CHUGAI PHARMACEUTICAL

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CHUGAI PHARMACEUTICAL CO., LTD.

Conference on FY2025.12 Financial Results

January 29, 2026

Event Summary

[Company Name]	CHUGAI PHARMACEUTICAL CO., LTD.
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[Fiscal Period]	FY2025 Q4
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[Venue]	Webcast
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[Participants]	
[Number of Speakers]	6

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Iwaaki Taniguchi	Director, Executive Vice President & CFO
Tsukasa Kusano	Executive Vice President, Head of Project & Lifecycle Management Unit
Shinji Hidaka	Executive Vice President, Supervisory responsibility for Marketing & Sales, Drug Safety, Medical Affairs, PHC Solution and Special Mission for Overseas Marketing
Kae Miyata	Head of Corporate Communications Department

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Shinichiro Muraoka	Morgan Stanley MUFG Securities
Hidemaru Yamaguchi	Citigroup Global Markets
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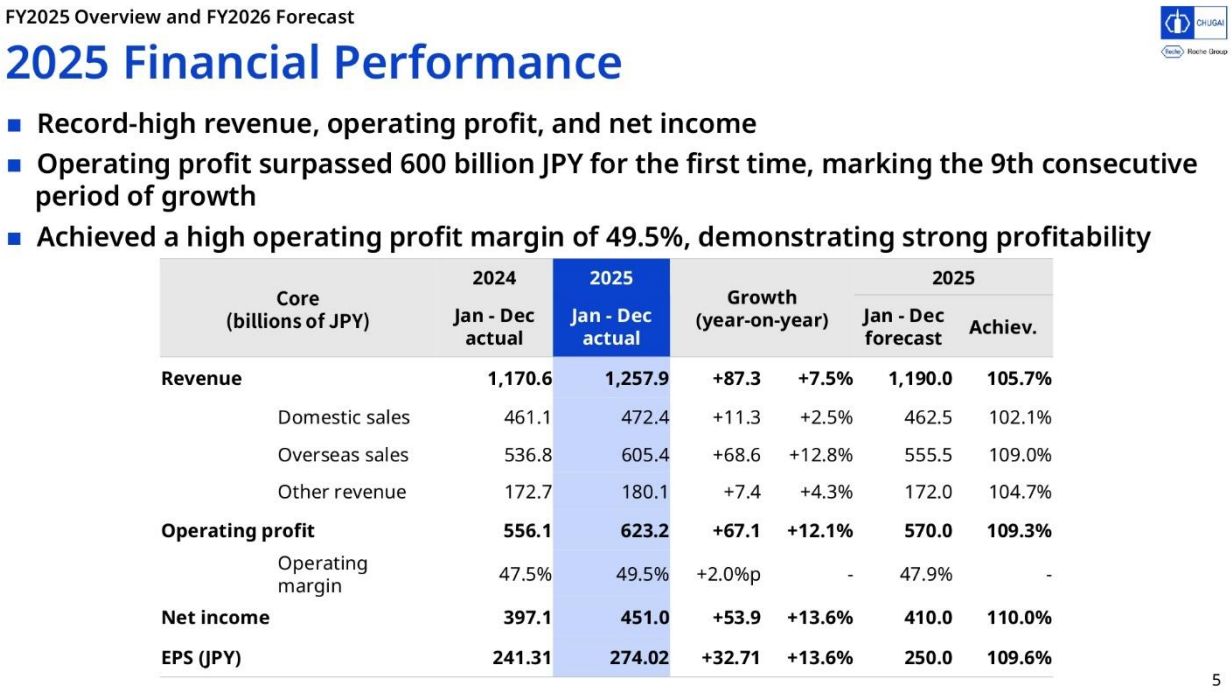
Atsushi Seki	UBS Securities
Hiroshi Wada	SMBC Nikko Securities
Miki Sogi	Sanford C. Bernstein
Akinori Ueda	Goldman Sachs

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Presentation

Okuda: I am Okuda, President and CEO. I will provide a summary of our 2025 performance and the outlook for 2026.



FY2025 Overview and FY2026 Forecast

2025 Financial Performance

- **Record-high revenue, operating profit, and net income**
- **Operating profit surpassed 600 billion JPY for the first time, marking the 9th consecutive period of growth**
- **Achieved a high operating profit margin of 49.5%, demonstrating strong profitability**

Core (billions of JPY)	2024 Jan - Dec actual	2025 Jan - Dec actual	Growth (year-on-year)		2025 Jan - Dec forecast	2025 Achiev.
Revenue	**1,170.6**	**1,257.9**	**+87.3**	**+7.5%**	**1,190.0**	**105.7%**
Domestic sales	461.1	472.4	+11.3	+2.5%	462.5	102.1%
Overseas sales	536.8	605.4	+68.6	+12.8%	555.5	109.0%
Other revenue	172.7	180.1	+7.4	+4.3%	172.0	104.7%
Operating profit	**556.1**	**623.2**	**+67.1**	**+12.1%**	**570.0**	**109.3%**
Operating margin	47.5%	49.5%	+2.0%p	-	47.9%	-
Net income	**397.1**	**451.0**	**+53.9**	**+13.6%**	**410.0**	**110.0%**
EPS (JPY)	**241.31**	**274.02**	**+32.71**	**+13.6%**	**250.0**	**109.6%**

5

Please refer to slide five. Regarding our full-year results for 2025, revenues, operating profit and net income all reached record highs on a core basis. Revenue reached JPY1.2579 trillion, exceeding our initial forecast by 5.7%. This was primarily driven by higher-than-expected exports of Actemra and Hemlibra to Roche. Operating profit surpassed the JPY600 billion mark for the first time, representing our ninth consecutive year of profit growth. Operating profit margin also hit a record high of 49.5%.

FY2025 Overview and FY2026 Forecast

2026 Forecast

- **Revenue: 1,345.0 billion JPY (+6.9%, YoY), Operating profit: 670.0 billion JPY (+7.5%, YoY)**
- **Revenue and profits are expected to reach a record high mainly due to growth in domestic sales and other revenue including royalty income. Operating margin is expected to remain at high level of 49.8%**

Core (billions of JPY)	2025 Jan - Dec actual	2026 Jan - Dec forecast	Growth (year on year)	
Revenue	**1,257.9**	**1,345.0**	**+87.1**	**+6.9%**
Domestic sales	472.4	498.0	+25.6	+5.4%
Overseas sales	605.4	602.0	-3.4	-0.6%
Other revenue	180.1	245.0	+64.9	+36.0%
Operating profit	**623.2**	**670.0**	**+46.8**	**+7.5%**
Operating margin	49.5%	49.8%	+0.3%p	-
Net income	**451.0**	**485.0**	**+34.0**	**+7.5%**
EPS (JPY)	**274.02**	**295.00**	**+20.98**	**+7.7%**

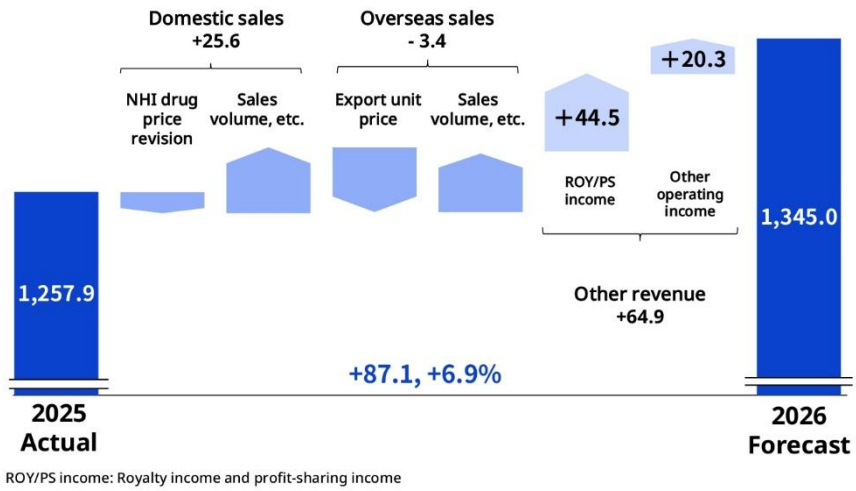
6

Moving to our 2026 earnings forecast, we anticipate another year of record-breaking results. We are projecting revenue of JPY1.345 trillion, up 6.9% YoY, and core operating profit of JPY670 billion, up 7.5% YoY, fueled by growth in domestic product sales, royalty income and other revenue streams. At the same time, we expect to maintain a high operating profit margin.

FY2025 Overview and FY2026 Forecast

Topline Analysis of 2026 Forecast

【Billions of JPY】



- **Domestic sales**
  Expected to increase, driven by higher sales volume of new product Lunsumio as well as mainstay products, despite the decrease in sales caused by the effects of the NHI drug price revisions and the market penetration of generic drugs
- **Overseas sales**
  Expected to remain stable year-on-year, as continued growth in NEMLUVIO and Hemlibra is offset by the impact of generic penetration on Actemra
- **Other revenue**
  Expected to grow, due to an increase in royalty and profit-sharing income from products out-licensed to third parties and Hemlibra, and one-time income

ROY/PS income: Royalty income and profit-sharing income

7

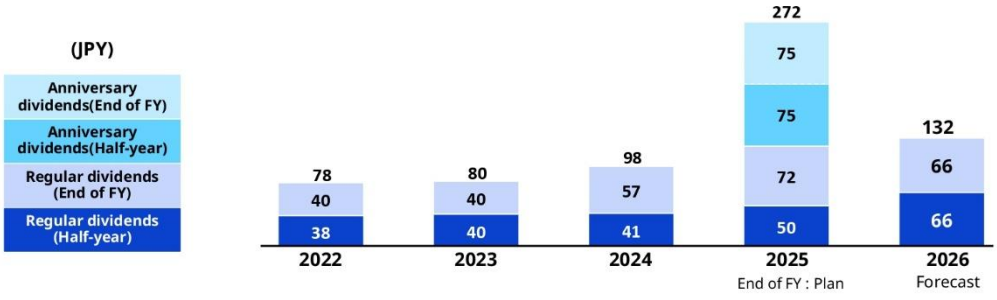
The next slide illustrates our revenue trends. We expect revenue to increase by JPY87.1 billion, or 6.9%, compared to 2025. Domestic product sales are projected to raise by JPY25.6 billion as steady growth of new

and mainstay products outweighs the negative impact of NHI price revision and generic competition. Overseas product sales are expected to remain flat YoY, while NEMLUVIO and Hemlibra will continue to grow. These gains will be offset by lower export unit prices and a decline in Actemra sales due to biosimilar entry. In contrast, other revenues is set to increase significantly driven by higher royalty and profit share income from NEMLUVIO and orforglipron and Hemlibra alongside an increase in milestone payments.

FY2025 Overview and FY2026 Forecast

Contribution to Shareholders

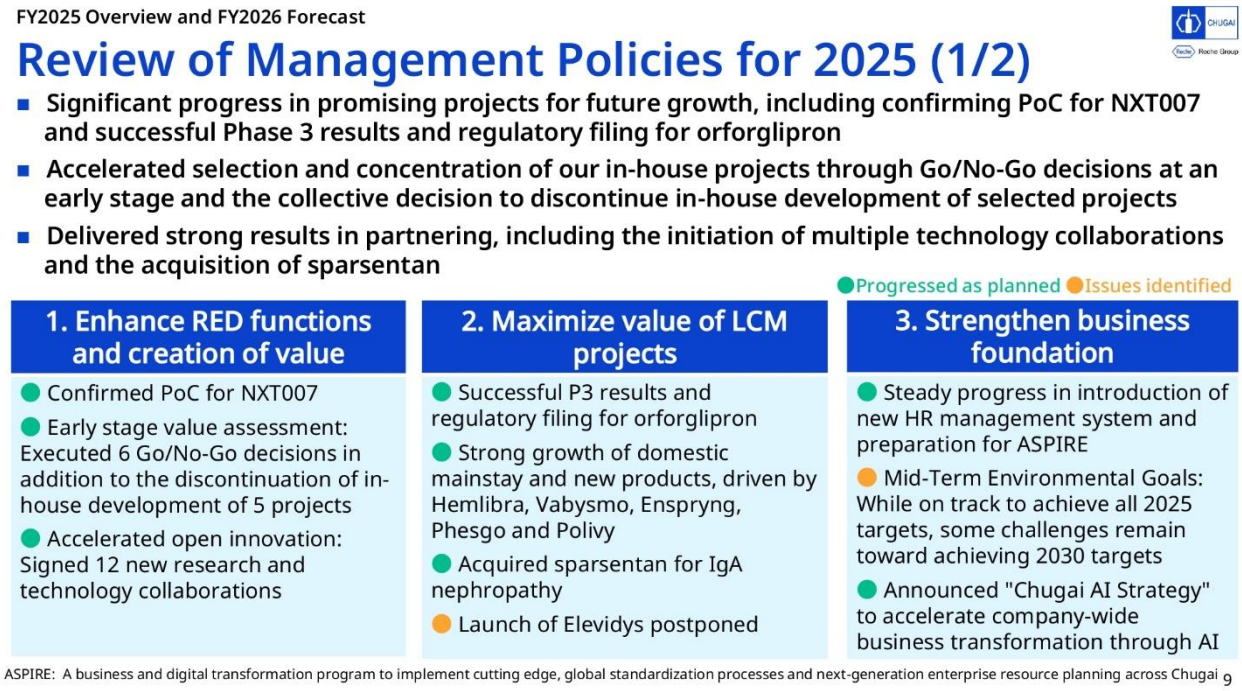
- The annual dividend for 2025 is planned to be 272 JPY per share, comprising a regular dividend of 122 JPY together with an additional 100th anniversary dividend of 150 JPY
- In 2026, the annual dividends of 132 JPY per share are expected



		2022	2023	2024	2025 End of FY : Plan	2026 Forecast
Core dividend payout ratio	5 Year-Average	42.0%	40.9%	40.3%	54.9%	54.7%
	Single FY	40.4%	39.5%	40.6%	99.3%	44.7%
Core dividend payout ratio excl. Anniversary dividends	5 Year-Average	42.0%	40.9%	40.3%	41.3%	42.3%
	Single FY	40.4%	39.5%	40.6%	44.5%	44.7%

8

Next is page eight. I will discuss our dividend policy. Reflecting on our strong 2025 performance, we plan a year-end dividend of JPY147 per share. This includes an ordinary dividend of JPY72, up JPY22 from our initial forecast and 100th anniversary commemorative dividend of JPY75. Combined with the interim dividend of JPY125, the total annual dividend will be JPY272 per share. For 2026, consistent with our policy of targeting an average dividend payout ratio of 45% based on core EPS, we plan to increase the ordinary dividend by JPY10 from 2025, bringing the forecasted annual dividend to JPY132 per share.



Page nine, moving on, I would like to review our 2025 management policies and priority items. Under strengthening RED functions and value creation, we successfully confirmed the proof of concept for NXT007. Furthermore, we accelerated our focus strategy by deciding to collectively discontinue five in-house development projects and making Go/No-Go decisions on six others. Open innovation also progressed steadily, as evidenced by the conclusion of 12 new research and technical collaborations. We've seen the maximizing of value of life cycle management projects despite the delay in the Elevidys launch, and we achieved several key milestones. This includes the successful Phase III results and subsequent filings for orforglipron and continued growth of domestic mainstay and new products and strategic in-licensing of sparsentan from a third party.

