



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



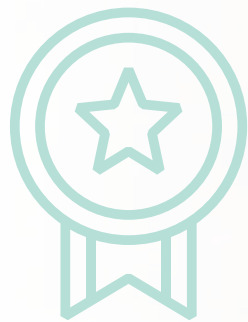
CHUGAI PHARMACEUTICAL CO., LTD.

 A member of the Roche group



Mission Statement

At the Chugai Group, 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 the Great Kanto Earthquake of 1923. Our Core Values are the values that employees share and embody. They represent our commitment to maintaining the highest standards in all that 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 a 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



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About Us

History of Chugai

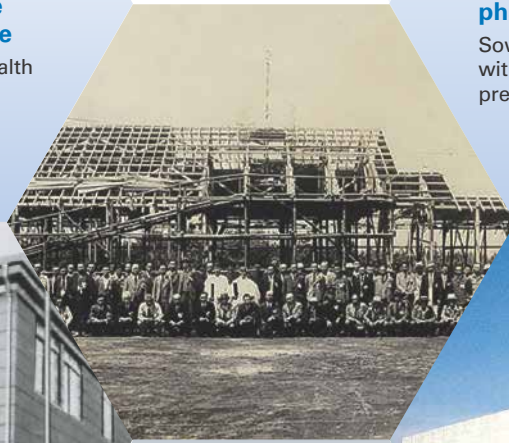
Chugai was established in Japan in 1925. Since then, it has continuously modernized its business management by building research laboratories and plants, and has contributed to healthcare in Japan and abroad through a variety of products.

Let's look back on the history of Chugai, which has overcome many difficulties by continuously innovating the structure and focus of its business since its founding.

Foundation–1930s

Founded with the mission of “creating drugs that benefit the world” in order to solve the medicine shortage caused by the Great Kanto Earthquake

Contributing to people's health from a global perspective—an enduring vision since Chugai's founding



1960s–1970s

Transition from non-prescription to prescription pharmaceuticals

Sowing seeds for the future with a strategy focused on prescription drugs



2000s

Strategic alliance with Roche

Strategic alliance to increase competitiveness and become a top innovator



Promotion of personalized healthcare, a new trend in medical treatment

Leading personalized healthcare in Japan and bringing high value to society



**2030
Top innovator in the healthcare industry**

1940s–1950s

Rebuilding the business and making a fresh start amid post-war turmoil

Growth in the non-prescription drug market during the post-war reconstruction period



1980s–1990s

Pursuing the future of healthcare—venturing into biotechnology

Move from chemosynthetic to bio-based drug discovery, laying the foundation for Chugai's current strengths

Launched the first therapeutic antibody manufactured in Japan. Created a succession of innovative drugs.

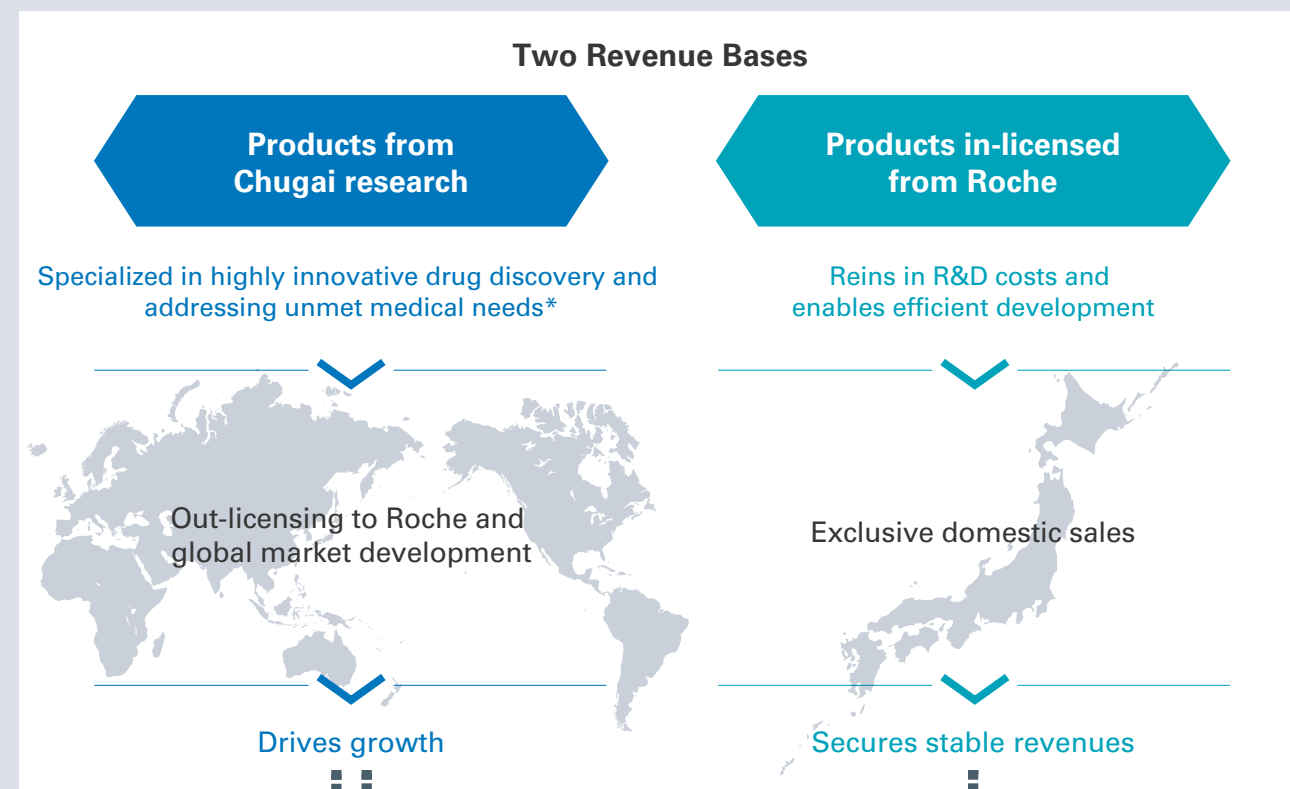
Evolution of antibody engineering technologies that prove Chugai's drug discovery capabilities

