-Dec	60.3
2023 Jan-Dec	39.9
Year on Year	-20.4



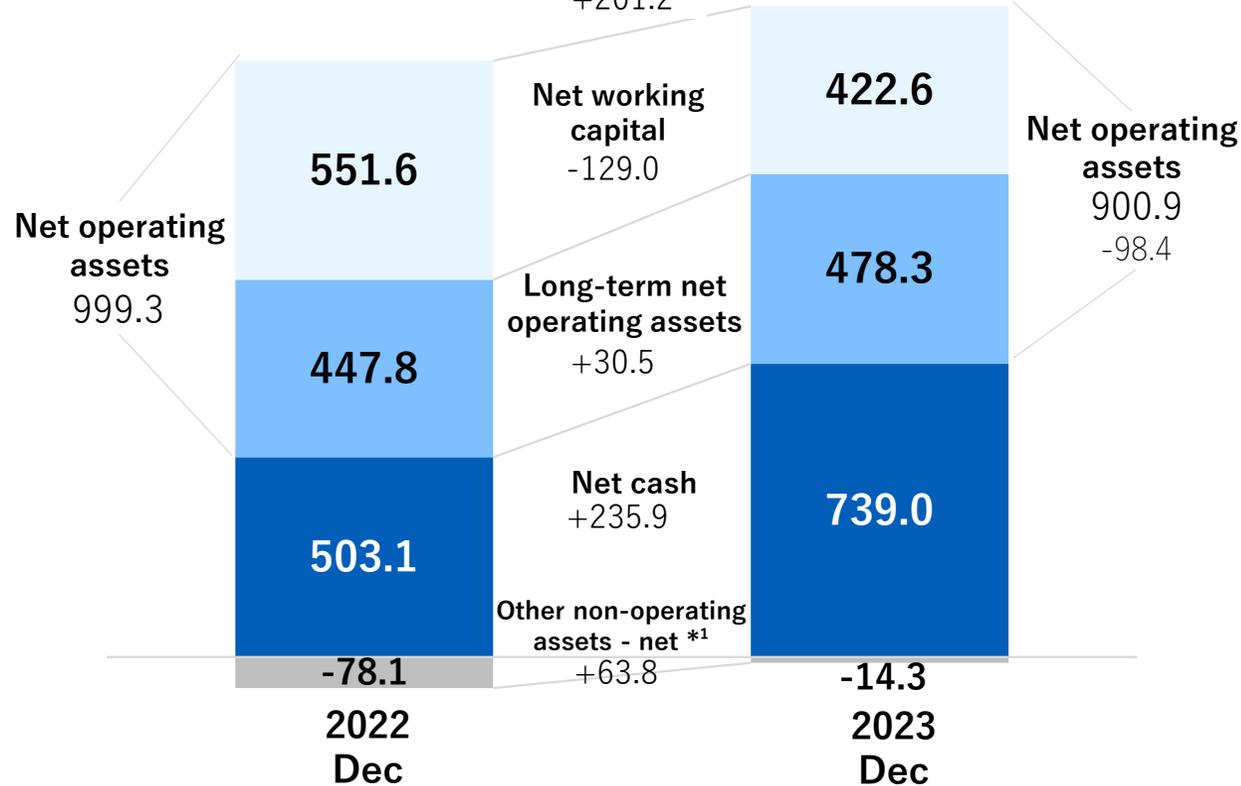
Financial Position (vs. 2022 Year End)

(Billions of JPY)

Total assets	1,869.8	+62.7	1,932.5
Total liabilities	-445.4	+138.4	-307.0

1,424.4 Total net assets **1,625.6**

+201.2



Decrease in net working capital

Decrease in trade accounts receivable including Ronapreve

Increase in long-term net operating assets

Increase in property, plant and equipment mainly due to the investment in manufacturing building for active pharmaceutical ingredients(FJ3) at Fujieda Plant

Increase in net cash

(See next slide)