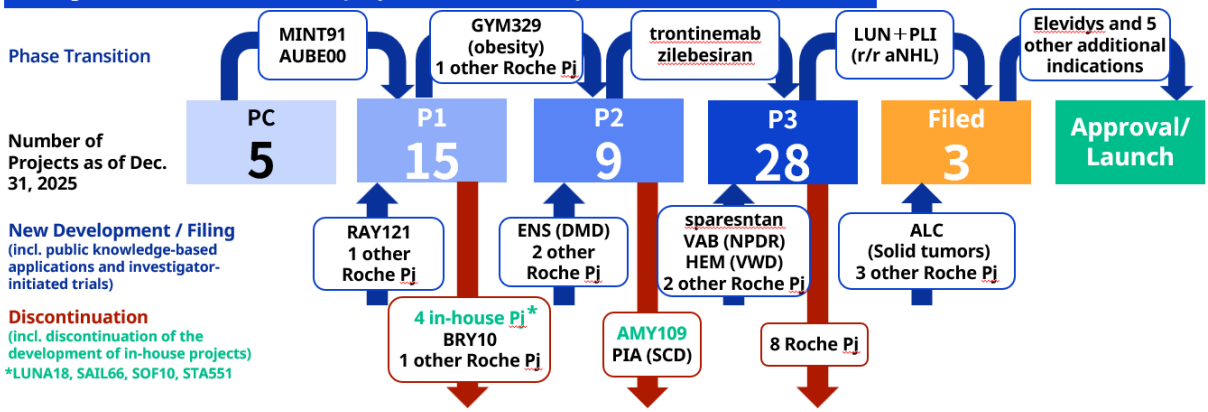
Regarding strengthening the foundation, while we faced some challenges in meeting our 2030 mid-term environmental goal, overall progress was smooth. Key highlights include the rollout of our new HR system and the launch of a company-wide initiative to accelerate business transformation using AI.

FY2025 Overview and FY2026 Forecast

Review of Management Policies for 2025 (2/2)

- Steady progress across R&D projects, both in phase transitions and new project initiation, including Roche products expected to drive domestic sales growth.
- Accelerating future development by prioritizing early-stage development projects.

Changes in the number of R&D projects (from January 1 to December 31, 2025)



PC: preclinical development, Pj: development project, LUN＋PLI (r/r aNHL): Lunsumio+Polivy (relapsed or refractory aggressive B-cell non-Hodgkin's lymphoma)
ENS (DMD): Ensprynq (Duchenne muscular dystrophy), PIA (SCD): PiaSKy (sickle cell disease), VAB (NPDR): Vabysmo (non-proliferative diabetic retinopathy), HEM (VMD): Hemlibra (von Willebrand disease), ALC: Alecensa

10

This slide details the progress of our R&D projects. In early in-house development, MINT91 and the mid-size molecule of 001 transitioned to Phase I, while GYM329 for obesity moved into Phase II. Late-stage development also saw significant progress for products expected to drive future domestic growth, including the addition of sparsentan, the transition of trontinemab to Phase III, and positive trial data for giredestrant. Additionally, we have successfully obtained regulatory approval for Elevidys. As our project portfolio expanded through the RED shift, we prioritized the selection and concentration of early-stage projects through collective discontinuations and rigorous Go/No-Go assessment. Consequently, the number of Phase I projects was reduced from 21 at the end of 2024 to 15, allowing us to focus our resources on high-priority candidates. With 9 projects in Phase II and 28 in Phase III, we continue to maintain a robust and healthy pipeline. Three projects are currently under regulatory review with approvals expected within this year.

FY2025 Overview and FY2026 Forecast

Review of 2025 Priority Items

- Steady progress in the development of Hemlibra auto-injector, NXT007, and DONQ52
- For Elevidys, targeting a 2026 launch in ambulatory patients with rigid safety measures in place
- Significant shift to a job-based and voluntary application system via new HR management system, promoting autonomous career development

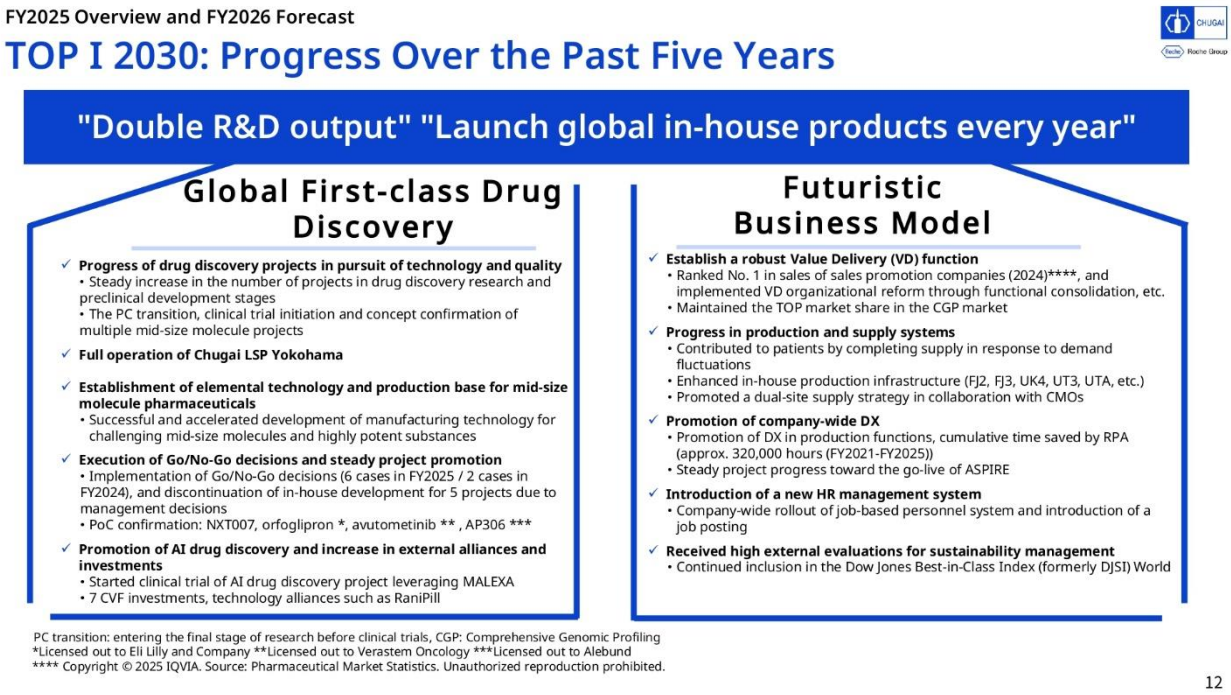
Strengthen hemophilia franchise	• Hemlibra: Progressing toward regulatory filing for the auto-injector • NXT007: Confirmed Proof of Concept (PoC); preparing to initiate Phase III clinical trials
Maximize value of DONQ52	• Confirmed biological PoC • Made steady progress toward initiating Phase II clinical trials
Gene therapy product Elevidys: establish supply system and promote proper use	• Establishing a domestic commercial structure as Chugai's first gene therapy product • Safety measures implemented following fatal cases of acute liver failure in non-ambulatory patients in close collaboration with relevant authorities
Proper operation of new HR management system and strengthen HR Functions	• Proactive employee engagement exceeding targets: over 20% of employees applied for internal positions, and the job posting system accounted for over 60% of annual personnel transfers

11

biological PoC: proof that the expected mechanism of action for a drug actually functions within the patient's body

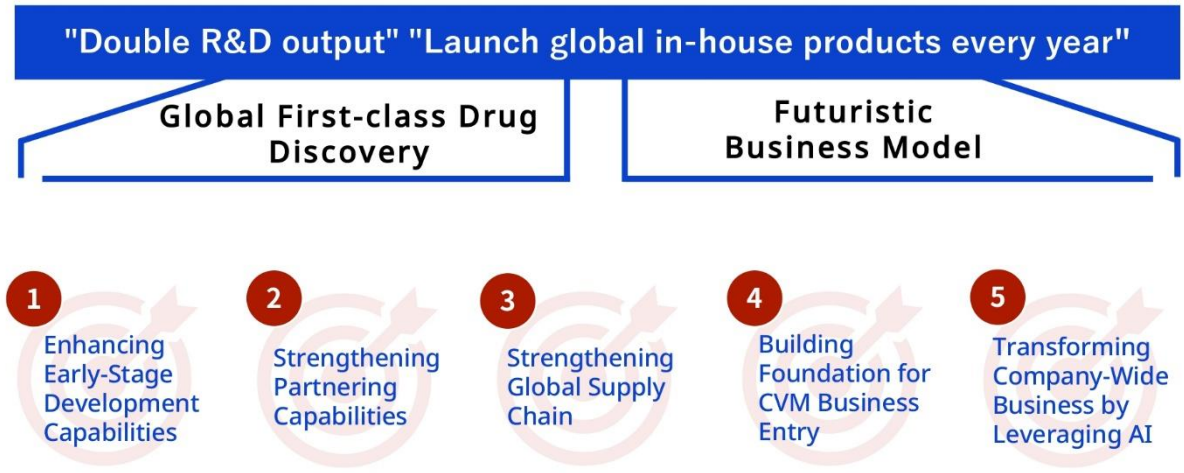
Next, page 11, we're going to review priority items. For strengthening the hemophilia franchise, development of Hemlibra auto-injector progressed, and we confirmed proof of concept for NXT007. For DONQ52, we confirmed biological proof of concept and are steadily progressing toward initiating Phase II studies. Regarding Elevidys, Chugai's first gene therapy product, following a fatal case of acute liver failure in an overseas non-ambulatory patient, we strengthened safety measures while maintaining close coordination with relevant authorities. We aim for a prompt launch for reimbursement approval for ambulatory patients aged three to seven years.

Regarding the new HR system launched last January, over 20% of all employees volunteered and the proportion of job postings and annual personnel transfers exceeded initial target, reaching over 60%. We'll continue to promote employee autonomy in career development.



Page 12, we will explain progress in the first 5 years of our 10-year TOP I 2030 plan. Regarding the first pillar, realizing global first-class drug discovery, drug discovery projects in mid-size molecule pharmaceuticals made steady progress. We also accelerated external partnerships and investments to drive further innovation, including CVF investments and the introduction of RaniPill technologies. For the second pillar, building a futuristic business model, we reorganized the value delivery functions of sales, medical, and safety. On the production front, we successfully supplied products to meet rapid demand fluctuations and established our own production infrastructure for the future. Simultaneously, we advanced company-wide DX, including projects for the launch of ASPIRE.

TOP I 2030: Key Focus Areas for the Second Half

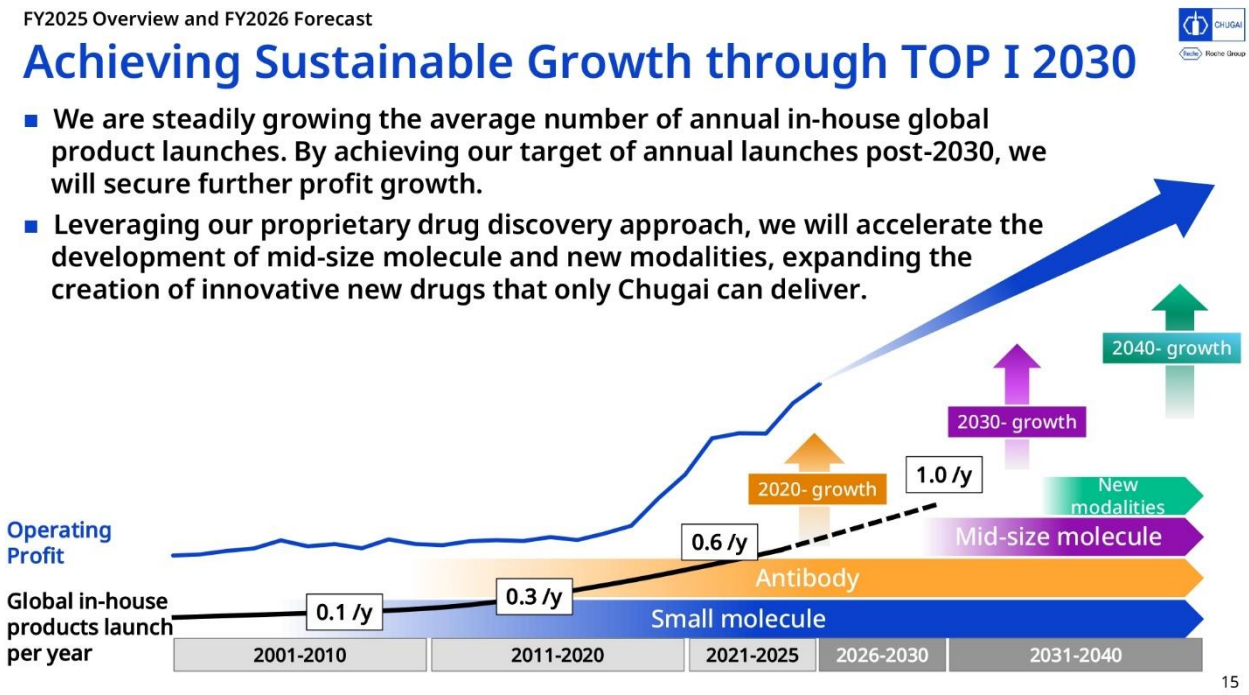


13

Page 13, based on the progress over the past five years, we defined five targets for the latter half of TOP I 2030. To achieve annual launches of Chugai-originated global products, we will enhance early-stage development capabilities, including pharmaceuticals, while collaborating with partnering functions in Japan, the US, Europe and Singapore to pursue further drug discovery innovation. In production, we'll establish a stable supply system considering geopolitical risks to prepare for increased supply responsibilities accompanying the growth of in-house global products. Furthermore, in the newly entered CVM field and metabolism field, we will build systems and capabilities to enable advanced development, project management, safety, medical affairs and sales activities that respond to the distinct characteristics of this field and changes in the external environment, thereby maximizing the value delivered to patients. To achieve these goals, we will advance the utilization of AI across the entire value chain and drive business transformation.

We present the management policies and priority items for 2026, the first year of the five-year period. The management policies are enhancing RED functions and creative value, maximizing value of LCM projects and strengthening business foundations. The priority items are shown on the right. There are four of them. We'll continue to strengthen our hemophilia franchise by advancing development towards application for the Hemlibra auto-injector and initiating Phase III studies for NXT007. We also anticipate the highest number of domestic applications to date. These initiatives are expected to drive short- to medium-term growth in domestic sales.

In particular, for Lunsumio, one of the products expected to achieve large-scale growth, we aim for early market penetration of combination therapy with Polivy. We'll also ensure the successful launch of our new ERP system, ASPIRE, and promote the Company-wide utilization of AI.