About Roche

Established in 1896, Roche is headquartered in Basel, Switzerland. Roche contributes to healthcare in various 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 entered into an alliance with Chugai in 2002 and is now Chugai's majority shareholder. U.S.-based Genentech, one of the world's leading biotechnology companies, is also a member of the Roche Group.

Business Model

Though a member of the Roche Group, Chugai maintains autonomous and independent management, employing a unique business model focused on innovation that values individuality and diversity. The strategic alliance with Roche gives us the exclusive right to market Roche’s innovative drugs in Japan, creating a stable revenue base that enables us to concentrate our investments on unique, highly innovative technologies and drug discovery. The innovative drugs that emerge from our in-house research and development are out-licensed to Roche and made available in the global market through Roche’s infrastructure, driving Chugai’s growth. At the same time, the alliance enables Roche to globally market the drugs that Chugai discovers through its highly specialized and innovative research, creating a win-win relationship.



* Medical needs that are not adequately met due to a lack of effective treatments

Chugai in Numbers

An R&D-Driven Pharmaceutical Company

Share of sales in oncology field in Japan

No. 1*

Share of therapeutic antibody sales in Japan

No. 1*

* Copyright © 2023 IQVIA.

Source: Compiled from Pharmaceutical Market Data December 2022 MAT. Unauthorized reproduction is prohibited. The market range is as defined by Chugai Pharmaceutical.

Strong Financial Foundation

(Year ended December 31, 2022)

Revenues*

¥1,168.0 billion

Operating Profit*

¥451.7 billion

* Core basis results: IFRS results excluding gains and losses associated with nonrecurring events

Delivering Innovative Drugs Worldwide

Breakthrough Therapy* designations **9**

Countries approving Chugai Pharmaceutical products **More than 110**

* A system introduced in July 2012 by the U.S. Food and Drug Administration aimed at expediting the development and review of drugs for the treatment of severe or life-threatening diseases or symptoms

Providing Advanced Patient-Centric Solutions

Customer satisfaction ranking (in oncology, for information obtained from sources other than MRs) **No. 1¹**

Customer satisfaction ranking (for safety information provision in Japan) **No. 1²**

1. MCI DIGITAL, *Multimedia White Paper on Physicians Summer 2022*, based on a survey of oncologists, "owned media ranking (No. 1), non-pharma medical websites ranking (No. 1)"

2. INTAGE Healthcare Inc., 2022 questionnaire about safety information needs

Human Resources—The Source of Innovation

(As of December 31, 2022)

Number of employees¹

7,771

1. Consolidated

Percentage of female employees at managerial level²

17.8%

2. Non-consolidated basis

Percentage of male employees taking childcare leave³

89.7%

3. Figure from the Chugai Finance Report

Training investment per employee⁴

¥216,000

4. 2022 (Non-consolidated basis)

Preserving the Global Environment

(As of December 2022)

Energy-related CO₂ emissions (Scope 1 + Scope 2¹) **45.6%² reduction compared with 2019**

1. Scope 1: Direct emissions of Chugai; Scope 2: Indirect energy-related emissions from electricity and other sources of power supplied by other companies

2. Includes reductions for the use of sustainable power supplied by power companies, as well as for purchased green energy certificates and non-fossil fuel energy certificates

Envisioned Future

We will collaborate with Roche to continue placing “innovative new drugs” at the core of our business. We aim to become a leading innovator in the global healthcare field, where a diverse range of players, not limited to pharmaceutical companies, are taking on the challenge of innovation.

Vision for 2030: Top innovator in the healthcare industry



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 in 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 will become a global role model as a leader in resolving social issues.