Increase in other non-operating assets – net

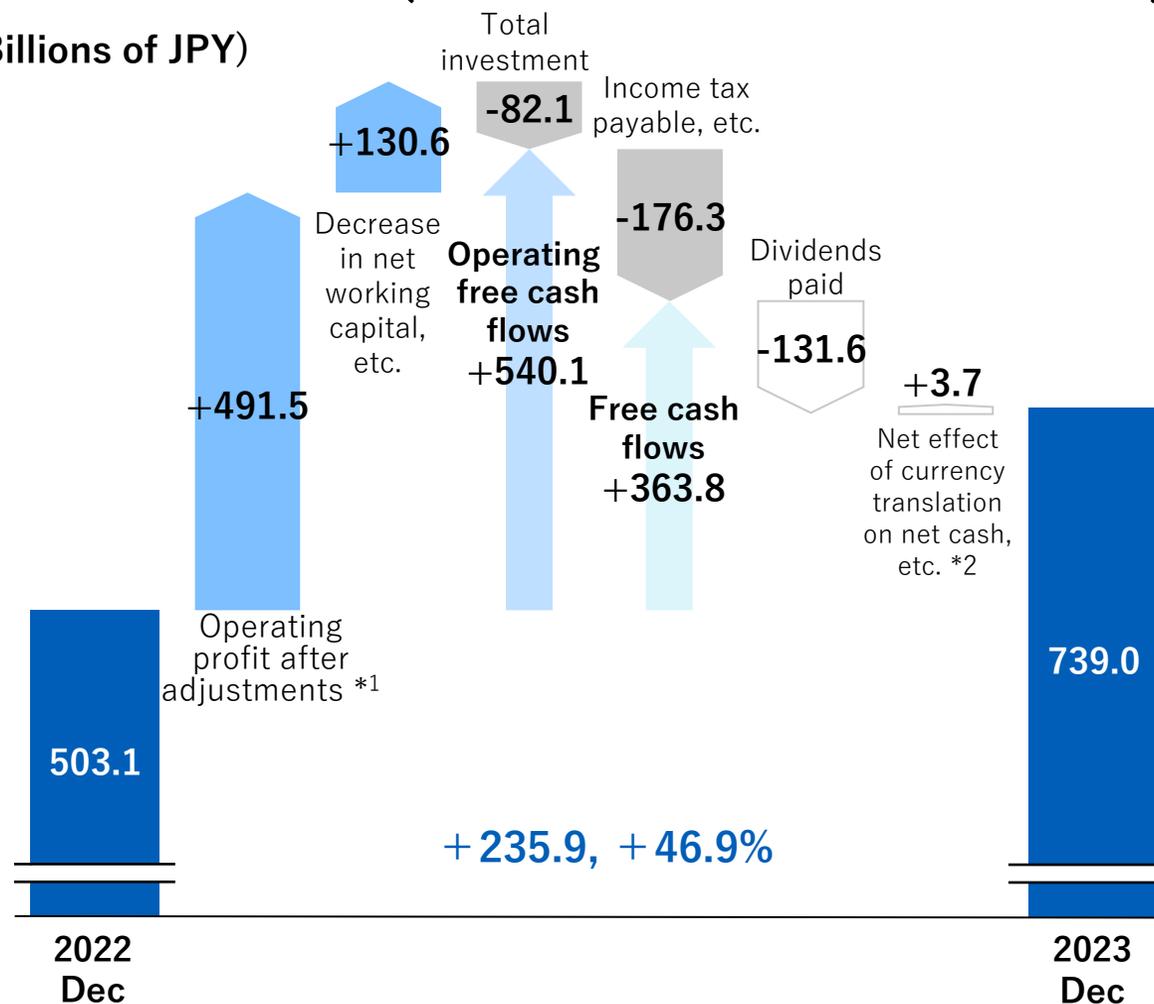
Decrease mainly due to a decrease in accrued corporate tax

Ratio of equity attributable to Chugai shareholders	76.2%	+7.9%pts	84.1%
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* 1 E.g., deferred income tax assets, accrued corporate tax, etc.