Now, looking at the average annual trend in the number of Chugai-originated global products launched since 2001, the number has steadily increased in the past. Particularly over the last five years, the number of launches of in-house global products has increased, and these products will drive profit growth in the short to medium term. Furthermore, we anticipate that achieving the annual launch of in-house global products targets set in TOP I 2030 will lead to further profit growth thereafter. Moving forward, we'll continue to leverage Chugai's unique drug discovery approach to advance drug discovery, including mid-size molecules and develop new modalities, thereby expanding the creation of innovative new drugs that only Chugai can deliver. Through these efforts, we'll achieve the TOP I 2030 goals and realize sustainable growth beyond them.

FY2025 Overview and FY2026 Forecast

Expanding Our Scope of Open Innovation Globally

- Chugai US Partnering Office established in January 2026, strengthening global partnership network and framework

16

The next slide, page 16, last but not least, regarding the opening of our US partnering office, we opened the Chugai US partnering office in South San Francisco, commencing operations this month. We will explore, identify, evaluate, and promote collaborations with US academia and venture companies. In addition to the US, we will strengthen our partnership network, connecting Tokyo, London and Singapore to advance global open innovation.

FY2025 Overview and FY2026 Forecast

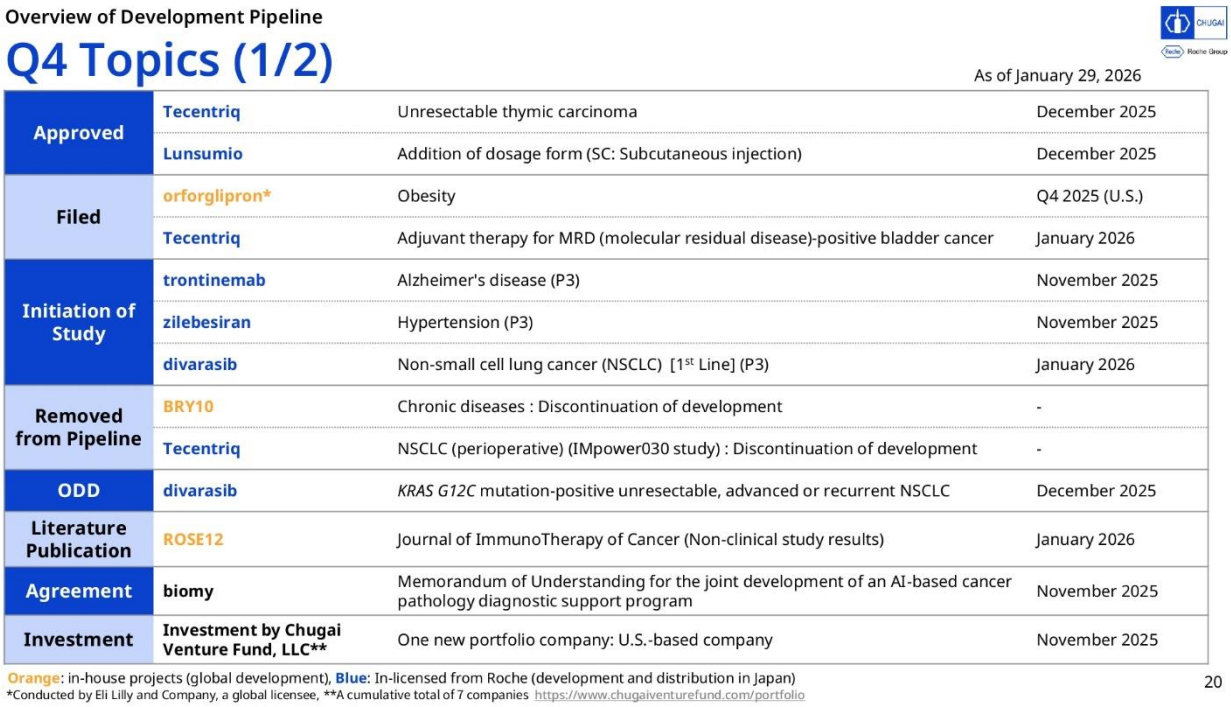
Summary

- In 2025, we achieved record-high performance, with revenue, operating profit, and net income all surpassing initial forecasts. Notably, operating profit exceeded 600 billion JPY for the first time.
- For 2026, we project another year of record-high revenue and profits, primarily driven by the growth of domestic sales, royalty income and profit-sharing income.
- We made steady progress on our 2025 “management policies” / “priority items" and delivered solid results. In 2026, we will concentrate on "strengthening the hemophilia franchise," "achieving the highest number of application plans ever,“ etc.
- The first five years of our TOP I 2030 plan are progressing on track. Going forward, we will target “enhancing early-stage development capabilities" and "building foundation for CVM business entry".
- To achieve the ambitious TOP I 2030 goal of "launching global in-house products every year" and drive sustainable growth, we will accelerate the creation of innovative new drugs.

17

Page 17, the last page, shows a summary of what I said, and that concludes my presentation.

Company Representative: We have the overview of the development pipeline from Kusano. We apologize for the disturbance we had, and we will pause for a few moments at the very beginning of the session. I hope you will make use of that opportunity for a screen capture.



Overview of Development Pipeline

Q4 Topics (1/2)

As of January 29, 2026

Approved	Tecentriq	Unresectable thymic carcinoma	December 2025
	Lunsumio	Addition of dosage form (SC: Subcutaneous injection)	December 2025
Filed	orforglipron*	Obesity	Q4 2025 (U.S.)
	Tecentriq	Adjuvant therapy for MRD (molecular residual disease)-positive bladder cancer	January 2026
Initiation of Study	trontinemab	Alzheimer's disease (P3)	November 2025
	zilebesiran	Hypertension (P3)	November 2025
	divarasib	Non-small cell lung cancer (NSCLC) [1st Line] (P3)	January 2026
Removed from Pipeline	BRY10	Chronic diseases : Discontinuation of development	-
	Tecentriq	NSCLC (perioperative) (IMpower030 study) : Discontinuation of development	-
ODD	divarasib	*KRAS G12C* mutation-positive unresectable, advanced or recurrent NSCLC	December 2025
Literature Publication	ROSE12	Journal of ImmunoTherapy of Cancer (Non-clinical study results)	January 2026
Agreement	biomy	Memorandum of Understanding for the joint development of an AI-based cancer pathology diagnostic support program	November 2025
Investment	Investment by Chugai Venture Fund, LLC**	One new portfolio company: U.S.-based company	November 2025

Orange: in-house projects (global development), Blue: In-licensed from Roche (development and distribution in Japan)
*Conducted by Eli Lilly and Company, a global licensee, **A cumulative total of 7 companies https://www.chugaiventurefund.com/portfolio

20

Kusano: Thank you. I am Kusano. I am with the Project and Lifecycle Management Unit.

Please refer to page 20 of the slides. This looks at our Q4 topics. I will go through these, starting from the top. We secured two approvals. Tecentriq obtained an indication expansion for unresectable thymic cancer. Lunsumio was approved for a new subcutaneous injection formulation. On the filing side, there were also two. For our in-house project, orforglipron, Eli Lilly has filed an application in the US for its use as an obesity treatment. Regarding Tecentriq, we filed an application yesterday for its use as an adjuvant therapy in MRD-positive bladder cancer. We also initiated three Phase III trials for Roche products, trontinemab for Alzheimer's disease, zilebesiran for hypertension, and divarasib for first-line non-small cell lung cancer. Additionally, divarasib received orphan drug designation last December for KRAS G12C mutation-positive unresectable advanced or recurrent NSCLC.

There were two pipeline deletions. Based on the data accumulated to date, we have decided to discontinue the development of BRY10 for chronic diseases. Furthermore, the development of Tecentriq for perioperative NSCLC was discontinued following the results of the IMpower030 trial. Details regarding recent publications, new contracts and investment by Chugai Venture Fund are summarized on this slide.

Overview of Development Pipeline

Q4 Topics (2/2)

As of January 29, 2026

Readout	PiaSky	P3 COMMUTE-a study (atypical hemolytic uremic syndrome (aHUS) (Adult/Adolescent patients)): PE was met*	November 2025
	orforglipron**	P3 ATTAIN-MAINTAIN study (Maintenance of weight reduction in patients with obesity after switching from injectable incretin-based therapies): PE was met	December 2025
	Enspryng	P3 METEOROID study (myelin oligodendrocyte glycoprotein antibody–associated disease (MOGAD)) : PE was met	January 2026
	Gazyva	P3 INShore study (Pediatric nephrotic syndrome): PE was met	October 2025
	giredestrant	P3 lidERA study (Hormone receptor (HR) positive breast cancer (adjuvant)): PE was met	November 2025
	Tecentriq	P3 IMpower030 study (NSCLC (perioperative)): PE was not met	November 2025
	ranibizumab(Port Delivery Platform with ranibizumab)	Domestic P1/2 TEIEN study (neovascular age-related macular degeneration (nAMD), diabetic macular edema (DME)): The efficacy in nAMD and the safety in both diseases are consistent with those of previous global clinical trials	November 2025
	Elevydis	P3 EMBARK study (ambulatory patients with DMD, Part 1): 3-year data show durable efficacy	January 2026
	sparsentan	Domestic P3 study (IgA nephropathy): Positive topline results	November 2025
Medical Conference	NXT007	ASH: P1/2 multiple-ascending-dose study (Hemophilia A)	December 2025
	giredestrant	SABCS: P3 lidERA study (HR positive breast cancer (adjuvant))	December 2025
	Vabysmo	Japanese Retina and Vitreous Society: P3 NIHOMBASHI study (angioid streaks associated with neovascularization, long term data)	December 2025

Orange: in-house projects (global development), Blue: In-licensed from Roche (development and distribution in Japan), Purple: In-licensed from 3rd parties (development and distribution in Japan)
PE: primary endpoint, DMD: Duchenne muscular dystrophy, ASH: American Society of Hematology, SABCS: San Antonio Breast Cancer Symposium
*COMMUTE-p study for pediatric patients also met PE, **Conducted by Eli Lilly and Company, a global licensee,

21

Moving on to the second page of topics, for our in-house product, PiaSky, we achieved positive results for the Phase III trial for atypical hemolytic uremic syndrome. Orforglipron also met its primary endpoint in a switching trial following the administration of injectable incretins. Furthermore, I am pleased to announce that Enspryng met its primary endpoint in the Phase III trial for myelin oligondrocyte glycoprotein antibody-associated disease. Based on recent trial data, we plan to file for Gazyva, giredestrant, ranibizumab and sparsentan within 2026.

Regarding academic conferences, there were three presentations. I will provide a more detailed update on giredestrant later in this session.

Overview of Development Pipeline

2025: Key R&D Milestones

Underlined and bolded: Changes since October 24, 2025 As of January 29, 2026

	Product	Indication / Study name	Progress	
Projects to be Approved	Elevydis	Duchenne muscular dystrophy (ambulatory)	Approved	✓
	Vabysmo	Angioid streaks	Approved	✓
P3/Pivotal Readouts	PiaSky	COMMUTE-a study: atypical hemolytic uremic syndrome (aHUS) (Adult/Adolescent patients)	**Met PE***	✓
	Enspryng	P3 SatraGO-1 study : TED	Not met PE**	✗
		P3 SatraGO-2 study : TED	Met PE**	✓
	Lunsumio + Polivy	SUNMO study: r/r aggressive B-cell non-Hodgkin's lymphoma	Met PE	✓
	Lunsumio	CELESTIMO study: follicular lymphoma (2nd line)	Changed to 2026	—
	giredestrant	persevERA study: HR positive breast cancer (1st line)	Changed to 2026	—
		evERA study: HR positive breast cancer (1st line to 3rd line)	Met PE	✓
	vamikibart	SANDCAT study: noninfectious uvetic macular edema (UME)	Not met PE**	✗
		MEERKAT study: UME	Met PE**	✓
	GAZYVA	INShore study: pediatric nephrotic syndrome	**Met PE**	✓
P2 Readouts	GYM329 / emugrobart + Evrysdi	MANATEE study: spinal muscular atrophy (SMA)	Changed to 2026	—
	GYM329 / emugrobart	MANOEUVRE study: facioscapulohumeral muscular dystrophy (FSHD)	Changed to 2026	—
	NXT007	Hemophilia A	PoC confirmed / Decision to proceed to P3***	✓
	PiaSky	CROSSWALK-c study: Sick cell disease (SCD)	Not met PE	✗
P1/2 Readout	trontinemab	Brainshuttle AD study: Alzheimer's disease	Decision to proceed to P3	✓
Initiation of study	GYM329 / emugrobart	Obesity (P2 study)	Study initiated	✓

Orange: in-house projects (global development) Blue: In-licensed from Roche (development and distribution in Japan), r/r: relapsed or refractory, PE: primary endpoint, HR: hormone receptor, PoC: Proof of Concept, *COMMUTE-p study for pediatric patients also met PE, **Discussion for filing with global health authorities, ***Three phase 3 studies scheduled to initiate in 2026 (vs. FVIII products, vs. Hemlibra, and pediatric patients)

22

This is a summary of our major R&D events in 2025. The changes from the previous updates are underlined and shown in bold plots. While a few items have been carried over to the next fiscal period, we consider these results to be generally highly satisfactory. In particular, looking back, the confirmation of PoC for our in-house project, NXT007, a major milestone, and the decision to advance it to Phase III represents a significant progress.