Growth Strategy “TOP I 2030”

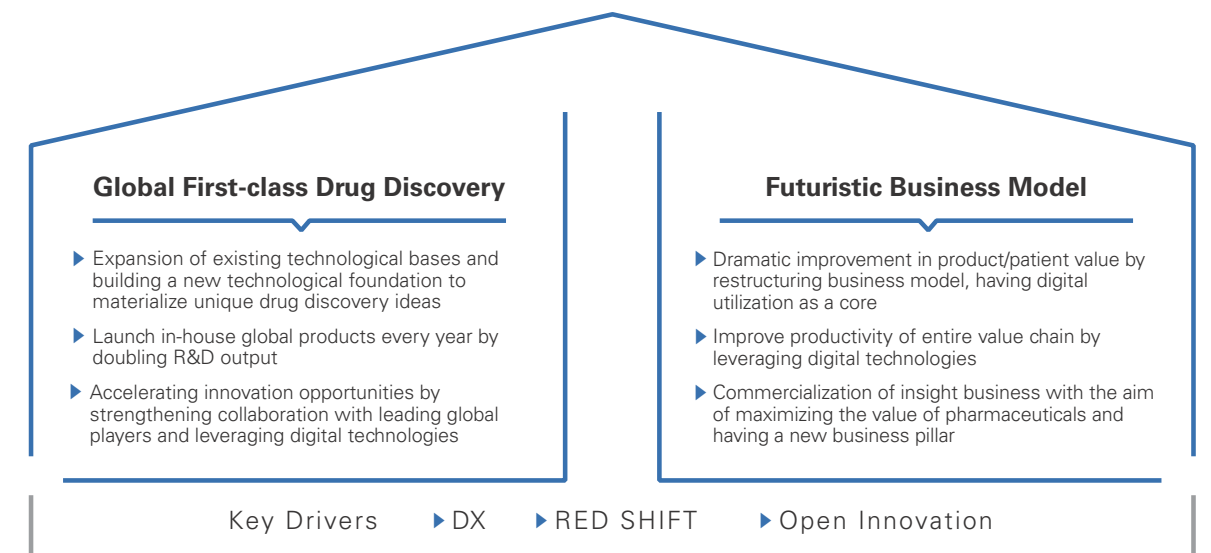
“TOP I 2030” is the growth strategy Chugai developed based on the goals it wants to achieve by 2030.

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* SHIFT,” “DX” 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 external partners. By doing so, we aim to double R&D output and have the capability to launch global in-house products every year by 2030.

* Research and Early Development



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



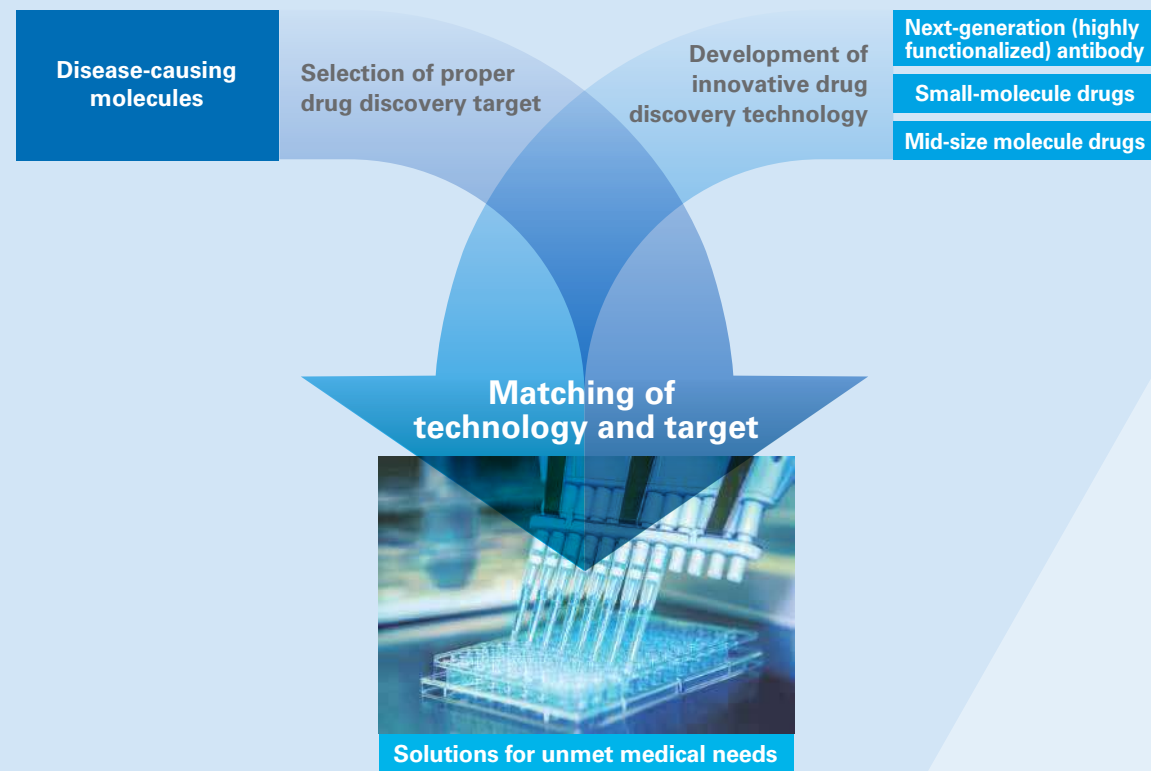
Innovation at Chugai Drug Discovery Capabilities

Addressing Unmet Medical Needs

Chugai leverages its biotechnologies, antibody engineering technologies, target molecule exploration technologies, and other strengths to create highly original drugs that address unmet medical needs. Chugai constantly pursues innovation through new science, technology and disease fields in order to fulfill its strong commitment to contributing to the wellbeing of patients around the world by quickly delivering the innovative medicines they need.

