



Roche Roche Group

Innovation all for the patients

**CHUGAI PHARMACEUTICAL CO., LTD.**

**Company Profile**



Beyond the depths of human imagination  
lies a new beginning,  
a world humanity has long awaited.

To attain this world,  
we continue fighting common paradigms,  
breaking through national barriers,  
and uniting technology  
with expertise from around the world.

If a million people suffer from one disease,  
we strive to find a million solutions.  
Together with doctors and medical institutions,  
we offer hope to patients and families worldwide.

Innovating today, we help to protect  
the ordinary days that people cherish.

And, when the world says there's no cure,  
we don't give up until we find one.

## INNOVATION BEYOND IMAGINATION

Innovation all for the patients



CHUGAI PHARMACEUTICAL CO., LTD.

 A member of the Roche group



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# What We Must Do

## Mission Statement

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.



### 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

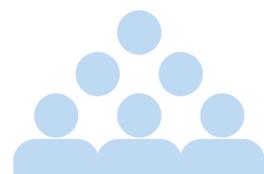
Become a top innovator for advanced and sustainable patient-centric healthcare, powered by our unique strengths in science and technology and the alliance with Roche

# What We Will Do

## Chugai's Top Innovator Vision

The healthcare industry is entering a period of dramatic change. Diversification of new drug discovery technologies and drug modalities\* and advances in science technology and digital technology are impacting the competitive advantages of pharmaceutical companies. As a result of the global COVID-19 pandemic, many countries are accelerating measures to control healthcare costs, and the trend toward value-based healthcare, in which only medicines and solutions that offer true value are chosen, is growing stronger. Against the backdrop of these changes in the operating environment, Chugai has announced its vision for becoming a top innovator, setting out three goals to be achieved by 2030. While maintaining the discovery and development of innovative drugs as the core of our business based on our alliance with Roche, we will create shared value with society through innovation.

\* The material classification of a drug, such as small-molecule compound, therapeutic antibody or regenerative medicine



## Expectation from patients all over the world

With world-class drug discovery capabilities, patients around the world expect that "Chugai will surely create new treatments."



## Attracting talent and players from around the world

Attract passionate talent from all over the world, and inspire players globally to think they can create something new by partnering with Chugai.



## Role model for the world

Recognized for its ESG initiatives through its business activities, Chugai is a global role model as a leader in resolving social issues.

# What We Will Do

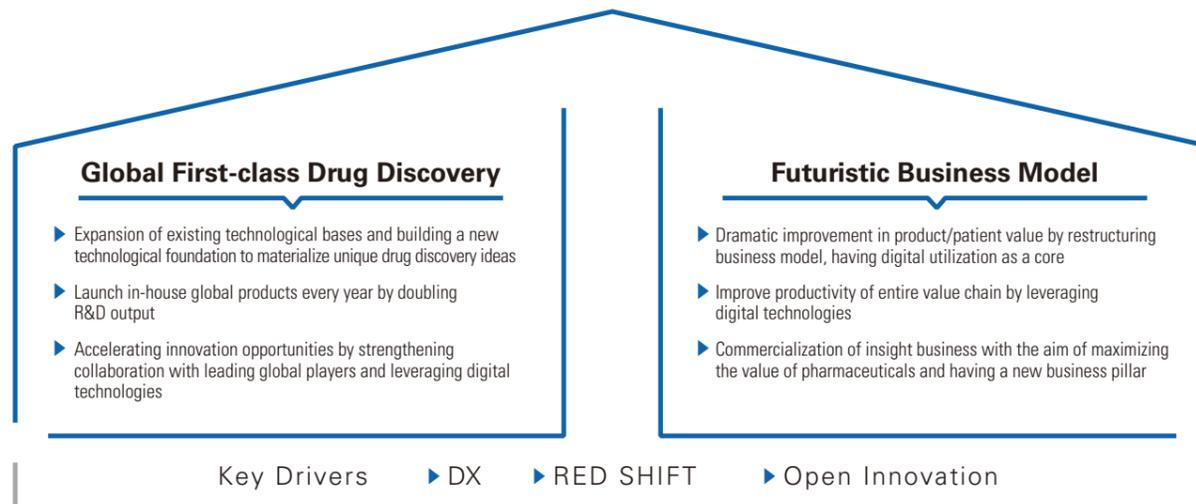
## Growth Strategy “TOP I 2030”