Overview of Development Pipeline

2026: Key R&D Milestones

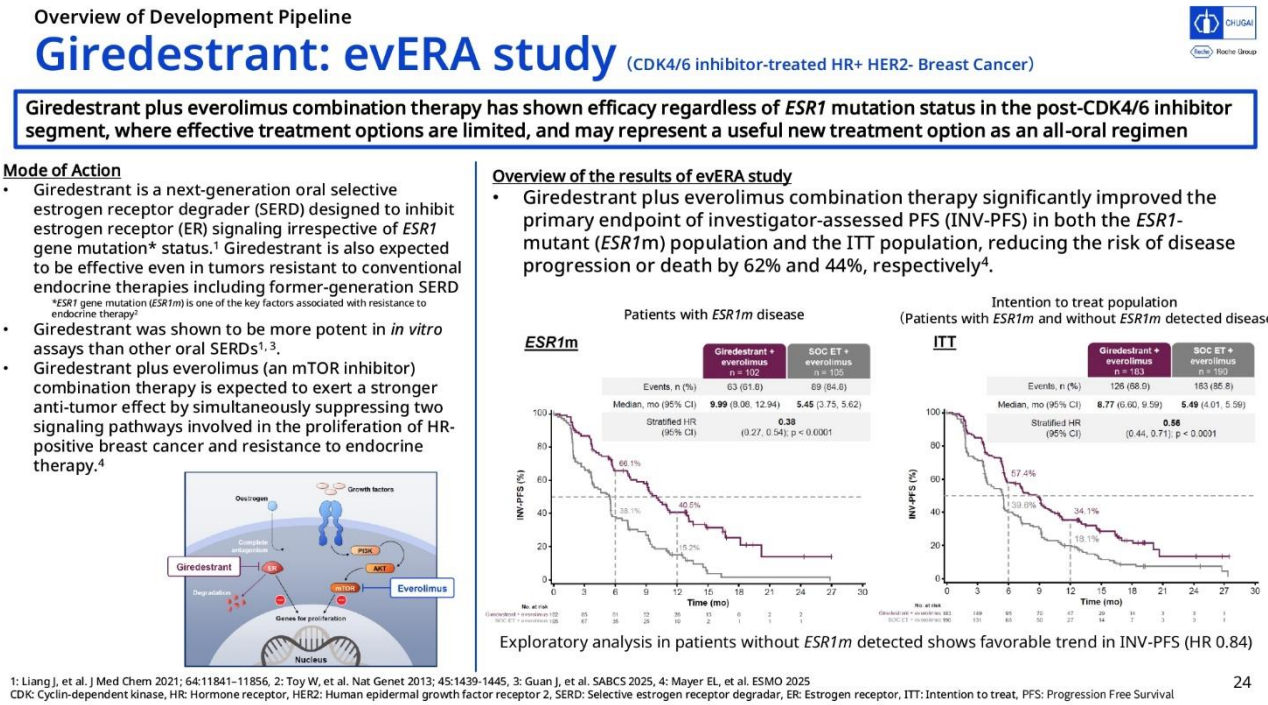
As of January 29, 2026

	Product	Indication / Study name	Progress	
Projects to be Approved	Alecensa	ALK fusion / rearrangement gene-positive unresectable advanced or recurrent solid tumors		
	Lunsumio + Polivy	r/r aggressive B-cell non-Hodgkin's lymphoma		
P3/Pivotal Readouts	Enspryng	METEOROID study: myelin oligodendrocyte glycoprotein antibody–associated disease (MOGAD)	Met PE	✓
	divarasib	KRASCENDO 1 study: NSCLC (2nd line)		
	giredestrant	persevERA study: HR positive breast cancer (1st line)		
	Lunsumio	CELESTIMO study: follicular lymphoma (2nd line)		
	sefaxersen	IMAGINATION study: IgA nephropathy		
P2 Readouts	GYM329 / emugrobart+ Evrysdi	MANATEE study: spinal muscular atrophy (SMA)	Data inhouse	
	GYM329 / emugrobart	MANOEUVRE study: facioscapulohumeral muscular dystrophy (FSHD)	Data inhouse	
		GYMINDA study: obesity		
Initiation of study	NXT007	Hemophilia A (P3)*		
	DONQ52	Celiac disease (P2)		

Orange: in-house projects (global development) Blue: In-licensed from Roche (development and distribution in Japan), PE: primary endpoint, r/r: relapsed or refractory, HR: hormone receptor, *Three phase 3 studies scheduled to initiate in 2026 (vs. FVIII products, vs. Hemlibra, and pediatric patients)

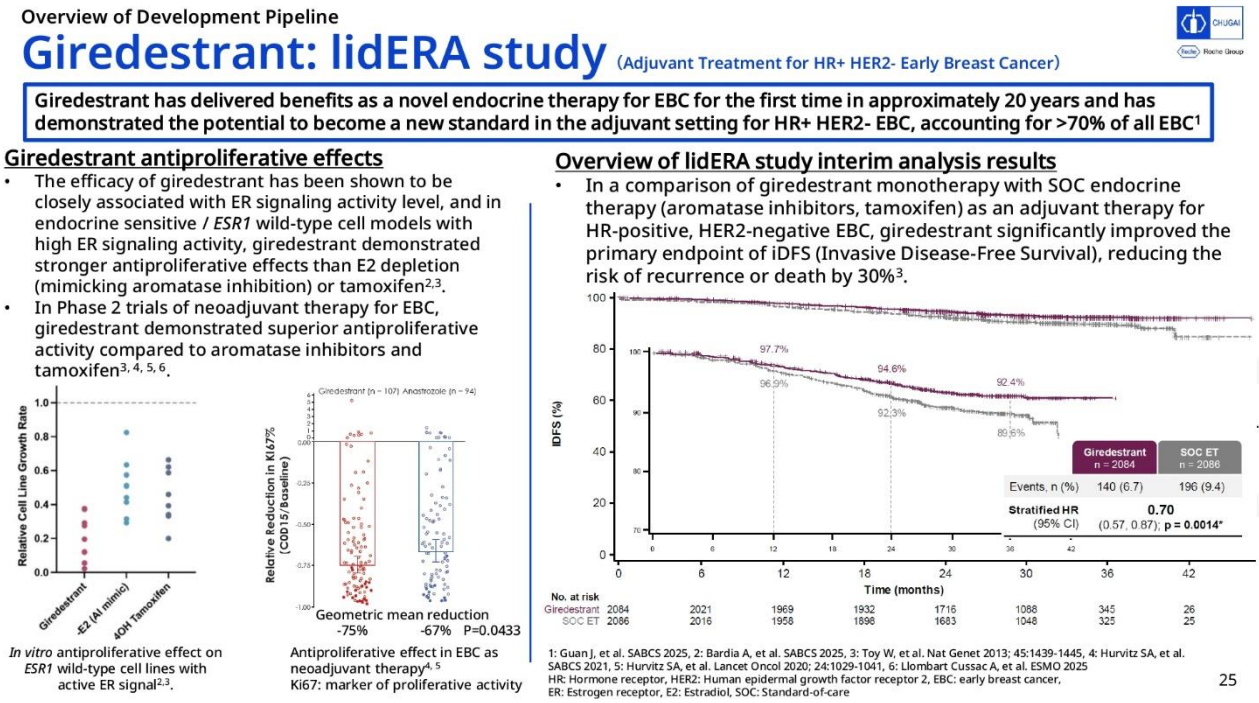
23

Next, I will discuss the major milestones for 2026. A key readout for our in-house portfolio is the Phase III trial of Ensprying for MOGAD, which, as recently announced, successfully met its primary endpoint. Regarding GYM329, we will now refer to it by its international nonpriority proprietary name, INN, emugrobart. We plan to announce results for three Phase II trials for emugrobart this year. For SMA and FSHD trials, the data have already been collected, and will be shared soon. For the Roche projects, pivotal trial readouts are scheduled for divarasib, giredestrant, Lunsumio, and sefaxersen. Regarding trial starts, we have listed those that have already been publicly disclosed. For NXT007, we have scheduled three Phase III trials, including a head-to-head comparison with Hemlibra. We also plan to initiate a Phase II trial for DONQ52 in celiac disease.

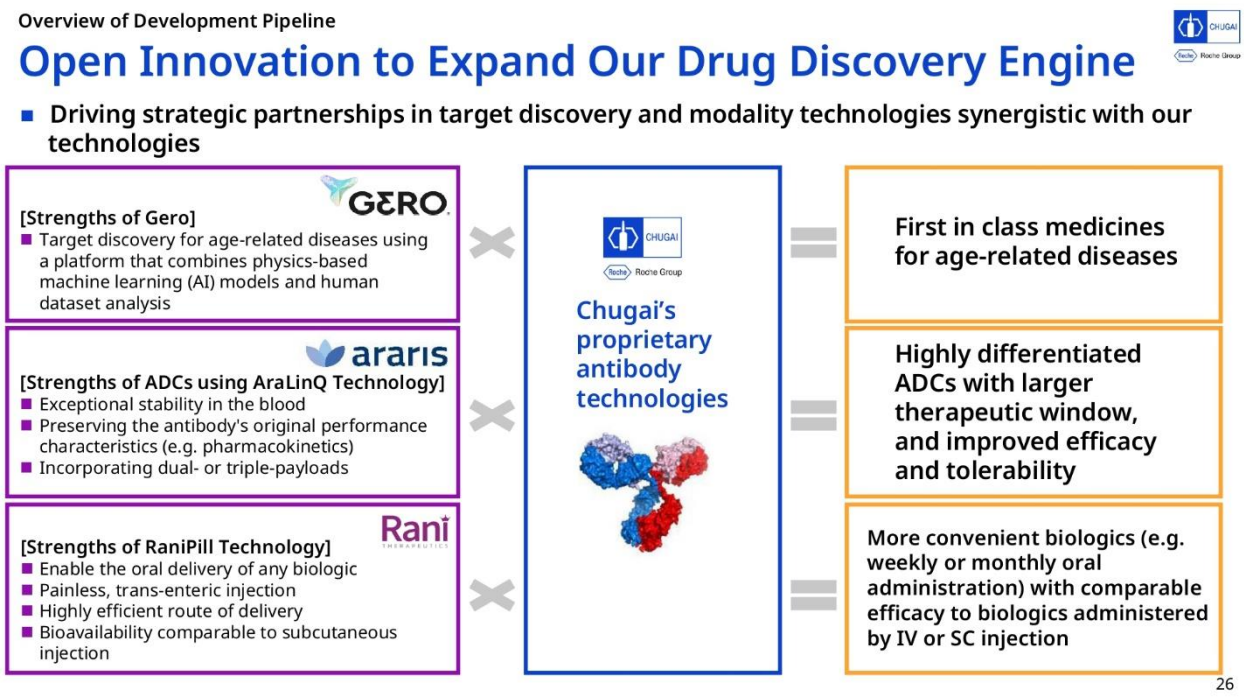


Now, I will present the results from two trials for giredestrant. First is the evERA trial for hormone receptor positive HER2-negative breast cancer in patients previously treated with the CDK4/6 inhibitor. Although these results were presented at last year's ESMO Congress, I would like to review them with you today.

Giredestrant is an oral selective estrogen receptor degrader, or SERD, designed to inhibit the estrogen receptor signaling regardless of *ESR*1 mutation status. It is expected to show efficacy even in tumors that have developed resistance to conventional endocrine therapies, including previous generation SERDs. In vitro studies, it demonstrated higher cell proliferation inhibitory activity compared to other oral SERDs. Furthermore, the combination of giredestrant and the mTOR inhibitor everolimus is expected to provide superior antitumor activity compared to monotherapy by simultaneously inhibiting two key signaling pathways involved in hormone receptor-positive breast cancer proliferation and endocrine resistance. In the evERA trial, this combination significantly improved the investigator-assessed PFS, the primary endpoint, in both the *ESR*1 mutation positive and ITT populations. The therapy reduced the risk of disease progression or death by 62% in the *ESR1* mutation-positive group and 44% in the ITT population. These results suggest that giredestrant plus everolimus could become a valuable new oral treatment option for patients previously treated with CDK4/6 inhibitors, a segment with limited effective alternatives regardless of their *ESR1* mutation status.



Regarding giredestrant, I would like to introduce lidERA study, which targeted adjuvant therapy for hormone receptor-positive HER2-negative early-stage breast cancer. This data was also presented at last year's San Antonio Breast Cancer Symposium. Giredestrant demonstrates stronger growth inhibitory effects than E2 depletion or tamoxifen in *ESR1* wild-type cell models with high estrogen receptor signaling activity and endocrine therapy sensitivity, as shown by nonclinical data. Furthermore, in the Phase II study of neoadjuvant therapy for early breast cancer, giredestrant demonstrated superior proliferation inhibiting effects compared to aromatase inhibitors or tamoxifen. Based on these results, an interim analysis of the lidERA comparing giredestrant monotherapy with standard endocrine therapy as adjuvant therapy for hormone receptor-positive HER2-negative early breast cancer showed a significant improvement in the primary endpoint of invasive disease-free survival, or IDFS, compared to standard endocrine therapy. In the interim analysis, this reduces the risk of recurrence or death by 30%. These results demonstrate that giredestrant offers the first benefit in approximately 20 years for new endocrine therapy in early-stage breast cancer, demonstrating the potential to become the new standard of care for adjuvant therapy in hormone receptor-positive HER2-negative early-stage breast cancer, which accounts for over 70% of early-stage breast cancer cases. Based on evERA and lidERA studies, we plan to file for approval for each this year and look forward to delivering new treatment options to patients.



Next, we'll introduce three examples of our efforts to promote open innovation for expanding our drug discovery engine. The first is our collaboration with Gero. Gero excels at identifying targets for age-related diseases using a platform that combines physics-based machine learning models with human data set analysis. By combining Gero's identified targets with our proprietary antibody engineering technologies, we aim to create first-in-class therapies for age-related diseases.

The second is Araris. We have entered into a Research Collaboraton and License Option agreement with Araris. Their AraLinQ technologies features high stability in blood, preserves the inherent properties of antibodies, including pharmacokinetics, and carry dual or triple payloads. By combining this with our antibody technologies, we aim to create highly differentiated ADCs that achieve a broader therapeutic window and enhanced efficacy and tolerability.

Third is Rani Therapeutics. The Company possesses technologies enabling oral administration of biological products featuring painless drug delivery within the intestinal tract, high drug delivery efficacy and bioavailability comparable to subcutaneous injections. By combining this, again, with our various antibody technologies, we also aim to realize biological products with high convenience through weekly or monthly oral administration with efficacy comparable to intravenous or subcutaneous injections. We will accelerate innovation by collaborating with partners possessing target discoveries and modality technologies that synergize with our own.

Overview of Development Pipeline

Potential Market Sales of Main Projects

As of January 29, 2026

[Global Sales]

NEMLUVIO: Based on Galderma guidance (Source: Galderma.com).
Others: Per Roche public announcements

NXT007: 3bn+ CHF (Hemophilia A)

✓ Three P3 studies planned for 2026, including a head-to-head vs. Hemlibra

GYM329 / emugrobart: 2-3bnCHF (SMA/FSHD/Obesity)

✓ P2 data for SMA, FSHD, and obesity expected in 2026

NEMLUVIO: 2bn+ USD (AD/PN)

✓ Better-than-expected strong initial performance of overseas local sales
✓ Paid NBRx weekly market share trend (new patient starts) in the U.S. [PN: ~39%, AD: ~9%] *

*Source: Galderma's J.P. Morgan Healthcare Conference 2026 presentation
NBRx: New-to-brand prescriptions; rolling 6 week average as of the week ending December 19, 2025

[Domestic Sales]

Peak sales are estimated without considering the probability of success.
Certain products in development are excluded for financial and strategic reasons.