Net Cash (vs. 2022 Year End)

(Billions of JPY)



Operating profit after adjustment *1	+491.5
Operating profit *1	+439.2
Depreciation, amortization and impairment *1	+37.5
Decrease in net working capital, etc.	+130.6
Trade accounts receivable, accounts payable and inventory of Ronapreve	+107.3
Total investment	-82.1
Property, plant and equipment	-71.9
Payment for lease liabilities	-7.9
Intangible assets	-2.3
Operating free cash flows	+540.1
Income tax payable, etc.	-176.3
Income tax payable	-176.1
Free cash flows	+363.8
Dividends paid	-131.6
Net effect of currency transaction on net cash, etc. *2	+3.7

*1 Including Non-Core (IFRS results)

*2 Net effect of currency translation on net cash, etc. = Transaction in own equity instruments + Net effect of currency translation on net cash(*3)

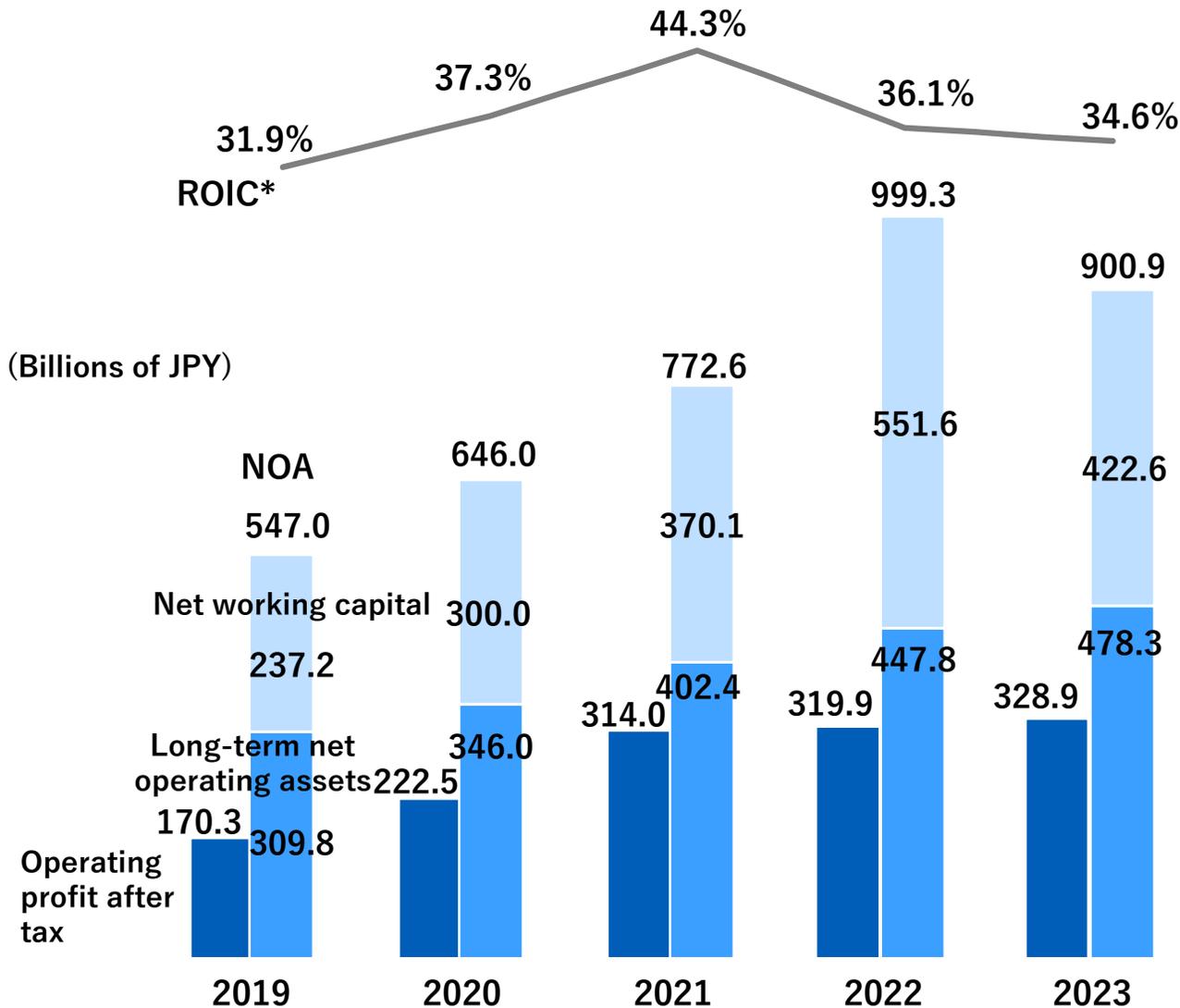
*3 Results from using different types of exchange rates when consolidating overseas subsidiaries in financial statements, i.e. net cash using end of period exchange rate and free cash flows using average exchange rate. (Chugai defines this term based on IAS 7 and IAS 21)