“TOP I 2030” is the growth strategy that we developed by backcasting from the goals we want to achieve by 2030. We based TOP I 2030 on two pillars – “Global First-class Drug Discovery” and “Futuristic Business Model” – and defined three key drivers for ensuring the success of the strategy: “RED<sup>1</sup> SHIFT,” “DX”<sup>2</sup> and “Open Innovation.” We will shift our resources to discovery research and early clinical development, which are the source of our value creation, apply digital technology to create innovative new drugs and increase efficiency in the value chain, and actively collaborate with outside partners. In this way, by 2030, we aim to double our R&D output and have the capability to launch global in-house products every year.

1. Research and Early Development

2. DX (Digital Transformation): The concept that the spread of information technology will change every aspect of people’s lives for the better

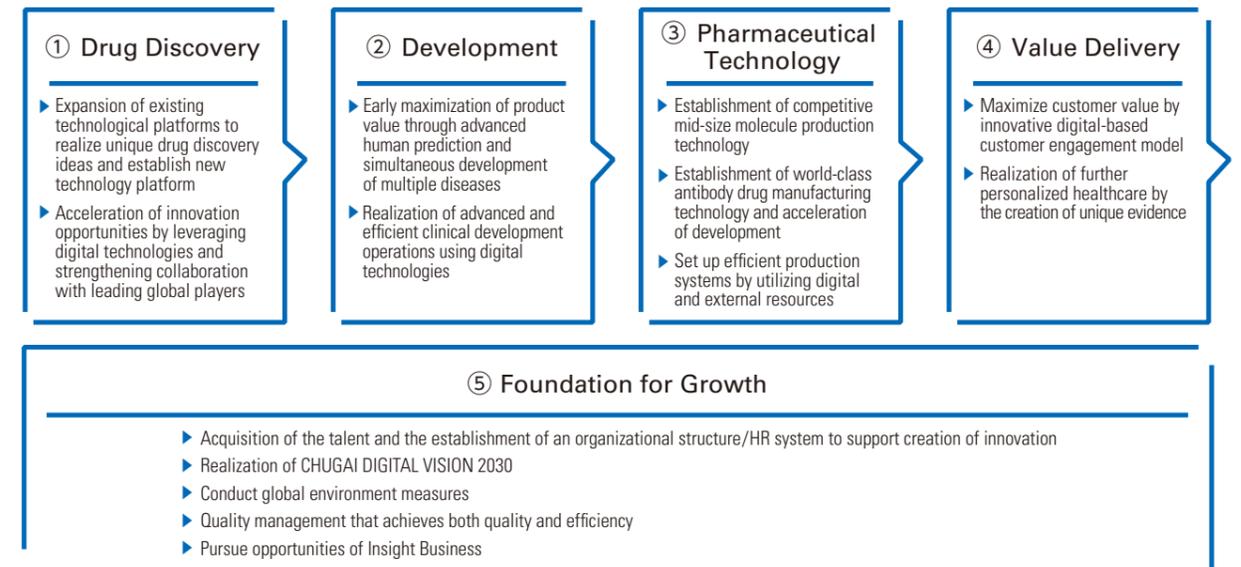
### “Double R&D output” & “Launch global in-house products every year”



## Five Reforms to Realize Our Strategy

In TOP I 2030, we will carry out the following five reforms to realize our strategy.