Features of Chugai's Approach to Drug Discovery

Chugai's drug discovery is technology-driven. In contrast to drug discovery with a focus on a specific disease area, our researchers develop unique technologies, and then apply them to drugs. By fully utilizing our researchers' ideas and manufacturing technologies, we strive to generate a steady succession of innovative products that offer new value to patients. Chugai's Research Division has strengths that other companies cannot match, such as the benefits of collaboration with Roche and Open Innovation with academic institutions. Utilizing these networks, we select drug discovery targets by uncovering disease-causing molecules.



Chugai's Modalities







Chugai has gained a reputation worldwide for its proprietary antibody engineering technologies as well as its strong drug discovery capabilities backed by research infrastructure in various modalities (therapeutic approaches) including small and mid-size molecules. While refining our unique proprietary technologies, we will pursue a multi-modality strategy that flexibly incorporates external technologies.

Therapeutic Antibodies

A therapeutic antibody is a drug that applies the functions of antibodies, which are proteins made by our immune system. There are high expectations for such drugs because they pinpoint specific targets and thus produce fewer side effects. As a pioneer in the research and development of biopharmaceuticals in Japan, Chugai created the first therapeutic antibody manufactured in Japan. We will leverage our unique antibody engineering technologies to expand the potential of therapeutic antibodies and create new drugs.

Mid-Size Molecule Drugs

Mid-size molecule drugs are positioned between small molecules and antibodies (large molecules). They are seen as potential next-generation drugs that combine the benefits of small-molecule and antibody drugs because they bind to intracellular targets with high specificity and can be taken orally. We have invested business resources in this field for over a decade, establishing unique mid-size molecule technologies that give us a competitive advantage.

	Small Molecules	Mid-Size Molecules	Antibodies
Molecular weight	Below 500	500–2,000	10,000 and above
Administration routes	Oral/Injection 	Oral/Injection 	Injection 
Target specificity			