In-house	Indications	Peak sales / Peak year	
Hemlibra	Hemophilia A、Acquired Hemophilia A	50bn+ JPY	-2030
Alecensa	NSCLC、ALCL	30bn+ JPY	-2030
Enspryng	NMOSD、MOGAD、AIE、TED	30bn+ JPY	-2030
NXT007	Hemophilia A	50bn+ JPY	2031 and beyond

In-licensed	Indications	Peak sales / Peak year	
Tecentriq	LC, BC, HCC, Urological cancer, and others	70bn+ JPY	-2030
Phesgo	BC、Colorectal cancer	30bn+ JPY	-2030
Polivy	DLBCL、aNHL	50bn+ JPY	2031 and beyond
Vabysmo	nAMD、DME、RVO、AS、NPDR	30bn+ JPY	2031 and beyond
trontinemab	Alzheimer's disease	30bn+ JPY	2031 and beyond
zilebesiran	Hypertension	30bn+ JPY	2031 and beyond

SMA: spinal muscular atrophy
FSHD: facioscapulohumeral muscular dystrophy
AD: atopic dermatitis, PN: prurigo nodularis
NSCLC: non-small cell lung cancer
ALCL: anaplastic large cell lymphoma
NMOSD: neuromyelitis optica spectrum disorder
MOGAD: myelin oligodendrocyte glycoprotein antibody-associated disease
AIE: autoimmnemediated encephalitis, TED: thyroid eye disease
LC: lung cancer, BC: Breast cancer
HCC: hepatocellular carcinoma
DLBCL: refractory diffuse large B-cell lymphoma
aNHL: aggressive B-cell non-Hodgkin's lymphoma
nAMD: neovascular age-related macular degeneration
DME : diabetic macular edema
RVO: retinal vein occlusion
AS: angioid streaks
NPDR: non-proliferative diabetic retinopathy

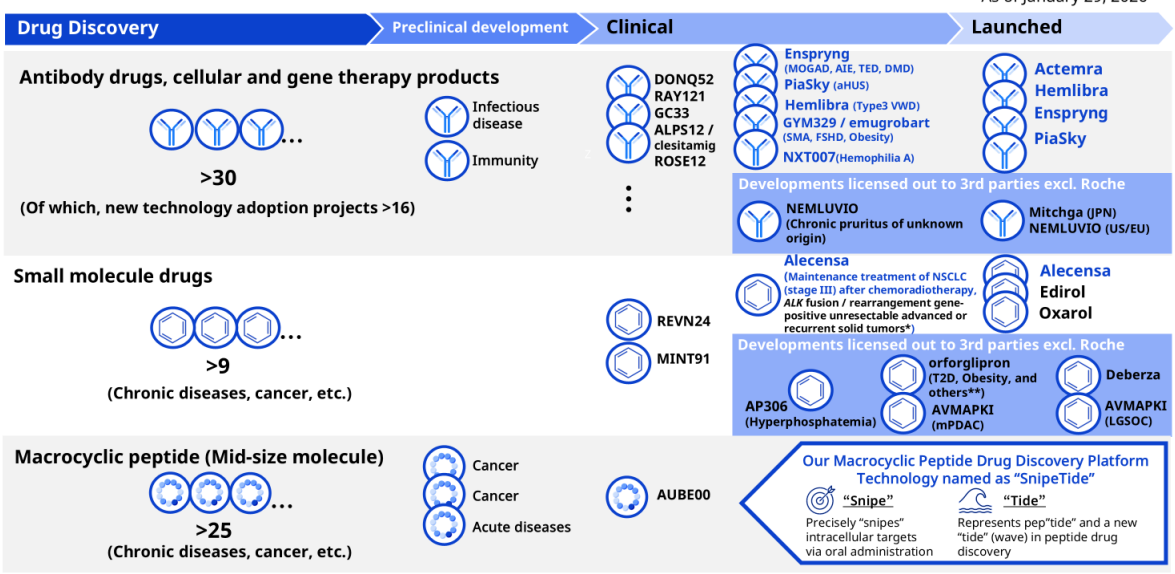
27

This slide shows market sales for major projects. Global sales are based on guidance from Roche or Galderma. There are no updates from previously disclosed figures. Within domestic sales, the upper orange section represents our in-house products, while the lower blue section represents Roche products.

Overview of Development Pipeline

Portfolio of Each Modality

As of January 29, 2026



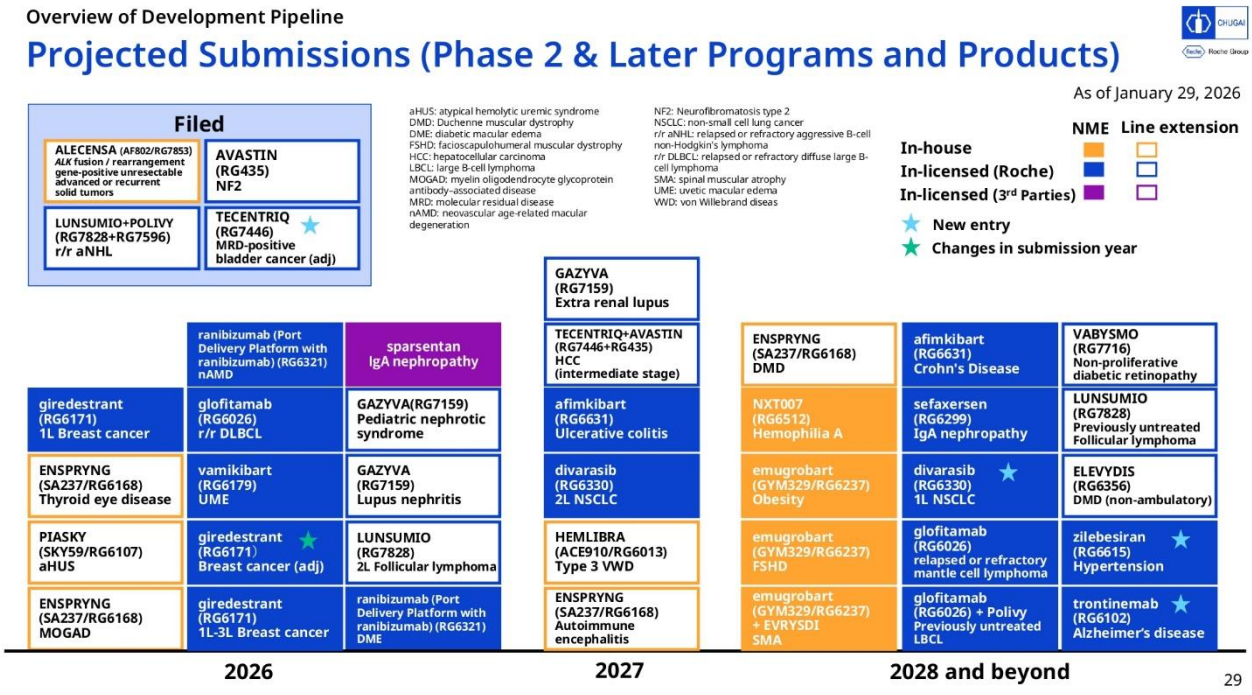
*filed in Japan **Obstructive sleep apnea, Hypertension, Osteoarthritis, Stress urinary incontinence, Investigation of the effect of orforglipron on the incidence of major adverse cardiovascular events, Peripheral arterial disease

Blue: Joint development with Roche

28

This slide shows the status of our portfolio across each modality. We continue to hold a robust pipeline of in-house developed projects, all progressing steadily. We're also pleased to announce that we have named our drug discovery technologies for mid-size molecules, our third pillar of focus, "SnipeTide." Snipe embodies the characteristics of our mid-size molecules' precisely sniping intracellular targets via oral administration. Tide

evokes peptides that form the basis of this technology while also expressing our aspiration for it to become a new wave in peptide drug discovery. We'll continue to focus on the continuous creation and development of in-house products, including mid-size molecule drugs, to address unmet medical needs.



Last but not least are projected submissions. Projects marked with light blue stars are newly added ones. Projects marked with green stars have changed since the previous update. Specifically, for giredestrant, we are advancing the application for adjuvant therapy based on the lidERA study that I mentioned this year.

The following slides are attached as reference materials. That concludes my presentation. Thank you.

FY2025 Consolidated Financial Overview (Core)

P/L Jan – Dec (Year on Year)

(Billions of JPY)	2024	2025	Growth	
Revenue	**1,170.6**	**1,257.9**	**+ 87.3**	**+ 7.5%**
Sales	997.9	1,077.8	+ 79.9	+ 8.0%
Domestic	461.1	472.4	+ 11.3	+ 2.5%
Overseas	536.8	605.4	+ 68.6	+ 12.8%
Other revenue	172.7	180.1	+ 7.4	+ 4.3%
Cost of sales	-338.1	-351.5	- 13.4	+ 4.0%
(cost to sales ratio)	33.9%	32.6%	-1.3%p	-
Research and development	-176.9	-180.1	- 3.2	+ 1.8%
Selling, general and administration	-102.2	-103.2	- 1.0	+ 1.0%
Other operating income (expense)	2.7	0.0	- 2.7	-
Operating profit	**556.1**	**623.2**	**+ 67.1**	**+ 12.1%**
(operating margin)	47.5%	49.5%	+2.0%p	-
Financial account balance	1.0	-1.0	- 2.0	-
Income taxes	-160.0	-171.2	- 11.2	+ 7.0%
Net income	**397.1**	**451.0**	**+ 53.9**	**+ 13.6%**
EPS (JPY)	**241.31**	**274.02**	**+32.71**	**+ 13.6%**

Domestic sales
Increase due to growth of new products and mainstay products, despite decrease due to the market penetration of generic drugs and the NHI drug price revisions, etc.

Overseas sales
Increase in Hemlibra and Actemra

Other revenue
Increase in the income related to Hemlibra, despite decrease in the one-time income

Cost of sales
Cost to sales ratio improved due to changes in foreign exchange rates and product mix, etc.

Research and development expenses
Increase due to investments in research and early development, and progress of development projects, etc.

Selling, general and administration expenses
Same level as the same period of the previous year

35

Taniguchi: Hello. I am Taniguchi. I would like to describe the full FY2025 consolidated financial review. As Dr. Okuda mentioned earlier, our sales revenue for fiscal year 2025 reached a record high of JPY1,257.9 billion, an increase of JPY 87.3 billion, or 7.5%, YoY. Core operating profit also grew to JPY623.2 billion, an increase of JPY 67.1 billion, or 12.1%, YoY.

Now, I will provide details of these results. First, on the revenue, sales rose to JPY1.0778 trillion, an increase of JPY 79.9 billion, or 8.0%, YoY. By region, domestic sales were JPY472.4 billion, an increase of JPY 11.3 billion, or 2.5%, YoY. We had strong performance from new and mainstay products effectively offsetting the impact of generic penetration and NHI price revisions. Overseas sales reached JPY605.4 billion, an increase of JPY 68.6 billion, or 12.8%, YoY, continuing to benefit from robust exports of mainstay products to Roche. Those are for product sales.

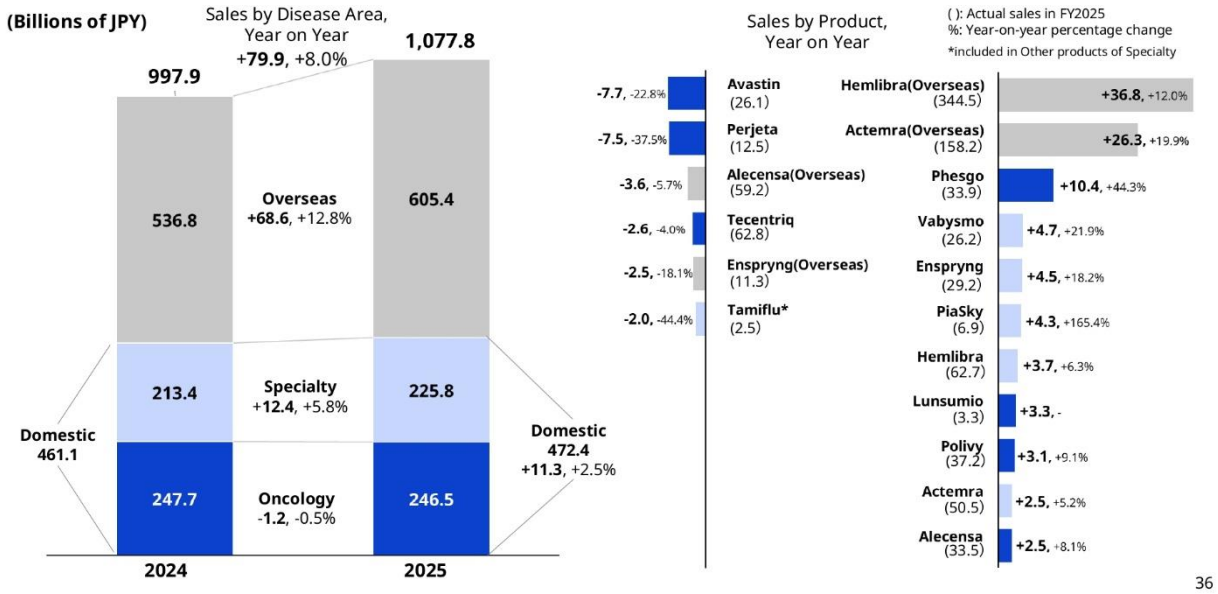
Other revenue, including royalties here, increased by JPY7.4 billion YoY to JPY180.1 billion. While onetime income from third-party declined compared to the previous year, this was offset by an increase in Hemlibra royalties from Roche and NEMLUVIO royalties from Galderma, resulting in an overall YoY gain.

Turning to expenses, cost of sales was JPY351.5 billion, an increase of JPY 13.4 billion, or 4.0 % YoY. If you look at the cost ratio, Actemra, with a relatively high ratio, has dropped slightly from the previous year. So the negative cost of sales ratio for pharmaceutical products improved by 1.3 percentage points to 32.6%.

Regarding SG&A expenses, we successfully maintained these at JPY103.2 billion, flat more or less YoY, by driving efficiency to offset rising prices and labor costs. R&D expenses rose by JPY3.2 billion to JPY180.1 billion, primarily reflecting the impact of the yen's depreciation. Other operating income saw a modest JPY2.7 billion decrease mainly due to lower gains from product transfers compared to the previous year. As a result, operating profit rose by JPY67.1 billion to JPY623.2 billion, with the operating profit margin expanded to 2 percentage points to 49.5%. Net income after taxes reached JPY451.0 billion, an increase of JPY 53.9 billion, or 13.6%, YoY.

FY2025 Consolidated Financial Overview (Core)

Sales Jan – Dec (Year on Year)

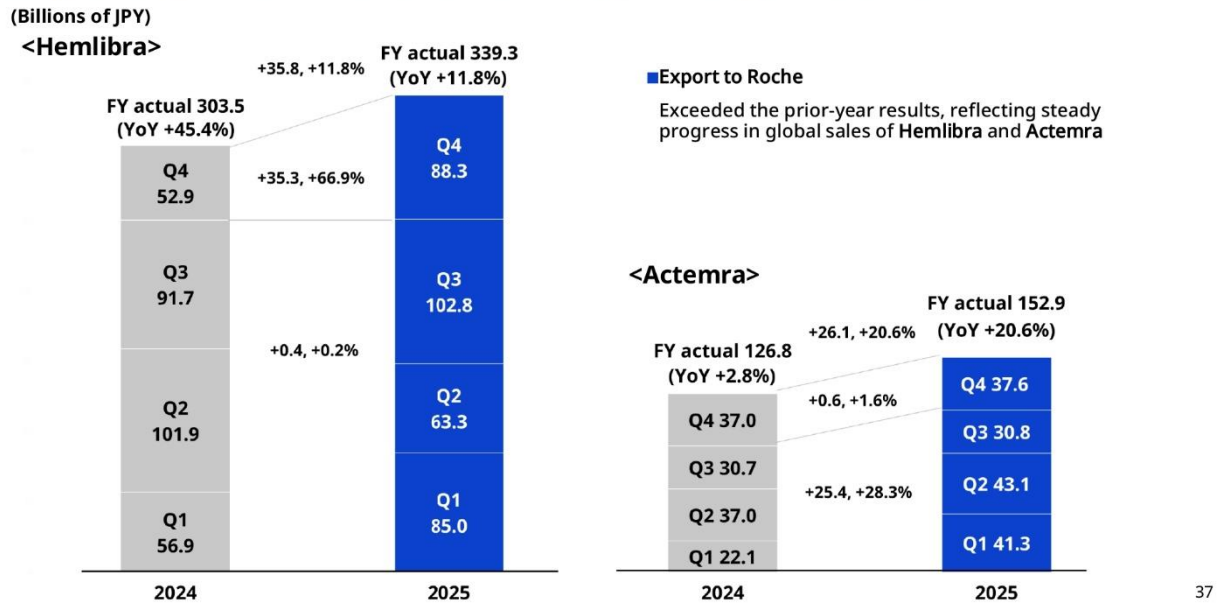


36

Next, on the changes from last year in sales, starting with domestic at the very bottom, domestic oncology sales were JPY246.5 billion, an decrease of JPY 12.0 billion, or 0.5%, YoY. Specifically, steady growth in the new product, Phesgo, more than offset the decline in Perjeta sales. Additionally, while Lunsumio is off to a strong start, Avastin sales declined due to generic penetration. Specialty sales grew by JPY12.4 billion, or 5.8% to JPY255.8 billion. There were NHI price revisions, but in addition to mainstay products, Hemlibra, Actemra, Enspryng and Vabysmo alongside new products, all delivered steady growth. Overseas sales grew by JPY 68.6 billion or 12.8% YOY, primarily driven by strong exports of Hemlibra and Actemra.