- ① In drug discovery, strengthen drug discovery technology platforms through the utilization of digital technology and external collaboration
- ② In development, establish a world-class clinical development model that can maximize product value
- ③ In pharmaceutical technology, realize pharmaceutical technology functions that combine world-class technology and cost competitiveness
- ④ In value delivery, generate evidence that helps promote personalized healthcare and create an innovative customer engagement model
- ⑤ In foundation for growth, strengthen the growth foundations necessary for innovation and promote evolution of the value chain



# Why Only We Can



## Strategic Alliance with Roche

### Unique Business Model

In 2002, Chugai embarked on a strategic alliance with the Roche Group, one of the world's leading pharmaceutical groups. Under this alliance, we have built a business model unparalleled in Japan, in which we conduct business in cooperation with Roche while maintaining our autonomy and management independence. In addition to giving us the exclusive right to market Roche's innovative drugs in Japan, the alliance also gives us access to Roche's research infrastructure and global development and marketing platform. Utilizing these advantages, we can gain access to global markets for our in-house developed drugs, thus driving our growth. This stable revenue base allows us to concentrate our investments on highly innovative technologies and drug discovery. At the same time, the alliance enables Roche to globally market the drugs that Chugai discovers through its highly specialized, highly innovative research. It is a win-win relationship.

### Key Features of the Collaboration with Roche

**Management autonomy**  
(Maintain stock exchange listing)

**Concentrate on innovation**  
through an emphasis on originality and diversity

**Access emphasizing economies of scale and regional optimization**

- ▶ **Products from Chugai research**  
Global marketing utilizing Roche's network
- ▶ **Products in-licensed from Roche**  
Development and marketing in Chugai's territory (Japan, South Korea, Taiwan)

### Leading Company in the Domestic Biopharmaceutical, Therapeutic Antibody and Oncology Areas

Share of sales in the Japanese oncology area

**No. 1<sup>1</sup>**

Share of sales in the Japanese therapeutic antibody market

**No. 1<sup>1</sup>**

Chugai is the leading company in Japan in biopharmaceuticals, therapeutic antibodies and the oncology market. Through further evolution of our business model, we aim to quickly deliver innovative medicines to patients around the world.

1. Copyright © 2022 IQVIA. Source: JPM 2021. Reprinted with permission. The scope of the market is defined by Chugai.

2. A class of biopharmaceuticals made using biotechnology. Because they target specific cell types or tissues, they can be expected to provide a high degree of efficacy with few side effects. As a result, the market for therapeutic antibodies is expanding rapidly.

## Why Only We Can



## Discovering Innovative Drugs

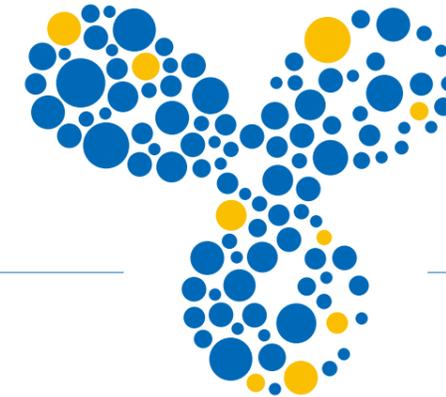
### Antibody Engineering Technologies

Chugai's biopharmaceutical research and development date back to the 1980s. The results achieved, including the creation of the first therapeutic antibody manufactured in Japan, have enabled Chugai to become Japan's leading biopharmaceutical company. We have leveraged this experience to establish innovative antibody engineering technologies that have attracted attention worldwide.

### Evolution of Our Proprietary Antibody Engineering Technologies

#### SMART-Ig®

Recycling antibody®



#### Switch-Ig™

Switch Antibody™

#### SMART-Fc®

Sweeping antibody®

#### ART-Ig®/FAST-Ig™

Bispecific antibody

 **Platforms & Technologies**  
<https://www.chugai-pharm.co.jp/english/profile/rd/technologies.html>

### Working on New Modalities

To complement our portfolio of therapeutic antibodies and small molecule drugs, we are working to establish new technologies for drug discovery in the new modality (therapeutic approach) of mid-size molecules. Our objective is to develop drugs that can be administered orally and reach targets that have been inaccessible with conventional technologies such as small molecule drugs. By establishing this new technology, we may be able to address unmet medical needs<sup>1</sup> with novel approaches. This technology-driven<sup>2</sup> drug discovery is one hallmark of Chugai's research and development.

