



CHUGAI

Roche Roche Group

Annual Report 2019

Fiscal year ended December 31, 2019

INNOVATION
BEYOND IMAGINATION

CHUGAI PHARMACEUTICAL CO., LTD.

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Bonus Video *Saving Lives! Medic-boy's Big Adventure:* A Fun Guide to Advances in PHC

Personalized healthcare (PHC), which provides the most suitable medical care for each patient, is one of Chugai's initiatives to create shared value with patients and society. We have produced a bonus video about advances in PHC to accompany this report. Please enjoy the video, which presents PHC in a story that a wide range of stakeholders can understand.

 <https://www.chugai-pharm.co.jp/english/ir/ar2019/movie.html>

Information on Chugai's Sustainability Initiatives

Chugai discloses its initiatives in a variety of media, including this printed report and its website. Please refer to the website for further details on initiatives presented in this report.

 <https://www.chugai-pharm.co.jp/english/sustainability>

About the Cover

Representing Chugai's patient-centric approach to creating value, the design conveys our message: "It's not cancer. It's one person." We have also created corporate advertising that shares the same concept.



Mission Statement

■ Mission

Dedicate ourselves to adding value by creating and delivering innovative products and services for the medical community and human health around the world

■ Core Values

1. **Patient Centric**
Make each patient's wellbeing our highest priority
2. **Pioneering Spirit**
Pursue innovation by improving ourselves and thinking differently
3. **Integrity**
Maintain the highest standards in all we do to create shared value with society

■ Envisioned Future

Become a top innovator for advanced and sustainable patient-centric healthcare, powered by our unique strengths in science and technology and the alliance with Roche

At Chugai, our Mission Statement is the basis of everything we do. It is Chugai's most enduring and important concept, and represents our adherence to the Company's founding spirit and our founder's vow to "create drugs that benefit the world" in response to a medicine shortage following a major natural disaster. Our Core Values are the values that employees share and embody. They represent our commitment to maintaining the highest standards in all we do to meet the expectations and requirements of society as we pursue innovation with a pioneering spirit for the benefit of patients. In our Envisioned Future, we have set the goal of becoming a top innovator in the healthcare industry by going beyond the conventional scope of the pharmaceutical business in anticipation of future changes in the healthcare landscape. Chugai's vision of value creation is to fulfill its Mission Statement by creating shared value.



Chugai by the Numbers (2019)

Research



14

In-house products in the development pipeline
(As of January 31, 2020)



90¹

Publications in academic papers and presentations at scientific conferences regarding Chugai's research findings (2019)



4,976

Patents held (including pending applications)
(As of December 31, 2019)



Development and Pharmaceutical Technology



8

Breakthrough therapy designations²
(Cumulative as of January 31, 2020)



49

Pipeline projects
(As of January 31, 2020)



23

New products launched and new indications
(2015-2019)



Continuous provision of innovative drugs



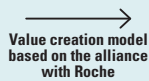
Leader of next-generation PHC



Provision of advanced patient-centric solutions



Unique science and technology



Value creation model based on the alliance with Roche



Strategic alliance with Roche

Chugai's Unique Strengths

Using quantitative and comparable information and data, Chugai conducted an evaluation and analysis from the perspectives of value for patients and competitive advantage, and identified five strengths that are the source of its unique value.

Our unique science and technology is the base strength supporting the other four. It stems from our globally recognized discovery technologies and deep understanding of pathological mechanisms, and our strategic alliance with Roche, one of the world's leading pharmaceutical companies. The unique business model derived from these strengths has enabled us to achieve the top position in various areas by continuously providing innovative drugs, as well as to lead next-generation PHC as a pioneer. In addition, our initiatives to offer advanced patient-centric solutions, backed by a high level of expertise and provision of detailed information, have been well received.

Patient Access



No. 1 in Japan

Share of sales in the Japanese therapeutic antibody market (23.9%)³ (2019)



69%

Proportion of sales from products that qualify for premium pricing (2019)



No. 1 in Japan

Satisfaction ranking based on healthcare professionals' assessments (Oncology; hospitals with 100 or more beds)⁴ (2019)

Adequacy ranking for provision of safety information based on healthcare professionals' assessments (hospitals with 100 or more beds)⁵ (2019)



Financial



¥686.2 billion

Revenues (2019)

No. 5 among pharmaceutical companies in Japan⁶



30.7%

Ratio of operating profit to revenues (IFRS)(2019)

No. 2 among pharmaceutical companies in Japan⁶ (2019)

¥6.6 trillion

Market capitalization (As of February 29, 2020)

No. 1 among pharmaceutical companies in Japan⁶



1. Total of drug discovery and pharmaceutical technology

2. A system introduced in July 2012 by the U.S. Food and Drug Administration aimed at expediting the development and review of drugs for the treatment of severe or life-threatening diseases or symptoms

3. Copyright © 2020 IQVIA. Source: JPM 2019. Reprinted with permission. The scope of the market is defined by Chugai.

4. Source: INTAGE Healthcare Inc., CS Survey of Oncology, 2019. Based on a survey of overall assessments of companies by physicians, as defined by Chugai.

5. Source: INTAGE Healthcare Inc., 2019 questionnaire about safety information needs.

6. Financial results of pharmaceutical companies: (Chugai) Fiscal year ended December 31, 2019; (Other companies in the same industry) Fiscal year ended December 31, 2019 or March 31, 2019

Note: "Pharmaceutical companies" is defined as the top 10 Japanese domestic manufacturers of pharmaceuticals in terms of sales.

(Takeda Pharmaceutical Company Limited, Otsuka Holdings Co., Ltd., Astellas Pharma Inc., Daiichi Sankyo Company, Limited, Chugai Pharmaceutical Co., Ltd., Eisai Co., Ltd., Sumitomo Dainippon Pharma Co., Ltd., Mitsubishi Tanabe Pharma Corporation, Shionogi & Co., Ltd. and Kyowa Kirin Co., Ltd.)