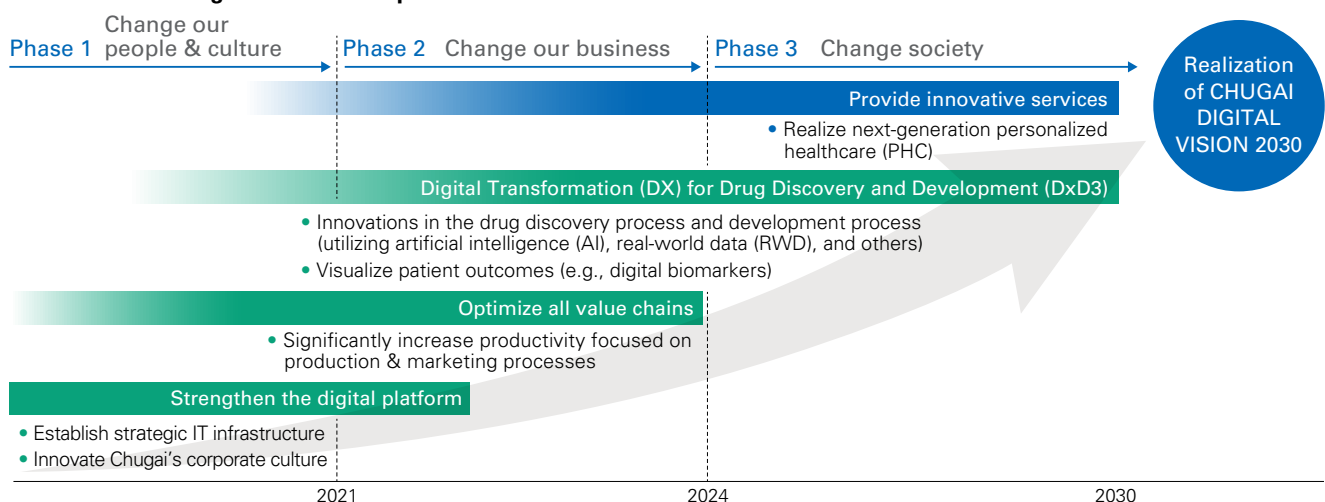


CHUGAI DIGITAL VISION 2030



Transform our business by using digital technologies to make Chugai a top innovator in the provision of society-changing healthcare solutions

Three Basic Strategies and Roadmap



Progress with CHUGAI DIGITAL VISION 2030

Chugai established the Digital Strategy Department in October 2019 to bring together all the digital initiatives underway at various departments and to plan and progress an optimized company-wide digital strategy. The Company then formulated CHUGAI DIGITAL VISION 2030 and a roadmap to achieve this.

We have defined three basic strategies to achieve this vision. First, we will reform our corporate culture and work to strengthen the digital platform by training and hiring more digital talent while also integrating and streamlining various types of data. As we build this infrastructure, we will optimize all value chains through the introduction of digital technologies and reforms to operational processes, with the goal of digital transformation (DX) for drug discovery and development through bold shifts in business resources. For drug discovery, we will improve our capabilities in AI, real-world data (RWD), and digital biomarkers (dbM) to realize unparalleled Digital Transformation for Drug Discovery and Development (DxD3) and promote advances in PHC.

We made steady progress in all these measures in 2020 and were proactive in communicating about our programs externally, such that Chugai started to be recognized externally for DX, including selection by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) as a DX Stock 2020 and a doubling in the number of job applications from digital talent.

We will actively allocate resources to these areas in the future and are developing new initiatives to be funded by aggressive investment, which will be positioned as Transformation in the digital and IT budget categories of Operation and Maintenance, Growth, and Transformation. The 2021 budget allocations for these categories are planned to be limited to approximately 50 percent for Operation and Maintenance, which generally tends to rise, with 25 percent for Growth and 25 percent for Transformation.

Future Initiatives

[DX for drug discovery and development](#) ▶ P63

Chugai is working on a wide range of initiatives, including the use of AI to improve the efficiency of antibody drug discovery processes, application of AI in pathology image analyses during pharmacology research, use of natural language processing technologies to improve literature search efficiency, and development of integrated databases. The Company is also developing dbM and using RWD in its development programs.

[Optimize all value chains](#) ▶ P65 ▶ P67

Chugai aims to develop digital plants where digital technologies transform production processes and human resources provide greater added value. The Company is also making progress with digital marketing programs and system infrastructure for customer-centric marketing.