1. Medical need that is not adequately met due to a lack of effective treatments

2. A policy of using the most outstanding technology without first limiting the target disease areas for research

### Open Innovation with Leading Global Players

Chugai is proactively building its research network based on cooperation and open innovation with outside partners to create value by integrating its proprietary discovery technologies and expertise with academia and venture businesses. In 2016, we agreed to a comprehensive collaboration with the Osaka University Immunology Frontier Research Center (IFReC), and have been conducting joint research at the Collaboration Promotion Laboratory, which opened in 2017. In 2018, we entered into a comprehensive partnership agreement with Preferred Networks, Inc. (PFN), a company that has attracted worldwide attention for its deep-learning and robotics technologies. By combining our drug discovery technologies and knowledge with PFN's cutting-edge deep-learning technology, we aim to contribute to medicine globally through innovation.

## Why Only We Can



## Patient-Centric Value Delivery

### A Robust Development Pipeline and Top-Level Development and Production Capabilities

### Pursuing World-Class Technologies and Cost-Competitiveness

In its clinical development functions, Chugai draws up clinical development plans based on the latest scientific findings and invites medical institutions to conduct clinical trials. Additionally, by conducting multiple global development projects (global studies) through our alliance with the Roche Group, we are contributing to the advancement of the Japanese pharmaceutical industry by creating examples of best practices in development and filing for approval in Japan and internationally.

In pharmaceutical technology, we have production facilities, including a biological API production facility, that rank in the top class in Japan in both capacity and quality. At the same time, we are establishing a flexible development and production system that will enable us to bring new drugs to market faster.

 **Continuous provision of innovative drugs**  
<https://www.chugai-pharm.co.jp/english/profile/strengths/index.html#sec03>

### Advancing PHC to Deliver Treatment Optimized for Each Individual

Launch of F1CDx<sup>1</sup> and  
F1Liquid CDx<sup>2</sup>

**1st in Japan**

Number of Drugs for which F1CDx  
is Used as a Companion Diagnostic

**20<sup>3</sup>** (for eight types of cancer)

As a pioneer of personalized healthcare (PHC) in Japan, Chugai has been focusing on promoting this approach to healthcare. PHC tailors treatment to each individual, providing the therapeutic approach expected to be most effective based on factors such as the patient's genomic profile. Moreover, avoiding treatments for which positive outcomes are not expected lessens the risk of adverse events. Following F1CDx, in 2021, we began providing F1Liquid CDx, the first blood-based comprehensive genomic profiling (CGP) test for solid tumors in Japan. We are aiming to advance PHC through two types of CGP testing. Using the gene analysis technology of Foundation Medicine, Inc.<sup>4</sup> (FMI), AI and other technologies, we will continue our efforts to provide advanced and optimal treatments for each individual patient.

1. Foundation One<sup>®</sup> CDx Cancer Genomic Profile  
The first cancer genomic profiling system in Japan to obtain regulatory approval as both a gene mutation analysis program (for use in cancer genomic profiling)
2. FoundationOne<sup>®</sup> Liquid CDx Cancer Genomic Profile  
The first cancer genomic profiling test in Japan that combines blood-based comprehensive genomic profiling for solid tumors and companion diagnostic (CDx) functions for multiple cancer drugs approved in Japan.
3. Number of relevant drugs approved in Japan as of February 2022
4. FMI was established in Massachusetts, U.S.A. in 2010. In 2015, Roche took a majority stake, and then acquired the remaining outstanding shares in 2018 to make FMI a wholly-owned subsidiary. Chugai is working to commercialize FMI's comprehensive genomic profiling tests and maximize their value in Japan.

### Providing Solutions Using a High Level of Expertise and Digital Technology

### Promoting Multidisciplinary Team Care and Regional Healthcare Coordination

Chugai uses industry-leading digital solutions to support the promotion of multidisciplinary team care, an approach in which medical professionals combine their respective expertise to realize optimal medical care for patients. Our digital solutions also support the promotion of regional healthcare coordination, including cooperation agreements with local governments, and cooperation with medical institutions for disease awareness events and the provision of information. To provide drug safety information quickly and offer sophisticated solutions, we make best use of our post-marketing surveillance and safety information database tools, along with our high level of expertise.