Current Status / Plan for Major Investments

		~2022	2023	2024	2025	2026	2027	2028~	Planned investment			Start of investment	Planned completion
									Total amount	Investment to-date	Unit		
Manufacturing	Fujieda plant	FJ3: Manufacture APIs of small and mid-size molecule drugs for late-stage clinical development and early commercial use						55.5	47.3	billion JPY	2021	2024	
	Ukima site	UK4: Manufacture bio-APIs for early-stage clinical development						12.1	10.7	billion JPY	2021	2023	
	Utsunomiya plant	UT3: Manufacture bio-APIs for middle to later- stage clinical development and early commercial use						37.4	5.6	billion JPY	2023	2026	
	Utsunomiya plant	UTA: Manufacture sterile injectables for early commercial use						19.0	5.3	billion JPY	2023	2025	
	Ukima plant	UK3(modification): Manufacture bio-APIs						20.3	-	billion JPY	2024	2027	
Research and development	CPR	Accelerate creation of clinical candidates utilizing proprietary antibody technologies						758	558	million SGD	2012	2026	
		Move and renovate facilities to enhance research functions						of which, capital investment: 82	77				
								60	-	million SGD	2024	2026	
	Chugai LSP Yokohama	Building of state-of-the-art R&D site to create innovative new drug candidates						128.8	124.9	billion JPY	2019	2022	
							- Land of 43.0 billion JPY excluded			- Start of operation: Apr. 2023			
	IFReC	Funding to IFReC per comprehensive collaboration agreement						10.0	6.8	billion JPY	2017	2027	
Environment	Environmental investment*	Equipment upgrade to achieve Mid-Term Environmental Goals 2030						109.5	2.9	billion JPY	2022	2033	
								estimated total amount					

* incl. part of Chugai LSP Yokohama and UK3(modification)

ROIC



● **Core operating profit after tax [A]**

Steady increase due to sales growth of new products and mainstay products and export and royalty income for Hemlibra

● **NOA [B]**

Increase mainly in long-term net operating assets due to aggressive capital investment, such as Chugai Life Science Park Yokohama

Significant movement in net working capital in 2022 and 2023 due to supply of Ronapreve to the government



● **ROIC [= A/the average of opening and ending of B]**

ROIC has risen continuously as a result of the growth rate of core operating profit after tax exceeding that of net operating assets (NOA) until 2021

In 2023, ROIC slightly decreased to 34.6% compared to the previous year due to the increase in averaged NOA, while Core operating profit after tax increased

*ROIC = core operating profit after tax / the average of opening and ending NOA balances
Opening balance as of FY2019 was adjusted by the adoption of IFRS16 Leases.