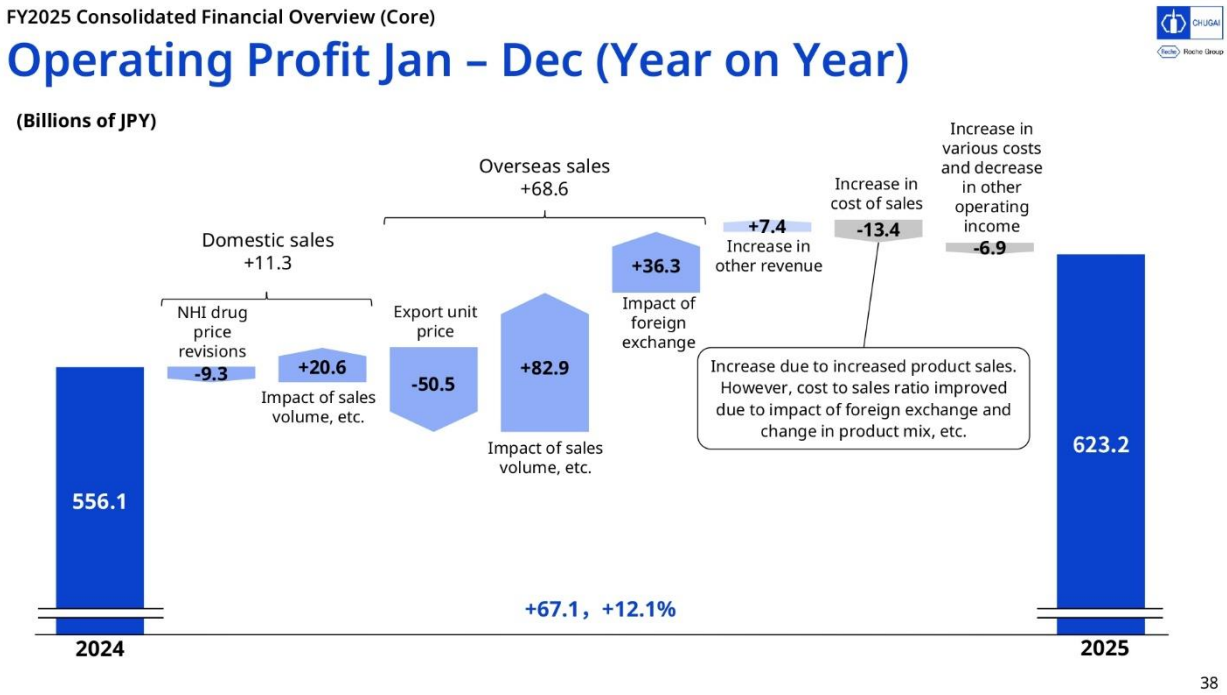
FY2025 Consolidated Financial Overview (Core)

Export of Hemlibra and Actemra to Roche



37

Next summarizes our full-year export status to Roche of Hemlibra and Actemra. First, Hemlibra, Q4 sales, the final quarter, if you look at that compared to last year, rose by JPY35.3 billion YoY. Total sales for the full fiscal year reached JPY339.3 billion, an increase of JPY35.8 billion compared to the previous year. This also surpasses our full-year forecast of JPY318.6 billion by approximately JPY 20 billion.. Actemra, since biosimilar penetration has been slower than expected, if you look at just the Q4, leading to a JPY0.6 billion YoY increase to JPY 37.6 billion on Q4. Consequently, For the full 12-month period, cumulative sales totaled JPY152.9 billion, an increase of JPY26.1 billion, YoY. This figure also surpasses the full-year sales forecast of JPY123.0 billion by approximately JPY30 billion..



Next, on the changes, this is like a factor analysis of changes in the operating profit.

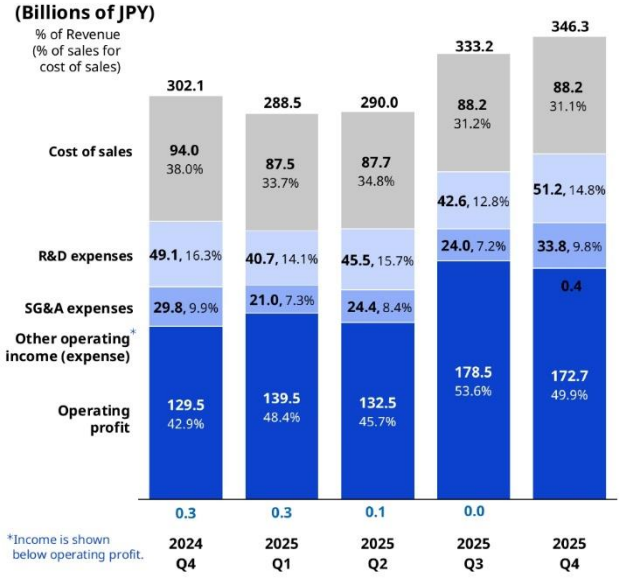
First, let's look at domestic sales on the far left. As indicated, there was a negative impact of JPY9.3 billion from NHI price revisions. However, this was offset by a positive impact of JPY20.6 billion from increased volume and other factors, resulting in a total sales increase of JPY11.3 billion.

Moving on to overseas sales. Here, the export unit price is a factor; as our sales in emerging countries increase, the average export unit price decreases. This had a negative impact of JPY50.5 billion. However, this was outweighed by a positive volume impact of JPY82.9 billion. In addition, a positive foreign exchange impact of JPY36.3 billion contributed to a total overseas sales increase of JPY68.6 billion.

Finally, adding the JPY7.4 billion increase from other revenue, as I mentioned earlier, and factoring in the increases in the cost of sales and SG&A expenses, we arrive at the breakdown for the JPY67.1 billion, or 12.1%, increase in profit.

FY2025 Consolidated Financial Overview (Core)

Structure of Costs and Profit by Quarter



Year on Year (vs. 2024 Q4)

Cost to sales ratio: improve due to a change in product mix, etc.

R&D: increase due to investments in research and early development, and progress of development projects, etc.

SG&A: increase mainly in various expenses, etc.

Other operating income (expense): same level as the same period of the previous year

Operating profit: +43.2 billion JPY, +33.4%

Quarter on Quarter (vs. 2025 Q3)

Cost to sales ratio: same level as the previous quarter

R&D: increase due to investments in research and early development, and progress of development projects, etc.

SG&A: increase in line with the trend of previous years

Other operating income (expense): same level as the previous quarter

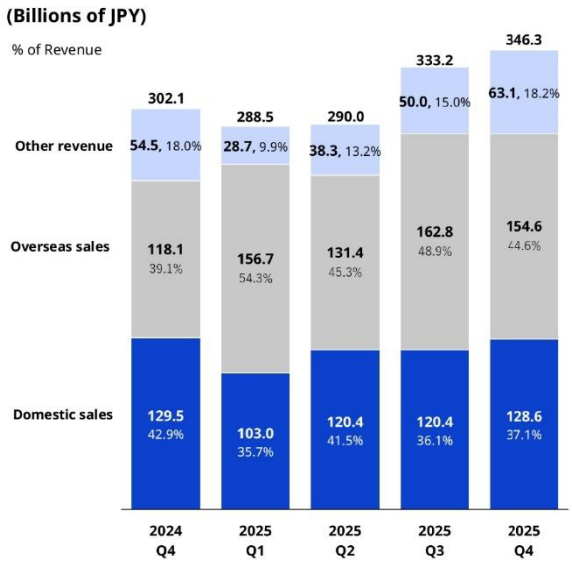
Operating profit: -5.8 billion JPY, -3.2%

39

Next, I'd like to discuss the composition of our profit and loss, comparing it to the fourth quarter of fiscal year 2024. I want to point out that our results tend to show some unevenness on a quarterly basis, largely due to factors like timing differences in our exports.

FY2025 Consolidated Financial Overview (Core)

Structure of Revenue by Quarter



Year on Year (vs. 2024 Q4)

Domestic sales: same level as the same period of the previous year due to the market penetration of generic drugs and the NHI drug price revisions, etc., despite increase due to growth of new products and mainstay products

Overseas sales: significant increase in Hemlibra

Other revenue: increase mainly in the income related to Hemlibra

Quarter on Quarter (vs. 2025 Q3)

Domestic sales: increase due to growth of mainstay products

Overseas sales: decrease in Hemlibra

Other revenue: increase mainly in the income related to Hemlibra

40

Next, focusing specifically on sales within our P&L, this slide shows the quarterly trend. As you can see here as well, the figures for overseas exports show some unevenness. This is largely due to the impact of phasing, such as the timing of product shipments shifting between quarters..

FY2025 Consolidated Financial Overview (Core)

P/L Jan – Dec (vs. Forecast)

(Billions of JPY)	2025 Forecast	2025 Actual	+/-	Achiev.
Revenue	**1,190.0**	**1,257.9**	**+ 67.9**	**105.7%**
Sales	1,018.0	1,077.8	+ 59.8	105.9%
Domestic	462.5	472.4	+ 9.9	102.1%
Overseas	555.5	605.4	+ 49.9	109.0%
Other revenue	172.0	180.1	+ 8.1	104.7%
Cost of sales	- 341.0	- 351.5	- 10.5	103.1%
(cost to sales ratio)	33.5%	32.6%	-0.9%p	-
Research and development	- 178.0	- 180.1	- 2.1	101.2%
Selling, general and administration	- 101.0	- 103.2	- 2.2	102.2%
Other operating income (expense)	-	0.0	0.0	-
Operating profit	**570.0**	**623.2**	**+ 53.2**	**109.3%**
(operating margin)	47.9%	49.5%	+1.6%p	-
Net income	**410.0**	**451.0**	**+ 41.0**	**110.0%**
EPS (JPY)	**250.00**	**274.02**	**+ 24.02**	**109.6%**

Domestic sales
Outperformed the forecast due to favorable progress of mainstay products and new products

Overseas sales
Sales of Actemra and Hemlibra exceeded the forecast

Other revenue
Royalty income of NEMLUVIO exceeded the forecast

Cost of sales
Cost to sales ratio improved due to a change in product mix, etc.

Research and development
Mostly in line with the forecast

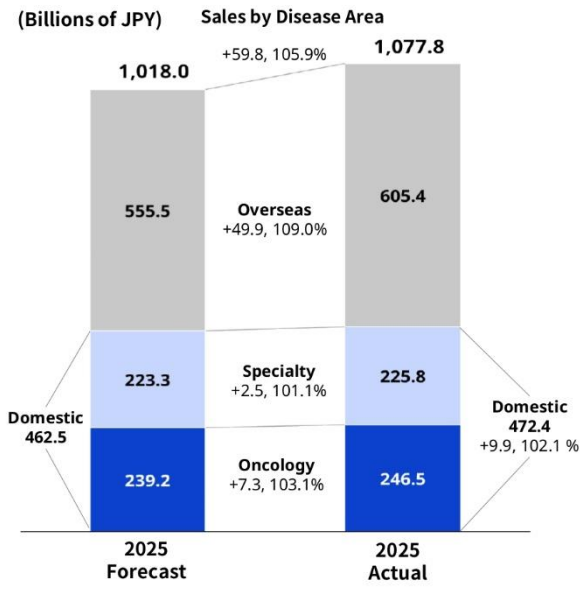
Selling, general and administration expenses
Mostly in line with the forecast

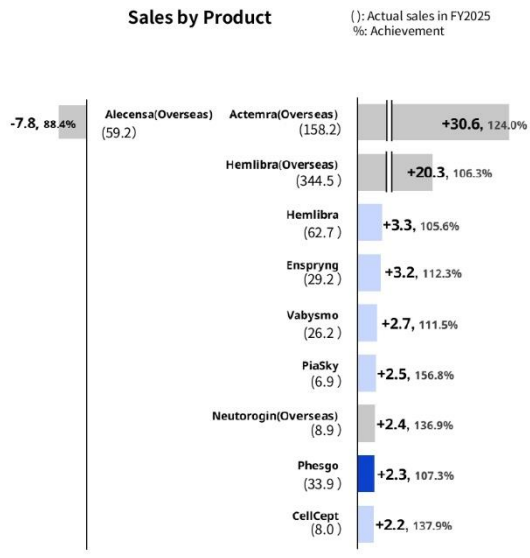
41

Next, this slide shows the variance between our actual results for fiscal year '25 and the initial forecast. As you can see, we surpassed our targets for both sales and profit. Looking at the individual components of sales, every single item exceeded the forecast, coming in above 100%. On the other hand, expenses were almost perfectly in line with the plan at 100%, although slightly over. However, this increase was small compared to the upside in our sales items. We understand this to be the primary factor behind our overachievement in operating profit.

FY2025 Consolidated Financial Overview (Core)

Sales Jan – Dec (vs. Forecast)





42

This is the by-product sales as compared to the forecast at the beginning of the year. As for overseas sales, export of Alecensa, there was a slight shortfall due to factors such as changes in inventory status. However, everything else—including overseas sales of Actemra and Hemlibra, as well as our domestic sales—generally came in above the initial forecast.