 **Provision of advanced patient-centric solutions**  
<https://www.chugai-pharm.co.jp/english/profile/strengths/index.html#sec05>

 **Sustainable Patient-Centric Healthcare**  
<https://www.chugai-pharm.co.jp/english/sustainability/patient/index.html>

## Why Only We Can

# Digital Transformation for the Future of Healthcare

With the cost of developing new drugs increasing and the probability of success declining every year, expectations are high for a transformation using digital technology. Chugai seeks to be a top innovator that applies digital technology to transform its own business and provide healthcare solutions that change society. We will focus in particular on innovating the drug discovery process by combining the extensive range of unique strengths that we have established in science and technology with AI and other advanced digital technologies.

## CHUGAI DIGITAL VISION 2030

Digital transformation for drug discovery and development (DxD3)

Optimize all value chains

Strengthen digital platforms



### Selection as "DX Stock 2021"

Chugai was selected as one of the "Digital Transformation Stocks (DX Stocks) 2021" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange in recognition of our wide range of initiatives in "CHUGAI DIGITAL VISION 2030," including the use of digital technology for innovating drug discovery, transforming corporate culture, and collaborating with outside partners. We are the only company in the pharmaceutical industry to be selected two years in a row.

## CHUGAI DIGITAL

### Initiatives of DxD3<sup>1</sup>

At Chugai, we are working to enable truly personalized healthcare in ways that only we can provide, centered on three initiatives for applying digital technology to the creation of new drugs: AI-driven drug discovery, Digital biomarkers initiatives, and utilization of real-world data.

1. Digital Transformation for Drug Discovery and Development



#### AI-driven drug discovery

AI technologies such as machine learning and deep learning will be utilized to improve the probability of success in drug development, and also for automation and labor-saving to drive innovation and efficiency throughout the drug discovery process. This will significantly reduce development time and costs. The research findings for MALEXA™, Chugai's AI-based technology to support discovery of antibody therapeutics, were published in Scientific Reports by Nature Research.



#### Digital biomarkers<sup>2</sup> initiatives

We will provide new value to patients by collecting and analyzing physiological data obtained from wearable and other devices, and by using digital technologies such as visualization of the patient's condition and prediction of an individual's disease risk to create new health indicators.

2. Physiological data obtained from wearable and other devices



#### Utilization of real-world data<sup>3</sup>

Timely and appropriate use of big data, including real-world data, will help us understand the condition of patients in actual clinical practice, something not possible in clinical trials, and contribute to the realization of treatments tailored to each individual patient. To further advance the effective utilization of data, we team up with various partners, including the Japanese government, academia, medical institutions and data companies.

3. Medical data such as electronic health records compiled in routine clinical practice

### Strengthening Our Digital Platforms

In collaboration with the Roche Group, we aim to establish global-level IT infrastructure through the integration of various internal data and the construction of an analysis platform. In addition, we will take various tangible and intangible measures to strengthen our digital platforms, including systematically training digital talent using Chugai Digital Academy, which was launched in April 2021, operating the Digital Innovation Lab (which encourages trial-and-error), and cooperating with outside organizations.



#### Realization of digital plants

Chugai has implemented initiatives to help realize digital plants that can accelerate in-house drug development and respond flexibly to changes in the environment. Under the concept of "digitally transforming production operations to increase productivity and add high value to human capital," we are partnering with IBM Japan, Ltd. to link and optimize people and operational data.



#### Development of Chugai Scientific Infrastructure (CSI)

CSI is an IT infrastructure we developed based on Amazon Web Services to securely and conveniently utilize large quantities of data. It enables us to safely handle data that has high security requirements, such as genomic data, and to accelerate collaborative projects with academia, medical institutions, and corporate partners.



#### CHUGAI DIGITAL DAY 2021

CHUGAI DIGITAL DAY 2021 was held to highlight digital technology trends in healthcare through lectures by top scientists and business leaders from various industries. About 1,400 people from inside and outside Chugai participated in the event, including working professionals and students interested in digital transformation and the use of AI in the healthcare field.

## Why Only We Can



Below are highlights of Chugai's activities for sustainability.