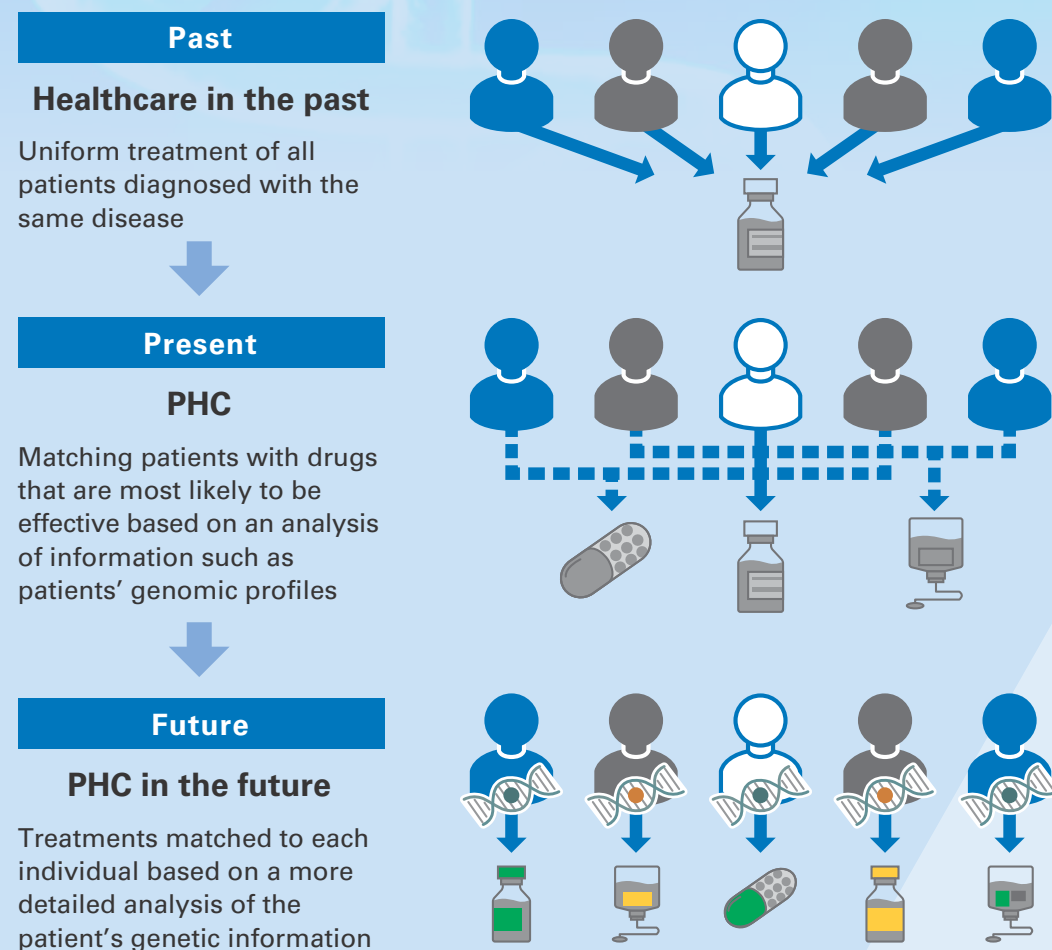
Next-Generation Personalized Healthcare

Delivering Treatment Optimized for Each Individual

Chugai is a pioneer in Japan in contributing to the development of personalized healthcare (PHC), where treatment plans are based on a patient's genetic information. Utilizing digital technologies and data, we are working to promote next-generation PHC to realize the optimal treatment for each individual.

About Personalized Healthcare

In contrast to conventional medicine, in which the same treatment is given uniformly to patients with the same disease, PHC is an approach in which treatment is optimized for each individual patient based on factors such as their physical condition and genetic profile. In addition to choosing treatments with a higher probability of effectiveness, PHC will reduce the risk of drug side effects by avoiding treatments to which the patient is unlikely to respond.



Cancer Genomic Medicine

Cancer treatment shifting focus from organs to genes

Genomic medicine refers to diagnosis and treatment based on differences in people's genomes (genetic information). In cancer genomic medicine, cancer genomic profiling is used to identify the gene mutations of each patient's cancer and then use this information as the basis of diagnosis and treatment. Rather than looking at where cancer has appeared in the body, cancer genomic medicine focuses on the gene mutations that cause cancer.

Solutions Leveraging Digital Technology

Digital biomarker initiatives

Digital biomarkers (dBM) are markers that use data obtained via smartphones or wearable devices to objectively visualize the presence of diseases and changes resulting from treatment. At Chugai, we have used wearable devices in multiple clinical development projects to collect patients' physiological data in real time, which was previously impossible. By leveraging digital technology in this way, we want to improve the efficiency and sophistication of the clinical development process for new drugs, prove the value of drugs, and advance understanding of diseases to provide new value to patients.

[Digital biomarkers \(dBM\) initiatives](https://www.chugai-pharm.co.jp/english/profile/digital/digital_biomarkers.html)
https://www.chugai-pharm.co.jp/english/profile/digital/digital_biomarkers.html

Utilizing real-world data

Real-world data includes electronic medical records and other medical data from daily clinical practice. 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.

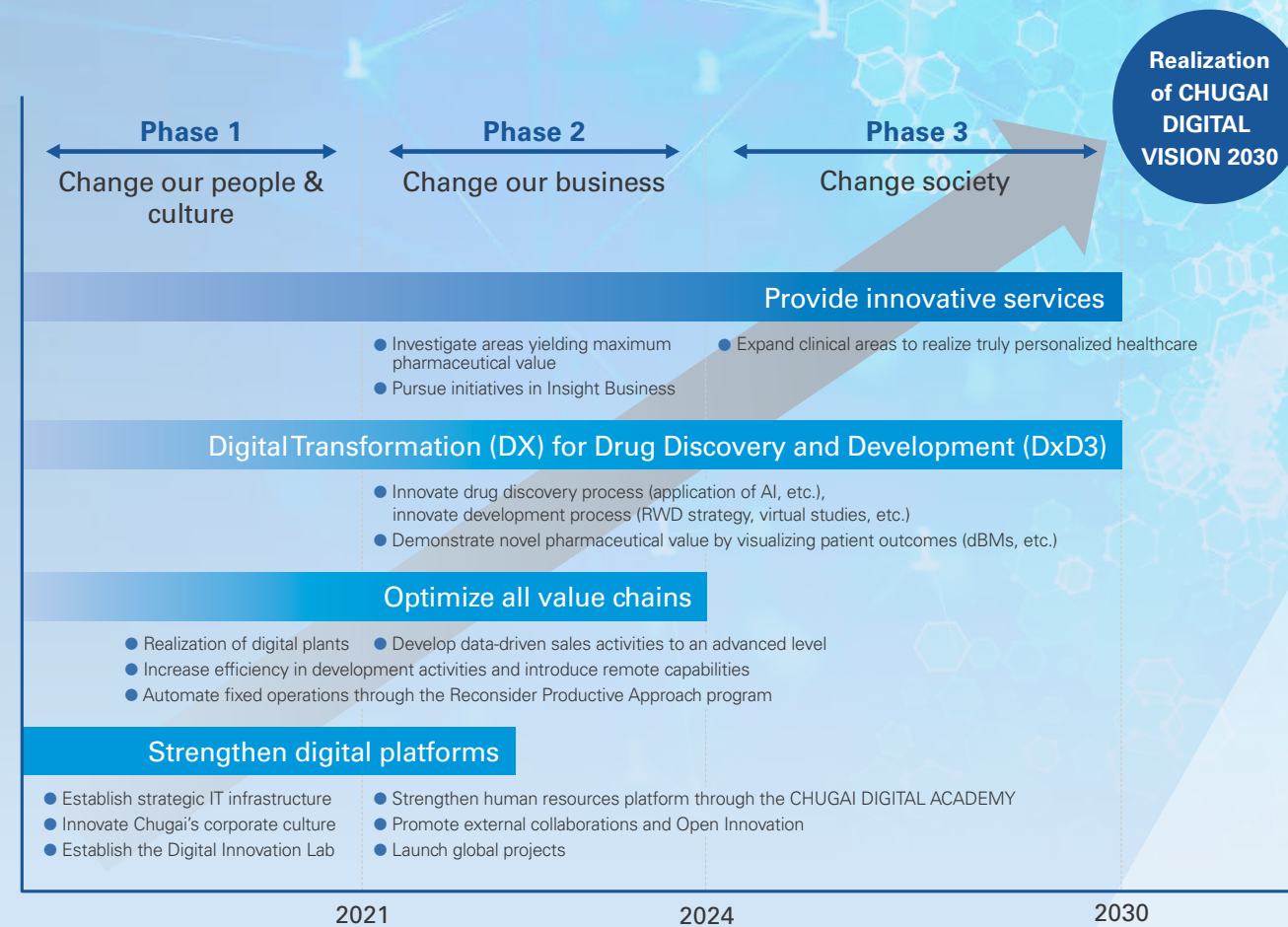
[Utilization of real-world data \(RWD\)](https://www.chugai-pharm.co.jp/english/profile/digital/real_world_data.html)
https://www.chugai-pharm.co.jp/english/profile/digital/real_world_data.html