P/L 2024 Forecast

(Billions of JPY)	2023 Actual	2024 Forecast	Growth	
Revenues	1,111.4	1,070.0	- 41.4	- 3.7%
Sales	974.5	922.0	- 52.5	- 5.4%
Domestic	558.0	454.9	- 103.1	- 18.5%
Overseas	416.5	467.1	+ 50.6	+ 12.1%
Other revenue	136.9	148.0	+ 11.1	+ 8.1%
Cost of sales	- 412.0	- 337.5	+ 74.5	- 18.1%
(cost to sales ratio)	42.3%	36.6%	-5.7%pts	-
Research and development	- 162.8	- 171.0	- 8.2	+ 5.0%
Selling, general and administration	- 102.0	- 102.0	0	0.0%
Other operating income (expense)	16.1	0.5	- 15.6	- 96.9%
Operating profit	450.7	460.0	+ 9.3	+ 2.1%
(operating margin)	40.6%	43.0%	+2.4%pts	-
Net income	333.6	335.5	+ 1.9	+ 0.6%
EPS (JPY)	202.71	204.00	+ 1.29	+ 0.6%

Domestic sales

Decrease in supply of Ronapreve to the government, the NHI price revisions and market penetration of generic drugs

Overseas sales

Significant increase in sales of Hemlibra, decrease in sales of Actemra

Other revenue

Increase in income for Hemlibra and one-time income

Cost of sales

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

Research and development

Increase due to investments in research and early development and progress of development projects, etc.

Selling, general and administration expenses

The same level as the previous year

Other operating income (expense)

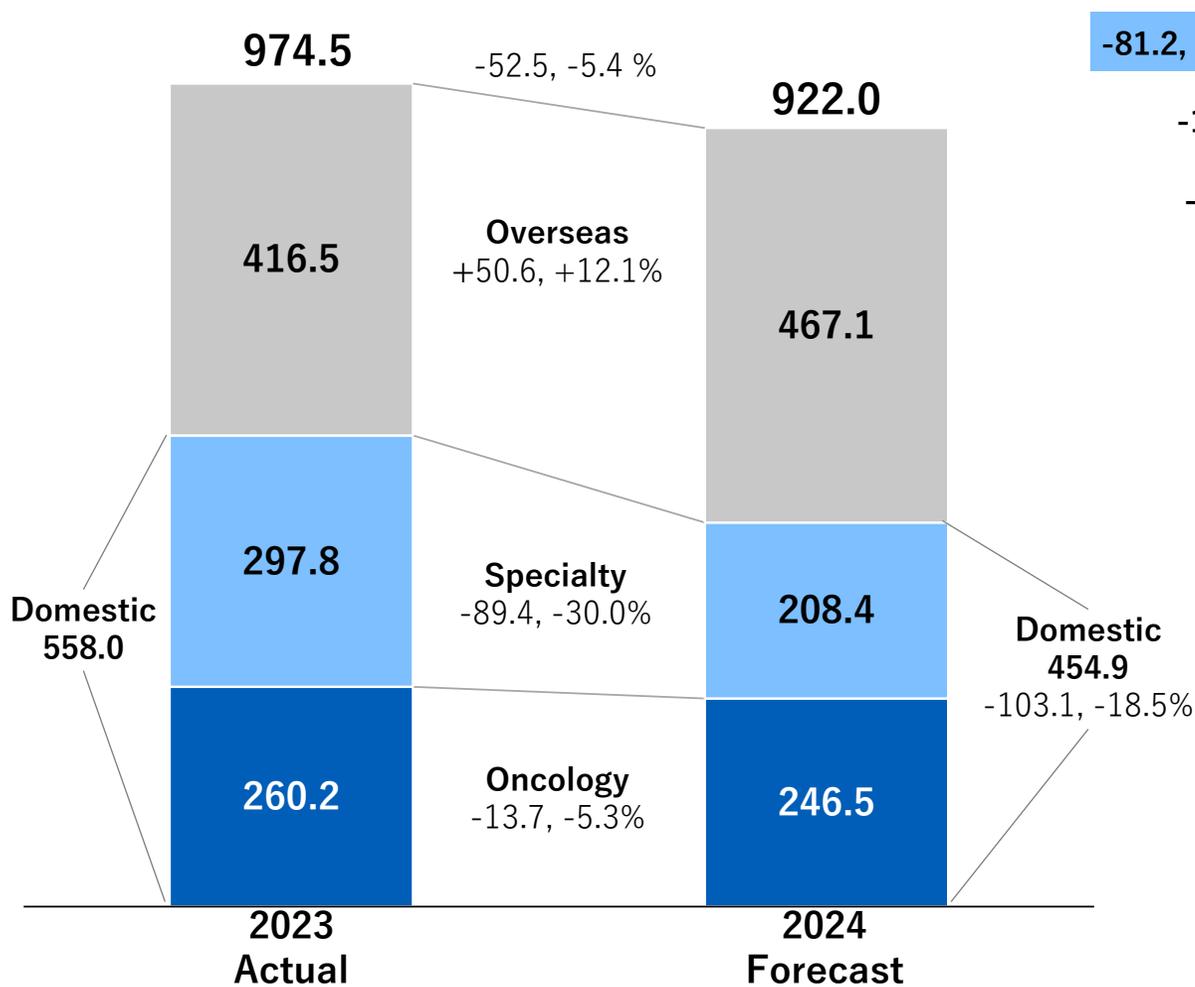
Income from disposal of product rights to decrease