[Strengthen digital platforms](#) ▶ P69

As well as building the infrastructure needed for greater data utilization internally and externally, Chugai is also stepping up the recruitment and training of digital talent. Through the Digital Innovation Lab (DIL), the Company is creating new projects, transforming the culture across the organization, and developing more collaborative projects with external partners.

Mid-Term Environmental Goals 2030

Background to the Setting of Mid-Term Environmental Goals 2030

Chugai set mid-term environmental goals for 2020 and made solid progress in initiatives to help protect the global environment. Looking ahead, we have decided to set new mid-term environmental goals that are more comprehensive and have a longer-term perspective, are consistent with our Material Issues, and reflect the ever-increasing expectations and demands of society and our conclusions following analysis of the previous mid-term environmental goals (see on the right). We conducted scenario analyses based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as prior analysis before setting new goals.

Climate change countermeasures

- Climate change is an increasingly important global challenge. We need to develop higher-level initiatives and set targets with a longer-term view.
- We assume fluorocarbon regulations will be tightened further.

Use of renewable/recycled resources and protection of biodiversity

- Expectations for more advanced environmental management, starting with prioritizing circular economies
- We recognize water as one of the most important resources and assume more emphasis will be placed on water risk management in the future.

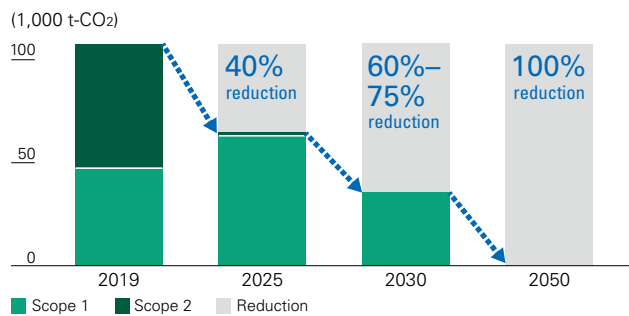
Targets and Initiatives for Mid-Term Environmental Goals 2030

We have set 10 new mid-term environmental goals through to 2030 (up from four goals) that incorporate medium- and longer-term perspectives and are also consistent with materiality. The goals include water risk and chemical substance management. Many of the goals include a milestone in 2025 to be achieved on the way to reaching the goal in 2030. We have also set a long-term goal of zero CO₂ emissions by 2050, as we need large-scale and long-term initiatives if we are to combat climate change.

In terms of specific initiatives, for climate change we will work on achieving 100 percent use of sustainable electricity and are also investigating reducing direct CO₂ emissions due to fuel use (Scope 1¹) and reducing energy use and improving efficiency through renovations and reforms to facilities and equipment. In terms of use of renewable/recycled resources,

we will accelerate efforts toward zero waste emissions and will also step up programs to reduce water consumption. For protection of biodiversity, we will implement stricter protocols on the management of hazardous chemical substances and design improved manufacturing processes.

Reductions in CO₂ Emissions



Material Issues	Item	KPI (Base year 2019)		
Climate change countermeasures (Prevention of global warming)	Scope 1+2 ¹ CO ₂ emissions	40% reduction by 2025	60–75% reduction by 2030	Zero emissions by 2050
	Scope 1+2 ¹ energy consumption	5% reduction ² by 2025	15% reduction ² by 2030	
	Sustainable electricity ratio	100% by 2025		
	Fuel consumption by MR vehicles	35% reduction by 2025	75% reduction by 2030	
	Halogenated hydrocarbons (Base year 2020)	25% reduction by 2025	100% reduction by 2030	
Use of renewable/recycled resources (Resource conservation, waste management)	Industrial waste reduction	5% reduction ² by 2025	10% reduction ² by 2030	
	Plastic waste reduction	5% reduction ² by 2025	10% reduction ² by 2030	
	Water resource conservation (Water withdrawal)		15% reduction ² by 2030	
Protection of biodiversity (Reduction of environmental load)	Chemical substance management (SVHCs ³)	After 2021, manufacturing processes without using SVHC-listed chemicals are established for all Chugai original candidate molecules by commercial productions.		
	Hazardous waste reduction	5% reduction ² by 2025	10% reduction ² by 2030	

1. Scope 1: Direct emissions, Scope 2: Indirect emissions from the generation of purchased energy 2. Per total floor area (Excluding leased properties) 3. Substances of Very High Concern