



## Implementation and Results of Early Retirement Incentive Program

TOKYO, April 27, 2023 -- [Chugai Pharmaceutical Co., Ltd.](#) (TOKYO: 4519, hereafter “the Company”) announced that an early retirement incentive program was conducted in April as follows.

### 1. Background

In the fiscal year ending December 31, 2022, Chugai achieved record-high revenues and operating profit for the sixth consecutive year. Meanwhile, the difficulty of new drug development is increasing, healthcare financing pressure is rising globally, and measures to curb healthcare and drug costs are accelerating. The business environment is becoming more challenging as responses to customers are changing significantly due to the growing market penetration of generic drugs and biosimilars and the impact of the new coronavirus on the work style of the workforce. Furthermore, with the addition of advances in digital technology, it is expected to become challenging to maintain a competitive advantage based solely on the expertise and technology that have been our strengths to date. To respond swiftly to the drastically changing business environment and our management issues, we must strengthen our organizational capability and human resources for structural reform and further evolution toward strategic resource allocation.

At the same time, as the mindset of employment and lifestyles diversify, there is a growing trend toward seeking a second life or next career. In the midst of what is so called the era of a 100-year lifespan, an increasing number of employees are considering changing careers based on their own life plans. Against this backdrop, we implemented the Early Retirement Incentive Program to address management issues in a drastically changing business environment and support employees considering a second career by retiring early due to diversifying views on employment and lifestyles.

### 2. Details of the program

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| (1) Eligible employees:          | Employees aged 40 or over as of December 31, 2023<br>(Detailed criteria are specified separately)   |
| (2) Target number of applicants: | Unspecified   |
| (3) Incentives:                  | (i) Special additional allowance on top of regular retirement allowance<br>(ii) Reemployment support services through an external outplacement company to retirees in this program upon request |
| (4) Application period:          | From April 3 to April 21, 2023  |
| (5) Retirement date:             | June 30, 2023   |

3. Result of the offer

Number of applicants: 374 employees

4. Impact on financial performance

Special additional allowance and other expenses related to this program of approximately 10.4 billion yen will be reported as a Non-Core item during the second quarter of the fiscal year ending December 31, 2023. The impact of this program on the forecast for the fiscal year 2023 announced on February 2, 2023, is expected to be negligible.

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