FY2025 Consolidated Financial Overview (Core)

Impact from Foreign Exchange Jan – Dec

(Billions of JPY)	vs.2024 Actual rate 【C】vs.【A】	vs.2025 Forecast rate 【C】vs.【B】
Revenue	**+49.6**	**+5.0**
Sales	+36.3	+3.1
Other revenue	+13.4	+1.9
Cost of sales	**-5.0**	**-1.0**
Other than above*1	**-0.5**	**-0.4**
Operating profit	**+44.2**	**+3.6**

Exchange Rate (JPY)	2024 Actual rate*2 Jan - Dec 【A】	2025 Forecast rate Jan - Dec 【B】	2025 Actual rate*2 Jan -Dec 【C】	2025 Market average rate*3 Jan – Dec
1CHF	161.02	171.00	173.57	179.98
1EUR	163.30	160.00	168.84	168.68
1USD	139.11	148.00	147.08	149.66

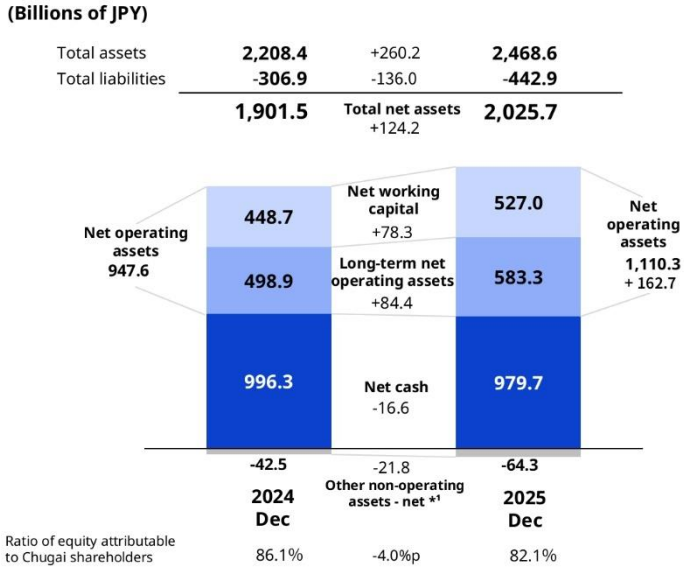
*1 Total of R&D, SG&A and other operating income (expense)
*2 Weighted average of the exchange rates used to record foreign currency transactions included in categories from revenue to operating profit
*3 Market average rates in during the fiscal period

43

The next slide shows the impact of foreign exchange rates, which we present to you each period. For fiscal year '24, the actual conversion rate for the Swiss Franc was JPY 161.2. This is the actual rate, inclusive of our currency hedges, that is used to book our revenue and expenses. For fiscal year '25, this rate was JPY 173.57, representing a depreciation of the JPY of approximately JPY 12.50. Due to this effect—as shown on the far left, looking at the impact down to operating profit based on actual rates—there was a positive impact of JPY 49.6 billion on revenue. For operating profit, the positive impact was JPY 44.2 billion. This is a comparison using actual-to-actual rates. Furthermore, there was also a positive impact when comparing against our forecast rate. We determine our forecast rate based on the 80% of our exposure that we hedge in the preceding year. However, the remaining 20% is left open and is converted at the prevailing market rate. Because the JPY trended weaker than anticipated in FY25, this open portion resulted in a positive impact against our forecast rate of JPY 5.0 billion on revenue and JPY 3.6 billion on profit.

FY2025 Consolidated Financial Overview (Core)

Financial Position (vs. 2024 Year End)



Increase in net working capital

Increase in trade accounts receivable and other accounts receivable, etc.

Increase in long-term net operating assets

Increase due to investments in the following facilities and increase in intangible assets, etc.

- the manufacturing building for bio drug substance (UT3) at Utsunomiya Plant
- the manufacturing building for injectables (UTA) at Utsunomiya Plant

Decrease in net cash

(See next slide)

Decrease in other non-operating assets – net

Decrease mainly due to increase in lease liabilities

*1 E.g., deferred income tax assets, accrued corporate tax, etc.

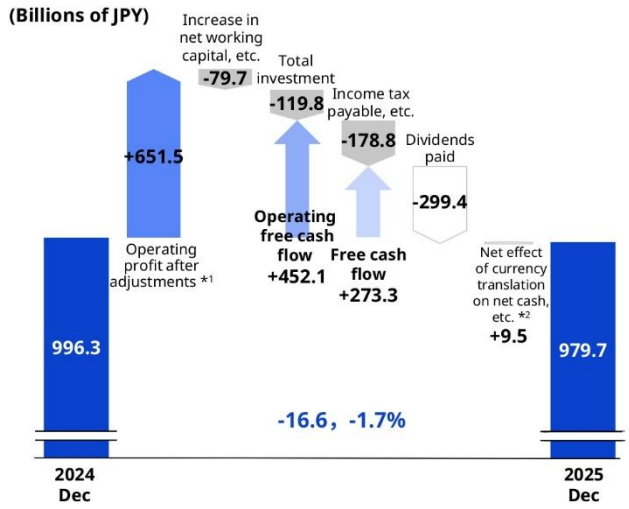
44

Moving on to the balance sheet. Total assets amounted to JPY 2,468.6 billion, an increase of JPY 260.2 billion. This was due to factors such as an increase in working capital driven by higher sales, and a rise in long-term net operating assets resulting from capital expenditures.

On the other hand, net assets increased by JPY 124.2 billion. This growth is somewhat lower than the growth in total assets, and this moderated growth is because we paid out a special dividend during the period. As a result, ratio of equity attributable to Chugai shareholders stands at 82.1%. While this remains above the 80% level, it represents a 4 percentage point decrease compared to the previous year.

FY2025 Consolidated Financial Overview (Core)

Net Cash (vs. 2024 Year End)

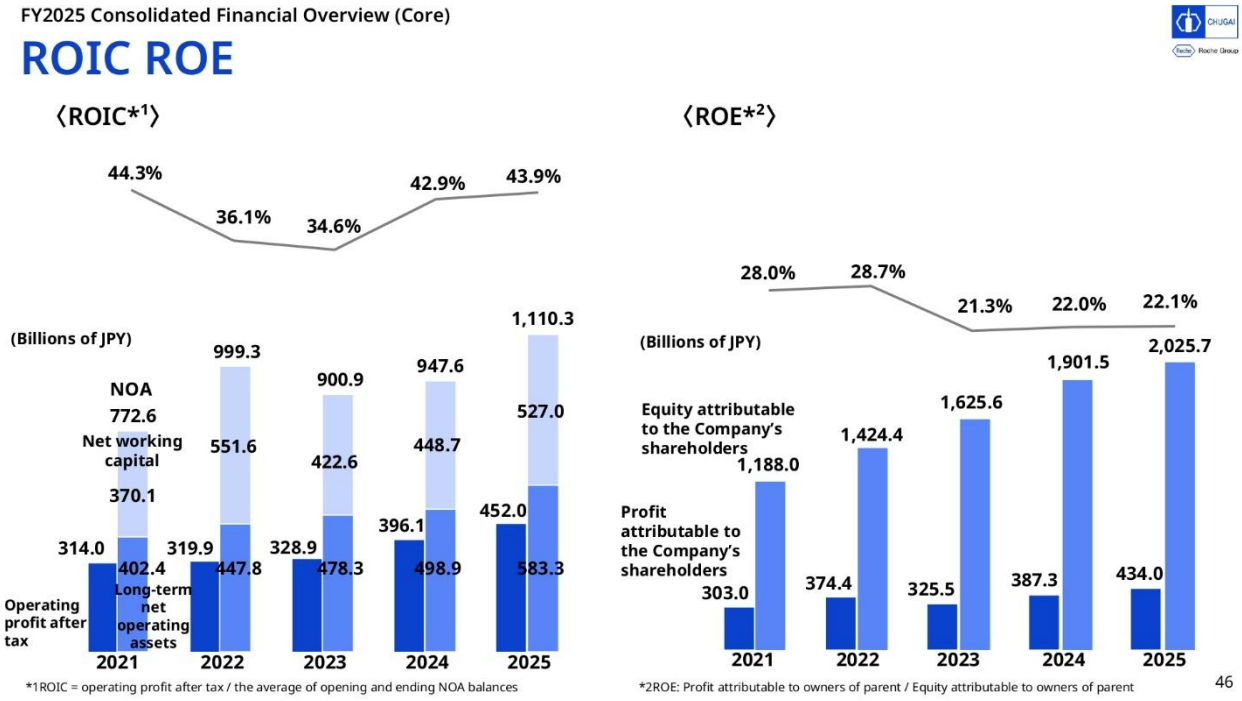


Operating profit after adjustment *1	**+651.5**
Operating profit *1	+598.8
Depreciation, amortization and impairment *1	+45.1
Increase in net working capital, etc.	**-79.7**
Total investment	**-119.8**
Property, plant and equipment	-76.3
Payment for lease liabilities	-8.2
Intangible assets	-35.3
Operating free cash flows	**+452.1**
Income tax payable, etc.	**-178.8**
Income tax payable	-191.1
Free cash flows	**+273.3**
Dividends paid	**-299.4**
Net effect of currency transaction on net cash, etc.	**+9.5**

*1 Including Non-Core (IFRS results)
*2 Net effect of currency translation on net cash, etc. = Transaction in own equity instruments + Net effect of currency translation on net cash(*3)
*3 Results from using different types of exchange rates when consolidating overseas subsidiaries in financial statements, i.e. net cash using end of period exchange rate and free cash flows using average exchange rate. (Chugai defines this term based on International Accounting Standard (IAS) 7 and IAS 21)

45

Regarding our net cash position, it decreased by JPY 16.6 billion, from JPY 996.3 billion at the end of fiscal year 2024 to JPY 979.7 billion at the end of fiscal year 2025. We generated a strong operating free cash flow of JPY 452.1 billion, which was an even better result than the previous year. However, this inflow was offset by cash outflows for income tax payments and dividends. Dividend payments were particularly high, as they included a special dividend of JPY 170.0 billion. Therefore, in total, these factors constrained the growth of our cash and deposits, resulting in the overall decrease in our net cash position..



In total, this shows the trends in ROIC and ROE, indicators of capital efficiency.

Until now, we have primarily focused our explanations on ROIC. However, the definition of ROIC can vary considerably from company to company. In our case, because cash is not included in the denominator of our calculation, our ROIC has consistently been at a very high level. This year, it was 43.9%, an increase of 0.1 percentage points from the previous year. With that said, we feel there is a growing trend in the market to focus more on ROE. This is because ROE has a standardized definition across all companies, with a fixed formula for the numerator and denominator. Our ROE is currently 22.1%, which is also an increase of 0.1 percentage points from the prior year. We believe we are maintaining an ROE that significantly exceeds our cost of capital.

FY2025 Consolidated Financial Overview (Core)

P/L 2026 Forecast

(Billions of JPY)	2025 Actual	2026 Forecast	Growth	
Revenue	**1,257.9**	**1,345.0**	**+ 87.1**	**+ 6.9%**
Sales	1,077.8	1,100.0	+ 22.2	+ 2.1%
Domestic	472.4	498.0	+ 25.6	+ 5.4%
Overseas	605.4	602.0	- 3.4	- 0.6%
Other revenue	180.1	245.0	+ 64.9	+ 36.0%
Cost of sales	- 351.5	- 383.5	- 32.0	+ 9.1%
(cost to sales ratio)	32.6%	34.9%	+2.3%p	-
Research and development	- 180.1	- 190.0	- 9.9	+ 5.5%
Selling, general and administration	- 103.2	- 102.0	+ 1.2	- 1.2%
Other operating income (expense)	0.0	0.5	+ 0.5	-
Operating profit	**623.2**	**670.0**	**+ 46.8**	**+ 7.5%**
(operating margin)	49.5%	49.8%	+0.3%p	-
Net income	**451.0**	**485.0**	**+ 34.0**	**+ 7.5%**
EPS (JPY)	274.02	295.00	+ 20.98	+ 7.7%

Domestic sales
Increase due to growth of new products and mainstay products, despite decrease due to the NHI price revisions and market penetration of generic drugs

Overseas sales
Decrease in Actemra, etc., despite growth in NEMLUVIO and Hemlibra

Other revenue
Increase in the income related to out-licensed products and Hemlibra, and in the one-time income

Cost of sales
Rise due to a change in product mix, etc.

Research and development
Increase due to investments in research and early development, and progress of development projects, etc.

Selling, general and administration expenses
Mostly the same level as the previous year

Excehange Rate (JPY)	2025 Actual	End of December 2025	2026 Assumption
1CHF	173.57	197.48	184.00
1EUR	168.84	183.75	179.00
1USD	147.08	156.47	151.00

47

This is FY2026 initial forecast. As Dr. Okuda said, as for revenues, a 6.9% increase to JPY1.345 trillion, core operating profit to increase by 7.5% to JPY670 billion. That is our forecast.

Domestic sales are expected to grow. Despite the headwinds from NHI drug price revisions and generic penetration, we're expecting JPY25.6 billion growth mainly because of new products growth, so 5.4% growth, which is exceeding last year's growth.

As for overseas exports for Hemlibra and NEMLUVIO, they are expected to increase, but there will be further marked impact from the biosimilars in Actemra. So there, JPY3.4 billion, a slight decrease, is expected.

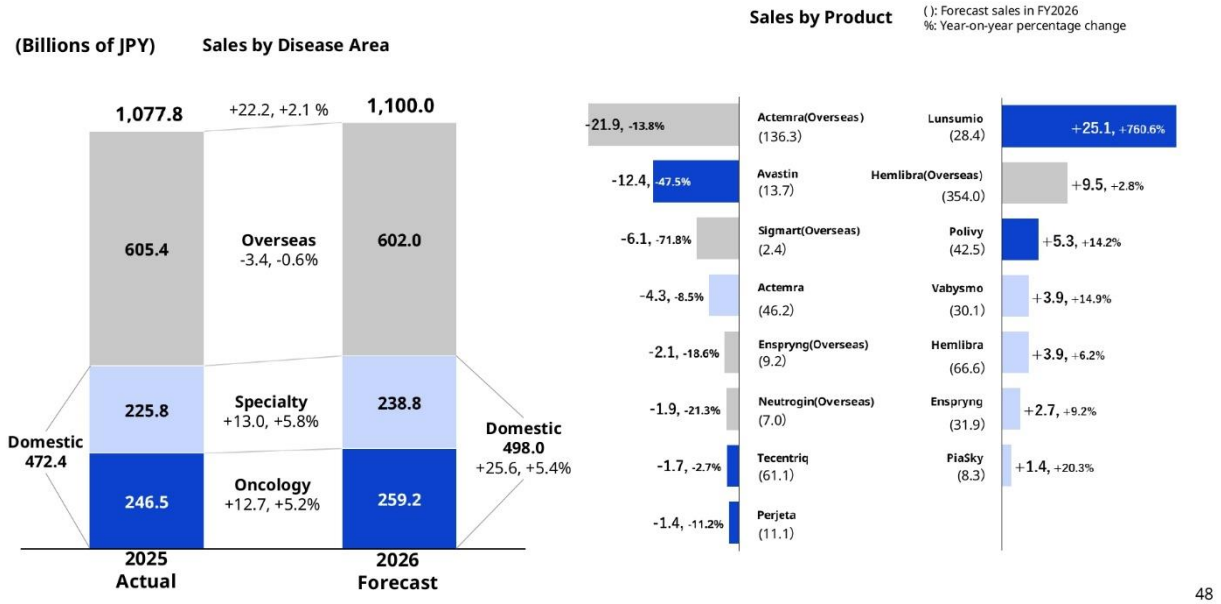
However, we expect other revenue to increase substantially by JPY 64.9 billion compared to fiscal year 2025, mainly driven by third-party out-licensed products.

On the other hand, regarding expenses, while we do anticipate some impact from factors such as foreign exchange fluctuations, we project that the overall cost level will remain at a level not significantly different

from that of fiscal year 2025. This stability in costs is, in turn, helping to support our profit growth.

FY2025 Consolidated Financial Overview (Core)

Sales 2026 Forecast



48

This is the slide for the pure product sales aside from the other revenues. Actemra is significantly negative. Avastin, for various reasons, will remain in the negative territory. Lunsumio, on the other hand, which is a new product, is expected to grow significantly. Hemlibra overseas will remain on a growth trajectory. Please note that other operating revenue is not included here.