Moving from Phase 1, "Change our people and culture" to Phase 2, "Change our business"

Chugai will transform its business using digital technologies to become a top innovator in providing healthcare solutions that change society. Among the three basic strategies of CHUGAI DIGITAL VISION 2030 formulated to advance our digital transformation, we have completed Phase 1, "Change our people and culture," and are shifting to Phase 2, "Change our business."

Roadmap for Achieving DX



Digital Transformation for Drug Discovery and Development

We use AI and other cutting-edge technologies to improve the probability of success in drug development, significantly reduce the time and cost of the drug discovery process, and pursue outstanding efficiency and innovation. Moreover, we use AI to explore targets in disease areas where Chugai is a leader and to design molecules in modalities in which there is a wealth of technical evidence. Our aim is to create innovative new drugs based on analyses of the massive amount of data in Chugai's possession.

Optimize All Value Chains

We will use AI, robotics, augmented reality, virtual reality, and other digital technologies to boost the efficiency of each department and function dramatically. For example, under the concept of "Transform production operations with digitalization to increase productivity and add high value to human capital," we completed and began the operation of a "digital plant" at our Ukima Plant to optimally link people and operational data. Going forward, we will establish a digital infrastructure to support new operations, and will validate each measure in preparation for expansion to other sites.

Strengthen Digital Platforms

We actively recruit and develop digital talent and have established a system that allows employees to express their ideas and challenges freely. For example, CHUGAI DIGITAL ACADEMY (CDA) has been established to systematically develop in-house data scientists and other digital talent. We provide a full range of lectures and support practical application through on-the-job training. In addition, through external training programs, personnel exchange, and collaboration with universities and research institutions, our employees enhance their skills and experience in pharmaceuticals and digital technology. These initiatives will enable us to establish the foundation for new value creation.



Selected as a "DX Stock" for three consecutive years since 2020

Received DX Grand Prix 2022 Award

DXグランプリ2022
Digital Transformation



Digital Transformation "CHUGAI DIGITAL"
<https://www.chugai-pharm.co.jp/english/profile/digital/>

Sustainability at Chugai

Creating Shared Value with Society

Chugai has adopted a basic policy of creating shared value with stakeholders, which is aimed at realizing advanced and sustainable patient-centric healthcare, as outlined in our Envisioned Future. While sharing value with our various stakeholders, we aim to continuously generate innovation by fully leveraging our unique business model and to drive mutual development of both Chugai and society by contributing to patients and creating a framework for the next generation of healthcare.



Creation of shared value for Chugai and society



Chugai's Approach to the SDGs

All governments and organizations must address social issues to ensure the global environment's preservation and the international community's sustainability. Therefore, the Chugai Group must consider resolving social issues through all of its business activities while sharing value with its stakeholders.

Among other issues, we verified what role we should play and which goals should be prioritized, considering the scope of our business activities. The Chugai Group concentrates its efforts on 11 of the 17 SDGs. The top priority is Goal 3, which directly links to Chugai's Mission. Among the remaining goals, four of them (8, 9, 12 and 17) will help Chugai achieve Goal 3, and the final six (5, 6, 10, 13, 15 and 16) underpin our business activities.