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

## External Recognition

Included in the leading ESG investment index DJSI World for the second consecutive year

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

Nadeshiko Brand



Selected under the Certified Health and Productivity Management Outstanding Organizations Recognition Program "White 500" for the second consecutive year and fourth time overall.



Diversity Management Selection 100



CDP A rating in the Climate Change and water security measures category



Platinum Kurumin



## Sustainability

### Global Health

There are still many people around the world suffering from diseases that currently have no cure, and people who do not have access to existing treatments due to poverty or institutional reasons, among others. Chugai supports sustained improvement of access to medical care, primarily in low- and lower-middle-income countries with weak healthcare systems. Placing priority on local needs, we aim to both help resolve social issues and create corporate value through cooperation with public institutions, NGOs, industry groups and other organizations by leveraging Chugai's strengths, technologies, and expertise. One example, in the area of non-communicable diseases, is our participation in Access Accelerated, an industry partnership that involves the World Bank Group and more than 20 pharmaceutical companies to improve access to prevention, diagnosis, and treatment. In the oncology area, we are seeking to realize patient-centric, high-quality care by partnering with various NGOs to promote early diagnosis and multidisciplinary team care, mainly in Asia, and supporting the development, spread, and establishment of guidelines suited to local resources.

### Environmental Protection and Occupational Health and Safety

The Chugai Group recognizes that environmental protection and the health and safety of its employees at work are key foundations supporting the achievement of its mission of benefiting the medical community and human health around the world. To efficiently promote environmental protection and occupational health and safety, which are closely interconnected, we have developed an integrated management system to implement environmental, health and safety (EHS) activities with a medium-to-long-term perspective.

The health of employees is a valuable asset for Chugai, and we work proactively to maintain and improve it to create safe working environments. In recognition of our ongoing initiatives, we were selected under the Certified Health and Productivity Management Outstanding Organizations Recognition Program<sup>1</sup> for the fifth consecutive year. In 2022, the company was recognized for the fourth time and for the second consecutive year as a "White 500" company, which is awarded to the top 500 large enterprises.

We are also taking advanced environmental protection measures to achieve the Mid-Term Environmental Goals 2030, which we formulated based on expectations and requests from outside parties and our material issues. In 2021, Chugai was awarded the highest rating by global environmental non-profit CDP, being placed on CDP's A-List in the two categories of climate change and water security. The Science Based Target (SBT) initiative also validated the consistency of Chugai's greenhouse gas reduction targets in its Mid-term Environmental Goals 2030 with the Paris Agreement goals.

1. A program run by the Ministry of Economy, Trade and Industry (METI) in collaboration with the Nippon Kenko Kaigi that recognizes large enterprises that demonstrate outstanding efforts in health and productivity management.

### Human Resources and Diversity and Inclusion

To grow together with society, continuous innovation must be created through new perspectives and ideas unconstrained by conventional frameworks.

At Chugai, we regard human resources who have diverse capabilities and ways of thinking as our greatest asset. We are taking steps to foster a culture of continuous innovation, such as the operation of the new personnel system launched in 2020, promotion and management of talent based on finding the right person for the right position, and promotion of diversity and inclusion (D&I).

One concrete measure was holding "Chugai Diversity Days" to deepen understanding of D&I, especially the importance of inclusion, to help promote behavioral change among employees. Employees from various divisions participated, in addition to senior management.

As we work to become a top innovator globally, the source of innovation is our people. In addition to securing diverse talent, going forward we will increase employee engagement through reforms that increase job satisfaction.

### The SDGs That Chugai Is Helping to Achieve



The top priority goal directly linked to our Mission (3), the four goals to focus on for achieving it (8, 9, 12 and 17) and the six goals that form the basis of our business activities (5, 6, 10, 13, 15 and 16)

# Corporate Information

## Corporate Data (As of December 31, 2021)

Company name	Chugai Pharmaceutical Co., Ltd.	
Foundation	March 10, 1925	
Establishment	March 8, 1943	
Stated capital	¥73,202 million	
	2021 core basis results*	
	Revenues	¥999.8 billion
	Operating profit	¥434.1 billion
	Net income	¥311.5 billion
	* IFRS results excluding gains and losses associated with non-recurring events	
Fiscal year-end	December 31	
Number of employees	7,664 (consolidated)	
Principal lines of business	Research, development, manufacturing, sales and import/export of pharmaceuticals	
Head Office	1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo, Japan	

