

### Introduction of a New Human Resources Management System

- Accelerating job-based human resources management system across entire company to ensure the right talent in the right place
- Shifting from company-directed transfers to a job posting system encouraging employees to take initiative in their career development and pursue new challenges
- Abolishing the upper age limit for employment, supporting employees to thrive within the Chugai Group regardless of age

TOKYO, January 6, 2025 -- <u>Chugai Pharmaceutical Co., Ltd.</u> (TOKYO: 4519) announced the introduction and implementation of a new human resources (HR) management system, effective immediately. Under this new system, employees will be appropriately rewarded for continuously developing their careers based on their own career designs, regardless of age or other attributes. Furthermore, in its aim to become an attractive company where such talent can thrive, Chugai will expand job-based employment, introduce a job posting system, enhance high-level specialist positions, and abolish the employment upper age limit.

Chugai has formulated its growth strategy "TOP I 2030" to become a top innovator in the healthcare industry, aiming to double its R&D output and evolving into a company capable of annually launching innovative in-house global products. To enhance the individual capabilities of its talent, which is the source of innovation, Chugai has been promoting initiatives rooted in three concepts of individuals: envisage individuals, enhance individuals, and enable excellence of individuals.

"To achieve the ambitious goals set forth in TOP I 2030, our people are undoubtedly the most crucial factor. When each employee envisions their ideal self and proactively pursues growth and challenges to realize it, this chain of individual initiative leads to continuous innovation. Through this HR management system reform, we aim to become a company that supports each individual in realizing the 'desired future' through their own initiative. Furthermore, we are committed to nurture and produce world-class talent," said Dr. Osamu Okuda, Chugai's President and CEO.

#### [Key Points of the New HR Management System]

#### 1. Company-wide implementation of job-based HR system

We will expand the job-based HR system, which has already been implemented for management positions, to general employees. This will enable everyone working at Chugai Group to clearly understand their job responsibilities, receive clearly differentiated evaluations, and obtain compensation commensurate with their position and performance. Combined with our job posting system, this will further promote the principle of right talent in the right place, allowing motivated and capable employees, even those early in their careers, to advance to higher positions.

# 2. Clarifying requirements for all positions and implementing personnel changes and promotions primarily through a job posting system

We will clarify the requirements for all positions within the Chugai Group and make them accessible to employees. As a general rule, vacant positions will be openly advertised within the company, inviting applications. This will shift the approach from traditional company-led appointments to transfers based on employees' autonomous decisions. This system will further encourage employees to proactively design their careers and support their growth and challenges in realizing their goals.

#### 3. Abolishing of employment upper age limit (effective 2026)

We will abolish the senior employee system that previously reduced roles and compensation upon reaching a certain age. Employees aged 60 and above, if approved by the company and willing and healthy enough to continue working, can receive treatment aligned to regular employees based on their job duties, regardless of age. Instead of the company uniformly deciding retirement timing, we will create an environment where employees can consider their careers at Chugai Group as part of their life plan and continue to contribute to the Chugai Group without an age limit. This system will be implemented from 2026.

#### 4. Significant expansion of highly specialized positions (increased to 2.5 times the current number)

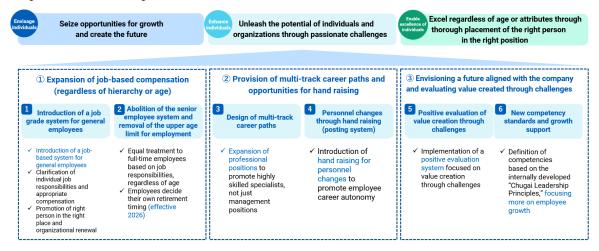
To generate continuous innovation, it is essential for highly specialized talent to demonstrate their capabilities across various organizations. We will systematically restructure career paths for highly specialized professionals and significantly increase the number of such positions to 2.5 times the current number, accelerating the identification and development of highly specialized talent.

#### 5. Introduction of a goal-setting system that evaluates value created through challenges

To realize "TOP I 2030," it is crucial for employees to envision their desired future beyond the scope of their assigned roles and organizations, and continuously strive towards its realization. We will encourage employees to set challenging goals aimed at creating value for their envisioned future, and evaluate the value created using a point-addition system. We will respect employees' proactive ideas and support their endeavors.

## **Concept and Key Points of the New HR System**

Introduction of a new HR management system from January 2025 to further encourage employees' challenges and growth towards achieving TOP I 2030



This year, Chugai celebrates its 100th anniversary. Inheriting the founding spirit of "creating drugs that benefit society," we will continue to contribute to global healthcare and people's health through our unique value creation. As we mark our 100th anniversary this year, we are introducing a new HR management system to create an environment where employees can maximize their initiative and autonomy. We aim to link individual growth to company and organizational growth, leading to the provision of new value for patients and further enhancement of our corporate value.

#### [Reference]

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