The SDGs That Chugai Is Helping to Achieve



External Evaluations

Included in the leading ESG investment index "DJSI World" for the third consecutive year
Ranked No. 1 globally in the Pharmaceutical Sector in 2022

Chugai Pharmaceutical Co., Ltd.
Pharmaceuticals, Biotechnology & Life Sciences

Top 1%
S&P Global ESG Score 2022

88 /100

As of February 7, 2023.
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at [spglobal.com/esg/yearbook](https://www.spglobal.com/esg/yearbook)
S&P Global Sustainable1

Received "Health and Productivity Management Outstanding Organizations/ White 500" certification for the third consecutive year (fifth time overall)



Included in CDP's "Climate Change A List"



Received "SBT" certification for greenhouse gas reduction targets



Nadeshiko Brand



Diversity Management Selection 100



Platinum Kurumin



Eruboshi



PRIDE Index



Initiatives for Sustainability

Working Toward Advanced and Sustainable Patient-Centric Healthcare

Patient-Centric

Chugai defines “patient-centric” healthcare as healthcare enabling individual patients to select the best treatment for them. To make that a reality, we regard patients as partners and listen to them and their families as we work to transform the healthcare environment into one that patients envision. Representatives of patient groups and our CEO participate in dialogues to share perceptions of the issues in healthcare from their respective standpoints and exchange ideas for solutions. In response to the issue of “providing opportunities to communicate with researchers on drug discovery,” which was raised during one of the dialogues, Chugai created a new scheme called PHARMONY* in which feedback from patients and their families is incorporated into drug discovery research.

* A term coined by Chugai combining the words “Patients” “Pharma” and “Harmony.” PHARMONY conveys our shared goal of drug discovery for patients through mutual respect and the creation of opportunities to improve understanding.



Human Resources and Diversity & Inclusion

At Chugai, the source of innovation is people. That is why we consider our people to be our greatest asset. Therefore, we focus on Diversity & Inclusion (D&I) and health & productivity management to promote job satisfaction and personal growth among our employees through important roles that enable them to take advantage of their different values and diverse ideas and to perform to their full potential. At the same time, we pursue job satisfaction reforms to improve employee engagement and create environments where employees can thrive. In promoting highly flexible workstyles and especially in human resource development, we focus on growth through self-directed learning, providing learning opportunities, and supporting career development. For example, we recommend and support self-directed learning through an online learning platform, mutual improvement among employees, and growth-focused dialogue between employees and their managers in regular one-on-one meetings.



Preserving the Global Environment

Mid-Term Environmental Goals 2030

The Chugai Group will contribute to the realization of a sustainable global environment by setting mid-term environmental goals to be achieved by 2030 for three issues identified as material: climate change countermeasures, use of renewable/recycled resources, and protection of biodiversity. Furthermore, to address climate change, which is the most critical global theme and requires long-term/large-scale countermeasures, we have set a long-term goal of net-zero CO₂ emissions from fuel and electricity used in our business activities, to be achieved by 2050.



Social Contribution

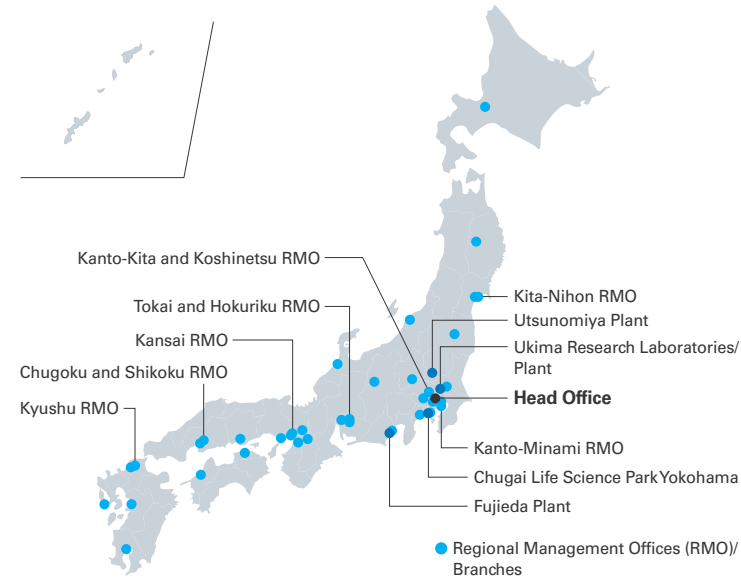
Global Health

Chugai focuses its social contribution activities in five priority areas: “healthcare,” “social welfare,” “inclusive society,” “next generation development” and “local communities.” Chugai supports a foundation for patient-centric sustainable healthcare, while working to advance initiatives for creating a healthy society. There are still many people around the world suffering from diseases that currently have no effective treatment and people who do not have access to existing treatments due to factors such as poverty or institutional issues. Chugai is supporting the sustained improvement of access to medical care in low- and middle-income countries with weak healthcare systems. Placing priority on local needs, we work in cooperation with public institutions, NGOs, industry groups, and other organizations, leveraging our strengths, technologies and expertise.