 **Corporate Data**  
<https://www.chugai-pharm.co.jp/english/profile/about/outline.html>

### About Roche

Established in 1896, Roche is a pharmaceutical company headquartered in Basel, Switzerland. As of 2021, it employed approximately 101,000 people globally and generated sales of 62.8 billion Swiss francs. Roche contributes to medicine in a wide range of fields through its two business segments, pharmaceuticals and diagnostics. Central to the Roche Group's strategy is personalized healthcare, in which biomarkers and diagnostic tests are used to identify the patients most likely to respond to a particular drug.

Roche began an alliance with Chugai in 2002, and is now the majority shareholder in Chugai. U.S.-based Genentech, one of the world's leading biotechnology companies, is also a member of the Roche Group.

### Establishment of Chugai Life Science Park Yokohama



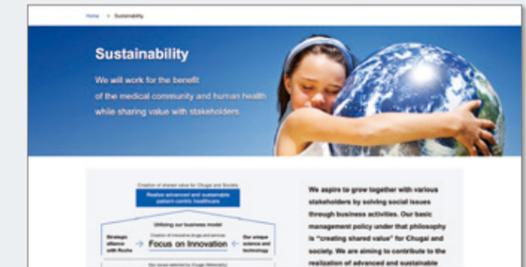
Chugai Life Science Park Yokohama will be a new core research laboratory that consolidates the functions of the Fuji Gotemba Research Laboratories and Kamakura Research Laboratories to establish a system that maximizes Chugai's R&D functions. With construction scheduled for completion in October 2022, the new laboratory is designed with environmental considerations such as energy saving and CO<sub>2</sub> emission reduction for harmony with its surroundings. As a base for the discovery of the highest quality drugs, it will work to quickly deliver innovative medicines to patients around the world.

## Website



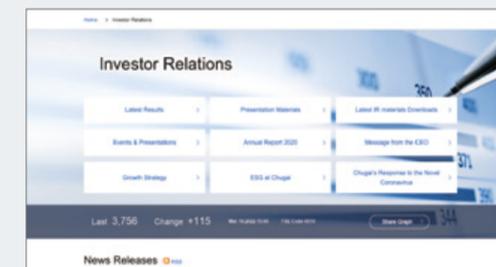
### Corporate Website

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



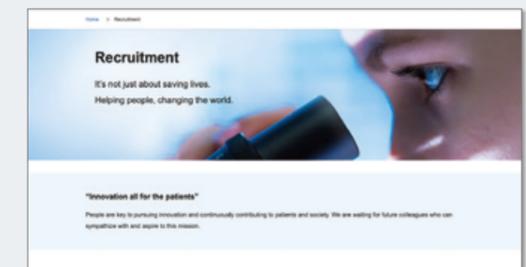
### Sustainability

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



### Investor Relations

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



### Recruitment

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

### Social Media (Japanese only)

 **Twitter**  
[https://twitter.com/chugai\\_cc](https://twitter.com/chugai_cc)  
 @chugai\_cc

 **YouTube**  
<https://www.youtube.com/chugaijp>

### ChuLabo (Chugai's "brand character")



A robot that observes people around the world and finds them interesting. Sometimes, says things that make him seem more human than people. Why does Chugai conduct research and development day by day to continuously generate innovation? ChuLabo projects images of precious everyday life that answer that question —conveying Chugai's goals, which are etched in the hearts of all members of the Chugai Group.

 **See our exclusive website for ChuLabo and Chugai Innovation Lab**  
<https://www.chugai-pharm.co.jp/brand> (Japanese only)



This publication was printed in Japan with non-VOC ink on paper certified as manufactured in accordance with the standards of the Forest Stewardship Council, an international forestry certification program that protects resources through responsible forest management.

Innovation all for the patients



**CHUGAI PHARMACEUTICAL CO., LTD.**