Exchange rate (JPY)	2023 Actual	2024 Assumption
1CHF	140.31	159.00
1EUR	151.38	157.00
1USD	134.21	136.00

Sales 2024 Forecast

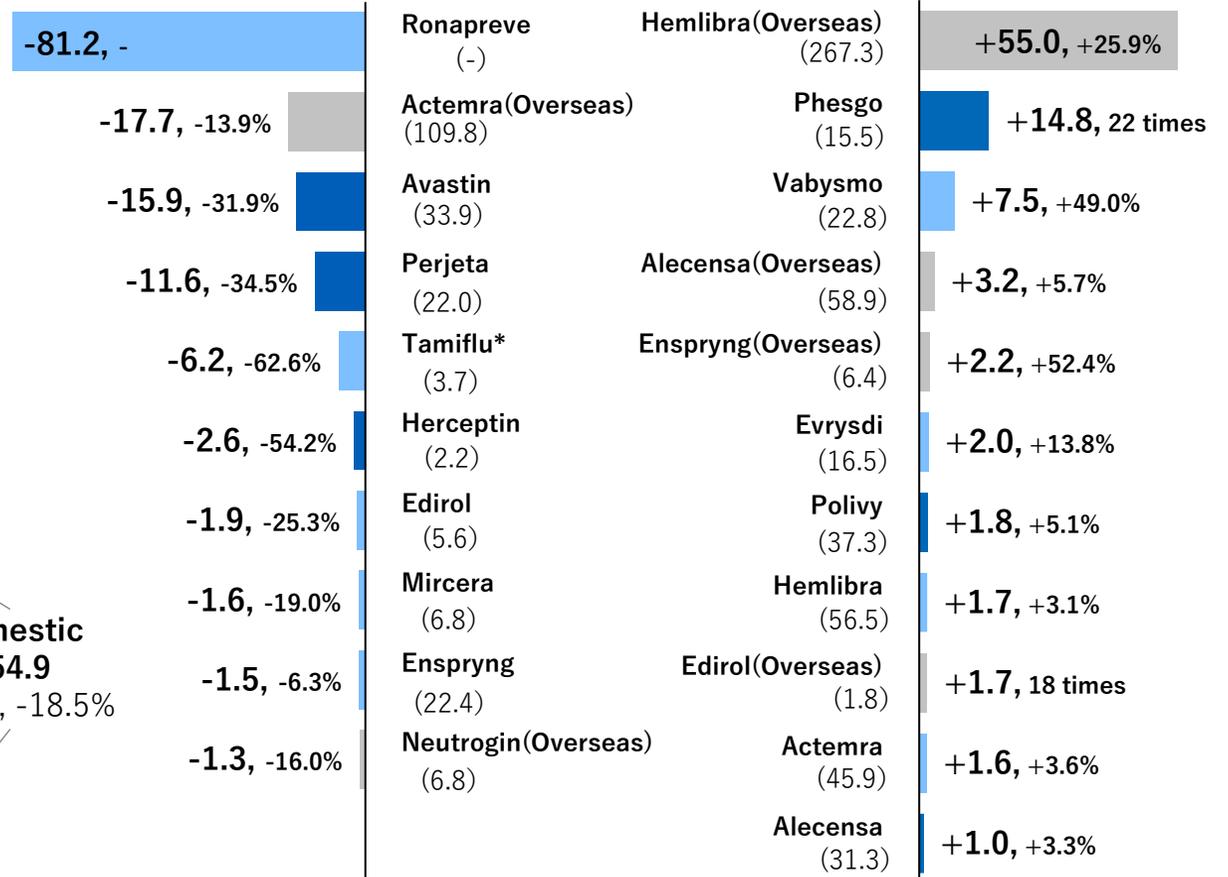
(Billions of JPY)

