

Innovation all for the patients



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Chugai Announces New Growth Strategy “TOP I 2030”

- Concluded the three-year mid-term business plan “IBI 21” announced in 2019 one year ahead of schedule by achieving both the qualitative and quantitative targets in two years
- Formulated a new growth strategy “TOP I 2030.” The Company pursues the end goal of becoming a top innovator in 2030 through five reforms based on the twin pillars of “Global first-class drug discovery” and “Futuristic business model.”

TOKYO, February 4, 2021 -- [Chugai Pharmaceutical Co., Ltd.](#) (TOKYO: 4519) announced that it has completed the mid-term business plan “IBI 21,” which covers the three-year period from 2019 to 2021, one year ahead of schedule, and formulated a new growth strategy for 2030 “TOP I 2030” with the aim of realizing the Envisioned Future outlined in its Mission Statement.

In 2019, Chugai redefined its Mission Statement and set forth its Envisioned Future of becoming “a top innovator for advanced and sustainable patient-centric healthcare, powered by our unique strength in science and technology and the alliance with Roche.” At the same time, we formulated a mid-term business plan IBI 21, which aimed at realizing this goal, have developed business activities that pursue innovation with a quantitative target of an average annual growth in Core EPS at around 30% over the three years*.

*Figures are based on constant exchange rates and do not take into account stock splits during the period,

The Core EPS growth over the two-year period ending in 2020 averaged 49.5% per year, already achieving the initial target for the three-year period, driven by the significant growth of in-house products such as Hemlibra® and Actemra® in the global market as well as the expansion of Tecentriq® and other new products in the domestic market. On the qualitative front, we made progress on multiple in-house projects, including the domestic and international launch of a global product from Chugai research ENSPRYNG®, and the launch of late-stage clinical trials for crovalimab (SKY59), which we expect to be the next growth driver. We have been also contributing to oncology genomic medicine through the launch of FoundationOne® CDx Cancer Genome Profile, a comprehensive cancer-related gene mutation analysis program. In drug discovery, the development of mid-size molecule drugs, which we aim to establish as next-generation core technologies, progressed as planned and we plan to commence clinical trials in fiscal 2021. In addition, we have laid a strong foundation for further growth by innovation by measures including a new human resources management system centered on the advancement of talent management and role-based performance, and digital transformation based on Chugai Digital Vision 2030.

In light of these factors, we decided to conclude IBI 21 one year ahead of schedule and initiate efforts aimed at further accelerating growth under our new growth strategy, TOPI 2030.

The new growth strategy TOP I 2030 is based on the twin pillars of “Global first-class drug discovery” and “Futuristic business model.” Specific initiatives include five reforms that comprise “Drug Discovery,” “Development,” “Pharmaceutical Technology,” “Value Delivery” and “Foundation for Growth.” The word “TOP” in the name of the strategy embodies our aspiration to be the world’s Top Innovator, not just in Japan. The “I” overlaps two meanings: one is “innovator”, and the other is “I or me,” which means that the driving force behind Value Creation is people, and that each one of us plays a leading role in our pursuit of TOP I 2030 realization.

At the same time, we have presented the following three “Top Innovator” end goals that we would like to reach by 2030.

 <p>Expectation from patients all over the world</p> <p>With world-class drug discovery capabilities, patients around the world expect that “Chugai will surely create new treatments.”</p>	 <p>Attracting talent and players from around the world</p> <p>Attract passionate talent from all over the world, and inspire players in globally to think they can create something new by partnering with Chugai</p>	 <p>Role model for the world</p> <p>Recognized for its ESG initiatives through its business activities, Chugai will become a global role model as a leader in resolving social issues</p>
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“In the world today, there are many unmet medical needs with no cure or a low level of treatment satisfaction, and patients globally are waiting for the emergence of effective options. Providing solutions one by one is the mission of Chugai and an opportunity for growth. We will continue to pursue innovation for the development of society and the growth of our company by steadily implementing the five reforms in the new growth strategy TOP I 2030 and to realize the Envisioned Future outlined in our Mission Statement,” said Dr. Osamu Okuda, Chugai’s President and COO.

[References] Five reforms in the new growth strategy TOP I 2030

1) Drug Discovery

In TOP I 2030, Chugai will aim to further strengthen its drug discovery technology foundation, in order to materialize original drug discovery ideas based on its accumulated strengths in drug discovery, including protein engineering technology. In addition, Chugai will concentrate resources on a company-wide basis, on drug discovery and early development, in order to create maximum value and produce results with adequate investment. In particular, in mid-size molecule drugs, which are expected to constitute the mainstay for driving Chugai’s medium- to long-term growth, Chugai will give priority to investing resources in technology development and clinical projects for early commercialization. Chugai will also strive to diversify and accelerate drug discovery technologies, through the effective utilization of digital technologies including AI, as well as proactive external collaboration.



2) Development

In order to deliver ground-breaking projects, as quickly as possible to as many patients as possible, Chugai will build a top-class clinical development model in the industry that makes maximum use of mathematical models and digital technologies. Chugai will enhance the predictability of dosing options, efficacy, and safety by precisely understanding biological reactions and thoroughly utilizing various disease and treatment data accumulated in-house, as well as real-world data (RWD). At the same time, Chugai will utilize digital biomarkers and digital devices to demonstrate the QOL of patients at an early stage. In addition, Chugai will work on a fundamental reform of its operations model, with a view toward enhancing operational efficiency of late-stage clinical development.

3) Pharmaceutical Technology

While Chugai aims to substantially expand its R&D output, the pursuit of world-class pharmaceutical technologies that steadily commercialize innovative drug discovery will also represent an important challenge. Chugai will further strengthen the collaboration between the drug discovery/development and pharmaceutical functions, in order to advance the development of pharmaceutical technologies for drugs with a high degree of difficulty, such as mid-size molecules, through the application of leading-edge technologies. With regard to antibody drugs, which are expected to continue evolving as a core technology, Chugai will continue to work to further promote technological development and to improve the speed of development.

Meanwhile, Chugai will also pursue world-class cost competitiveness and cost reduction, by building next-generation plants that dramatically improve productivity by means of digital and robotics technologies, and by optimizing insourcing and outsourcing.

4) Value Delivery

The customer contact points of pharmaceutical companies are also changing significantly owing to the development of digital tools and the impact of the spread of COVID-19. By also taking such changes into account, Chugai will aim to establish an innovative customer engagement model, in order to deliver the information required by healthcare professionals and patients accurately and promptly, while ensuring a high level of expertise. Specifically, Chugai will build a system that is capable of providing valuable information to customers promptly and optimally, through the appropriate utilization of face-to-face, remote and digital systems, as well as suitable collaboration among the specialized functions of sales, safety and medical functions.

In addition, Chugai will advance the generation of evidence that promotes Personalized Healthcare, and also accelerate the development of biomarkers that accurately predict efficacy and safety for each patient, through the comprehensive analysis and utilization of various databases accumulated through drug discovery and development, as well as real-world data.

5) Foundation for Growth

In parallel with the reforms of each value chain process, we will also work to strengthen our business foundation which supports the generation of innovation and the realization of our growth strategy, especially in the following five priority areas: people and organization, digital, environment, quality and insight business.

For further information on TOP I 2030, please visit [Chugai website](#).

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