Corporate Information Network

Domestic Network (As of April 1, 2023)



Head Office



Ukima Research Laboratories/ Plant



Utsunomiya Plant



Fujieda Plant

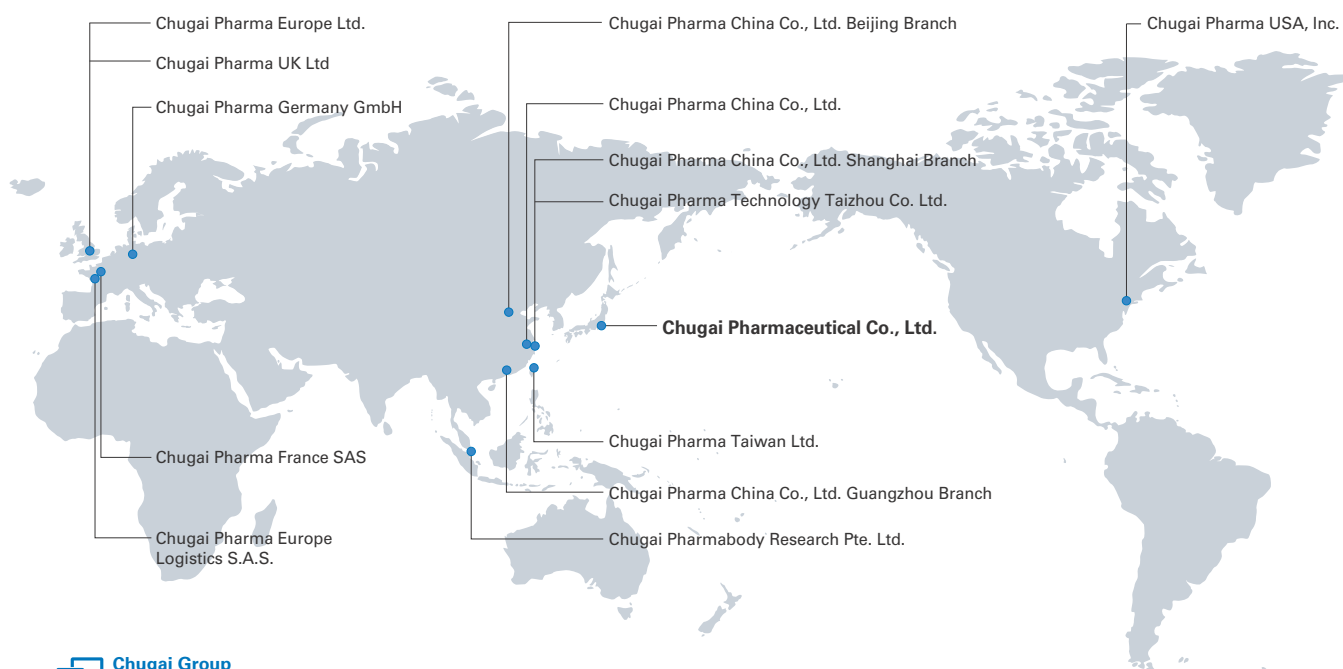


Chugai Life Science Park Yokohama

Chugai's New Research Center: Chugai Life Science Park Yokohama

By consolidating the functions of existing domestic research centers Fuji Gotemba and Kamakura Research Laboratories in one location, Chugai has built the foundation to maximize its drug discovery capabilities. In addition to the drug discovery research function, Chugai Life Science Park Yokohama also includes a facility that will mainly focus on the formulation of mid-size molecule compounds.

Overseas Network (As of April 1, 2023)



Chugai Group
<https://www.chugai-pharm.co.jp/english/profile/group/>

Company Outline (As of December 31, 2022)

Company name Chugai Pharmaceutical Co., Ltd.
Foundation March 10, 1925
Establishment March 8, 1943
Stated capital ¥73,202 million

Fiscal year-end December 31
Number of employees 7,771 (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

2022 core basis results

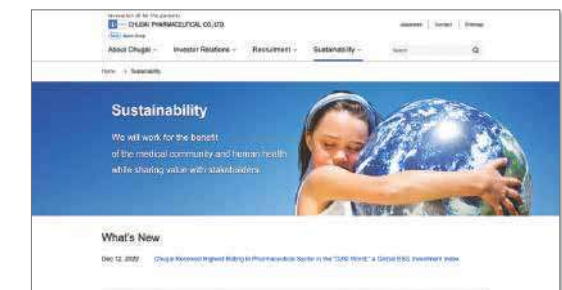
Revenues	¥1,168.0 billion
Operating profit	¥451.7 billion
Net income	¥317.7 billion

Company Profile
<https://www.chugai-pharm.co.jp/english/profile/about/outline.html>

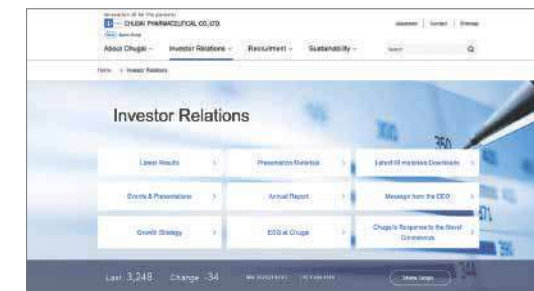
Website



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



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



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Innovation all for the patients



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