Sales by Disease Area

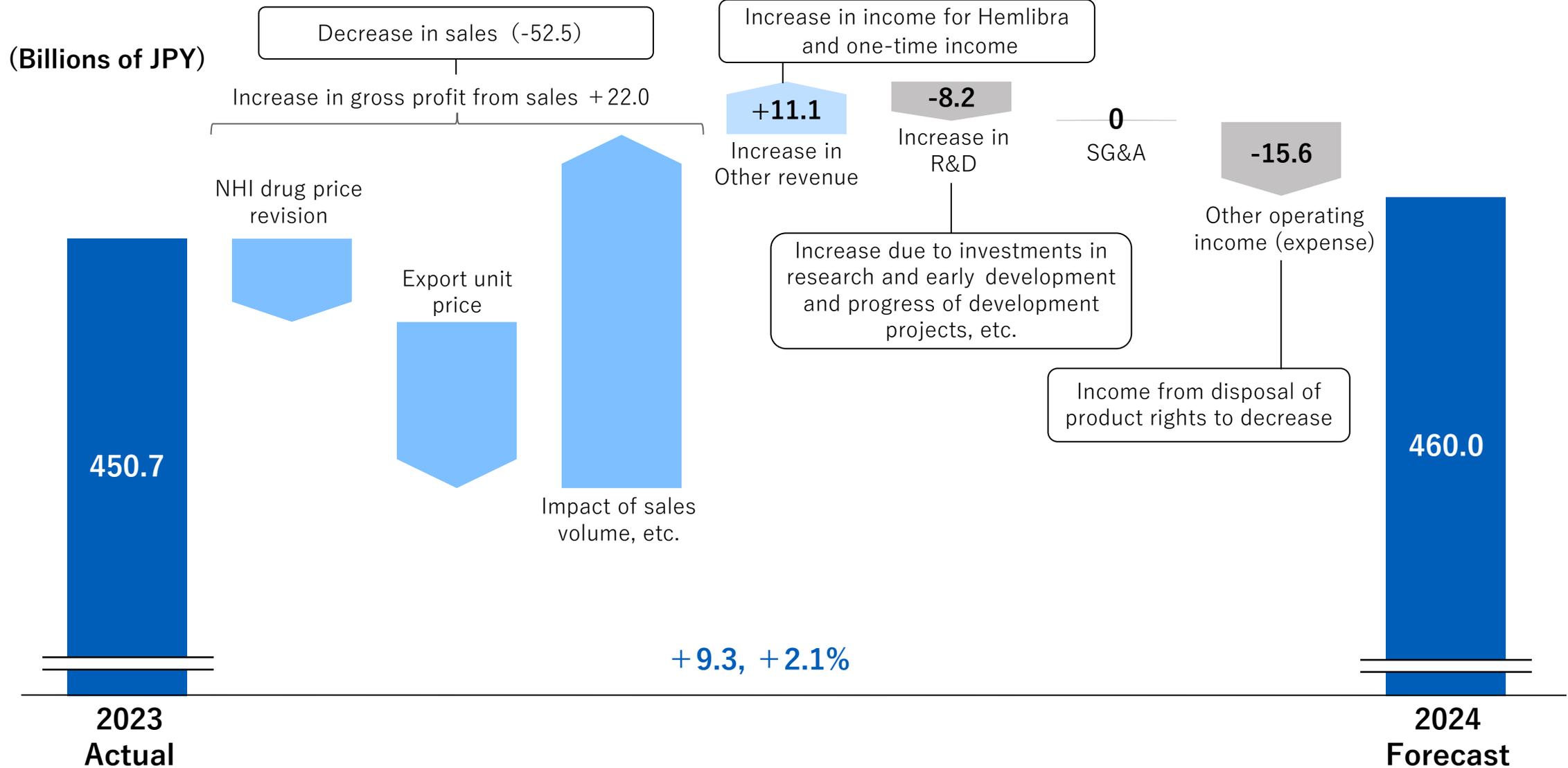


Sales by Product

(): Forecast sales in FY2024
 %: Year-on-year percentage change
 *included in Other products of Speciality



Operating Profit 2024 Forecast



Abbreviations



AD	atopic dermatitis	LN	lupus nephritis
adj	adjuvant	LSP	Life Science Park
AE	adverse events	MIBC	muscle-invasive bladder cancer
API	active pharmaceutical ingredient	MM	multiple myeloma
aHUS	atypical hemolytic uremic syndrome	MOGAD	myelin oligodendrocyte glycoprotein antibody-associated disease
AIE	autoimmune encephalitis	nAMD	neovascular age-related macular degeneration
aNHL	aggressive B-cell non-Hodgkin lymphoma	NHI	national health insurance
BC	breast cancer	NME	new molecular entity
bPoC	biology proof of concept	NMOSD	neuromyelitis optica spectrum disorder
BS	biosimilars	NSCLC	non-small cell lung cancer
CC	colorectal cancer	NSQ	non-squamous
CKDaP	Chronic kidney disease associated pruritus	PDS	port delivery system with ranibizumab
CLDN	Claudin	PE	primary endpoint
CPR	Chugai Pharmabody Research	PN	prurigo nodularis
CRC	colorectal cancer	PNH	paroxysmal nocturnal hemoglobinuria
CRS	cytokine release syndrome	PS	profit share
DMD	duchenne muscular dystrophy	QOL	quality of life
DME	diabetic macular edema	r/r	relapsed or refractory
eBC	early breast cancer	RED	research & early development
EC	esophageal cancer	ROY	royalty
EHA	European Hematology Association	RVO	retinal vein occlusion
ePoC	early proof of concept	SAE	severe adverse events
FL	follicular lymphoma	sc	subcutaneous
FSHD	facioscapulohumeral muscular dystrophy	SCD	sickle cell disease
GLP	Good Laboratory Practice	SCLC	small cell lung cancer
gMG	generalized myasthenia gravis	SMA	spinal muscular atrophy
HCC	hepatocellular carcinoma	SSc-ILD	systemic sclerosis with interstitial lung disease
HNC	head and neck carcinoma	TED	thyroid eye disease
HR	human resources	UME	uveitic macular edema
IV	intravenous	T2D	type 2 diabetes
LGSOC	low-grade serous ovarian cancer		

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