FY2025 Consolidated Financial Overview (Core)

P/L Jan – Dec (Non-core adjustment)

(Billions of JPY)	IFRS results	Non-core items		Core results
		Intangible assets	Others	
Revenue	**1,257.9**			**1,257.9**
Sales	1,077.8			1,077.8
Other revenue	180.1			180.1
Cost of sales	-363.7	+1.2	+11.0	-351.5
Research and development	-187.6	+1.9	+5.6	-180.1
Selling, general and administration	-116.5		+13.3	-103.2
Other operating income (expense)	8.6		-8.6	0.0
Operating profit	**598.8**	**+3.1**	**+21.3**	**623.2**
Financial account balance	-1.0			-1.0
Income taxes	-163.8	-0.9	-6.5	-171.2
Net income	**434.0**	**+2.2**	**+14.8**	**451.0**
EPS (JPY)	**263.72**			**274.02**

Non-core items

Factors affected operating profit

Intangible assets

Amortization	+1.4
Impairment	+1.7

Others

Business rebuilding expenses	+13.3
Expenses due to the collective discontinuation of development projects, etc.	+16.4
Restructuring expenses, etc. including gain on disposal of assets	-8.4

49

Also, this is a core and non-core adjustment. Previously, the intangible asset impairment and also restructuring cost and ERP business foundation system introduction and restructuring cost, these are actually items for core and non-core adjustment items. In Q2 2025, expenses due to the collective discontinuation of in-house development projects ware included..

FY2025 Consolidated Financial Overview (Core)

Current Status / Plan for Major Investments

		~2024	2025	2026	2027	2028	2029	2030~	Planned investment: Total amount	Planned investment: Investment to-date	Planned investment: Unit	Period*	
Manufacturing	Utsunomiya plant	UT3: Manufacture bio drug substance for middle to later- stage clinical development and early commercial use							37.4	33.2	billion JPY	2023	2026
	Utsunomiya plant	UTA: Manufacture sterile injectables for early commercial use							19.0	17.5	billion JPY	2023	2025 (Completed)
	Ukima plant	UK3(modification): Manufacture bio drug substance							20.3	7.3	billion JPY	2024	2027
Research and development	CPR	Move and renovate facilities to enhance research functions							60	22	million SGD	2024	2026
	IFReC	Funding to IFReC per comprehensive collaboration agreement							10.0	8.8	billion JPY	2017	2027
	Ukima Site	UKX: Strengthening the process development function of small-and-mid-size molecule drugs and biopharmaceuticals							80.0	1.3	billion JPY	2026	2028
Environment	Environmental investment**	Equipment upgrade to achieve Mid-Term Environmental Goals 2030							135.9 estimated total amount	8.1	billion JPY	2022	2032

*For capital investments, the period indicates the years from project start to planned completion
** incl. part of investments described in the schedule above

50

This is the capital investments currently approved internally.

FY2025 Consolidated Financial Overview (Core)

Summary of Chugai Originated Global Products

(Billions of JPY)

Product (Billions of JPY)	FY2025 Results		Y on Y	FY2026 Forecast	Comments (Results)
Hemlibra	Domestic:	62.7	+6.3%	66.6	• Japan: Sales increased year on year as domestic market share steadily increased. • Overseas: Sales increased in all regions. Exceeded export forecast for the full year. • We provide value to patients worldwide through its convenience and accumulated clinical evidence.
	Export:	344.5	+12.0%	354.0	
	Overseas local:	4,376mCHF	+11%	-	
Actemra	Domestic:	50.5	+5.2%	46.2	• Japan: Continued to obtain new prescriptions for rheumatoid arthritis. Other indications also penetrated. • Overseas: Sales decreased in EU and the U.S. Exceeded export forecast for the full year, mainly due to lower-than-expected biosimilar penetration. • We provide value to patients through the established evidence as an originator of IL-6 inhibitor.
	Export:	158.2	+19.9%	136.3	
	Overseas local:	2,160mCHF	-3%	-	
Alecensa	Domestic:	33.5	+8.1%	32.8	• Japan: Maintains its high share in the first-line therapy despite competitors' entry since 2021. • Overseas: Sales increased in the U.S. and International. Fell short of export forecast for the full year due to inventory adjustments. • We provide value to patients for early-stage NSCLC as the first ALK inhibitor, in addition to advanced NSCLC.
	Export:	59.2	-5.7%	60.4	
	Overseas local:	1,359mCHF	+6%	-	
Enspryng	Domestic:	29.2	+18.2%	31.9	• Japan: Sales increased solidly year on year as the switching from other drugs progressed steadily, despite the significant drug price revision implemented in 2024*. • Overseas: Sales increased in all regions. Fell short of export forecast for the full year due to inventory adjustments. • We provide a convenient treatment option for patients who wish to avoid steroids.
	Export:	11.3	-18.1%	9.2	
	Overseas local:	200mCHF	+28%	-	
PiaSky	Domestic:	6.9	+165.4%	8.3	• Japan: The product successfully penetrates the market, gaining favorable evaluation in medical facilities due to the convenience of subcutaneous administration and reduced hospital time. • Overseas: Market introduction is progressing in EU. We aim to penetrate markets in various countries worldwide. • We provide an improved convenience and a broad range of treatment opportunities for patients including C5 gene polymorphisms.
	Export:	-	-%	-	
	Overseas local:	8mCHF	+700%	-	

'Export' in the table includes Taiwan local sales in the Chugai territory.
'Overseas local' refers to overseas local sales by Roche, and Year on Year (%) is on a constant exchange rate basis.
Y on Y: year on year, NSCLC: non-small cell lung cancer
* Market expansion re-pricing in April 2024 (-25.0%)

[Hemlibra] Domestic Hemophilia A Patient Share Trends

Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
35.3%	36.2%	37.0%	37.7%	38.2%

51

The last page is just for your reference. We have attached details regarding the status of our five Chugai originated global products. That concludes my presentation. Thank you for your attention.

Question & Answer

Hashiguchi [Q]: This is Hashiguchi from Daiwa Securities. My first question is about your export plan for Hemlibra for the current fiscal year.

For the previous fiscal year, I understand that sales grew by double digits on a yen basis and also increased on a foreign currency basis. For the current fiscal year, I assume that it might be negative on a foreign currency basis. Could you explain how you expect the sales volume and unit price to change compared to last year?

Regarding the sales volume, I would appreciate it if you could break it down and explain the outlook for end-user sales and the changes in inventory levels at Roche, if possible.

Taniguchi [A]: For 2026, as you mentioned, we do expect positive growth overall. However, at this time, we are not disclosing a breakdown of the components—namely unit price, volume, and foreign exchange.

Regarding the general trend of Roche's local sales, they stated at the JP Morgan conference that they are forecasting low single-digit growth. Accordingly, we will respond by steadily replenishing their inventory through our exports.

We have arrived at the Hemlibra export figure in our current guidance by taking all of these factors into comprehensive consideration. I hope that answers your question.

Hashiguchi [Q]: The second question, in Dr. Okuda's presentation, auto-injector filing for Hemlibra has been mentioned several times. I believe that this is a very important formulation in terms of competitiveness. When do you expect this to become available? Is it very close? Do you still have some issues that needs to be resolved before that can take place? I would like to know more about the progress of this product.

Kusano [A]: Mr. Hashiguchi, thank you for your question regarding the Hemlibra auto-injector (AI). The development of the Hemlibra AI is currently progressing smoothly. While we cannot disclose the specific timing, we are working diligently to deliver the highly convenient Hemlibra AI to patients as soon as possible.

Yokoyama [Q]: Yokoyama from Nikkei Medical. Giredestrant is what I'll ask about. Many companies are developing oral SERD drugs, but how do you look at the differentiation from competitors? Inavolisib is going to be a set with it, and that will be significant in breast cancer, but there is no schedule for filing for inavolisib. How do you see this?

Kusano [A]: Thank you very much for your question on giredestrant, Yokoyama-san. In comparison with other SERD products, as I said in the slide, in the in vitro study, giredestrant, compared to other oral SERDs, stronger antiproliferative effects were shown.

In the evERA study, giredestrant and everolimus combination therapy, compared to the conventional standard of care, PFS was statistically significant in both *ESR1* positive patients and *ESR1* nonmutant patients.

Regardless of *ESR1* mutation, efficacy was proven as an oral SERD. Patients previously treated with CDK inhibitors, the segment subject to the study, tends to have a bad prognosis. So there are high hopes.

Giredestrant and everolimus' combination therapy, if you look at this, they are both oral drugs. There's no injection required. There is a high convenience and two different signal pathways can be inhibited simultaneously. Compared to monotherapy, there is a higher antitumor effect expected.

Also, in the adjuvant therapy study, compared to standard of care endocrine therapy, primary endpoint was achieved at the interim analysis. For early breast cancer, as a new endocrine therapy, this is the first one in the last 20 years to show benefit. There's a high hope that this could become an adjuvant standard of care. More than 70% of early breast cancer is the target for this study. We are hoping that giredestrant can contribute to many patients.

As for inavolisib, there is one study with a combination with inavolisib by Roche. At the moment, the combination of giredestrant and inavolisib, there's no plan for study with that. But with the results from lidERA and evERA, we'll work with Roche on the strategy.

Yokoyama [Q]: That's not my question. *ESR1* mutation can be covered now, but we also need to cover *PI3K* mutation. There are already such treatments overseas, but Japan has not participated in the study, so Phase I/II study will be done in Japan, and there will be a bridging study. It is ideal that inavolisib and oral SERD is both available, but when do you plan to file inavolisib?

Kusano [A]: As for inavolisib, as you said, Phase I study is now underway, and there will be bridging with overseas study data to file for approval. But at this moment, I'm sorry, but we're not in a position to disclose that timing.

Yokoyama [Q]: I have one more question. What you filed for yesterday, the MRD positive bladder cancer, for all comers, nivolumab can be used and durvalumab has data in the pre operative and post operative settings. Compared to other products, what will be the superiority of this drug? I'm not sure who this is addressed to.

Kusano [A]: Thank you for your question on Tecentriq adjuvant therapy in muscular invasive bladder cancer. PFS and OS, the primary and secondary endpoint, there was a statistically significant benefit that was proven. Also, with the ctDNA monitoring, we can identify patients that can benefit from atezolizumab. There could be avoidance of overtreatment, or personalized medicines can be done with the ctDNA monitoring approach. If the patients with lower risk can avoid overtreatment, that will be the benefit.

Yokoyama [Q]: Thank you.

Wakao [Q]: Wakao with JPMorgan. The first of my questions is related to the royalty, other than coming from Roche, and other royalty from other than Roche is for orforglipron and NEMLUVIO sales, or increase thereof, I believe. Am I right?

If that is the case, orforglipron has not been approved yet. I would like to know how you are incorporating that. We also expect the sales to grow considerably. I would like to have your comment on this.

Taniguchi [A]: This is Taniguchi speaking. Thank you, Wakao-san. Other revenue from other than Roche, yes, it is expanding in 2026. You are absolutely right in your understanding. The vast majority comes from those two products. Other operating income, in general terms, this is like a milestone payment.

As for the content, this is not disclosed. Including what we are filing today, we have introduced several assumptions and have reflected in what we are saying. But we do not disclose in detail.

Wakao [Q]: I would like you to tell us about how you incorporate the orforglipron. I think because the product is not out there, you must be exercising conservatism?. Is this understanding correct?

Taniguchi [A]: Yes, for anything that is uncertain, our basic thinking is to make sure that we will use reasonable assumptions conservatively.

Wakao [Q]: Second question is about the 45% dividend payout ratio. You mentioned that the operating profit in the mid- to long term will lead to a greater profit, and you are focused more on ROE. This means that at some point in the future, you will raise the payout ratio. There are no reasons for you not to. Are you discussing this internally, of raising the payout ratio to above 45%, and if you have decided no, why?

Taniguchi[A]: Thank you, Wakao-san for that question. We have provided last year at this time, our capital allocation policies, and we wanted to target 45% stably. Dividend payment included is based on that. For the time being, we have no plans of revising or reviewing this. I'm sure you understand that.

Now, the question is, will we ever consider revisiting? Are we not going to revise this ever? We cannot say anything definitive at this point in time. We'll be looking objectively at our situation, as well as our financial position.

Now, ROE, yes, we are looking at our cost of capital, and we have disclosed this. We consider it to be about 7%, which means that our ROE is well above that. It's not that we are going to make an active adjustment of the capital. We don't think that we are at the situation where we need to boost our ROE today. In any case, we should continue to maintain and try to strive for an improvement of capital efficiency.

Muraoka [Q]: I am Muraoka from Morgan Stanley. My question is also addressed to Taniguchi-san for the forecast or guidance, for a more detailed way of interpretation.

I'm looking at the sales forecast by product on page 7 of the supplementary materials. The "Overseas Others" category shows a significant increase of 17.6 billion yen. I assume this is almost entirely from exports of NEMLUVIO. If that's the case, looking at the approximately 30 billion yen increase in non-Roche royalty income, I would infer by working backwards that the contribution from Orforglipron is considerably larger than that from NEMLUVIO. Is this a valid assumption?

Taniguchi [A]: Thank you very much for your question. For the breakdown of royalties for the portions that are not from Roche, those two that you mentioned is overwhelmingly important. That's what I can tell you. But as for the allocation between these two, at the moment, we cannot answer that question.

This is because orforglipron, in particular, has not yet been launched, and determining factors like its launch timing is a very complex matter. Therefore, we would prefer to remain silent on the specific allocation for now.

Regarding exports, it is true that exports of NEMLUVIO were recorded in the previous fiscal year, and we have incorporated the expectation of continued growth this fiscal year into our guidance. I hope that answers your question.

Muraoka [Q]: Just to confirm, of the 32.6 billion yen in "Overseas Others," which is a year-on-year increase of 17.6 billion yen, a significant portion of that is from NEMLUVIO, correct?

Taniguchi [A]: Yes, that is a correct way to think about it.

Muraoka [Q]: Thank you. I have one more question, also regarding the breakdown on page 7. It concerns the "Specialty - Others" sales within domestic product sales. The forecast is 33.3 billion yen, a year-on-year increase of about 12 billion yen. Tamiflu is not expected to grow. So, my question is about what is embedded in this figure.

Earlier, it was mentioned that the premise for the P&L is an increase in the product cost of goods sold (COGS) ratio. This led me to speculate that a product with a high COGS ratio is included. In other words, I guessed that this might include something you plan to sell in the future that is not currently on your pipeline chart. Is this interpretation incorrect?

Taniguchi [A]: Thank you. First, regarding the COGS ratio, it is indeed projected to increase from fiscal 2025. There are various factors behind this, but if we look at it from a domestic versus overseas perspective, our domestic COGS ratio is overwhelmingly higher. The COGS ratio is tied to manufactured products. While overseas sales will decrease by 3.4 billion yen, domestic sales will increase by over 20 billion yen. Therefore, I can confirm that the increased proportion of domestic sales is what is driving up the overall COGS ratio.

As for the breakdown of "Others," the details are non-disclosed. You mentioned Tamiflu, and while there are various factors, please understand that within the "Others" category, there is a product not named here that is expected to grow this year. I hope that is clear.

Muraoka [Q]: So, just to be clear, does the growth in "Domestic - Others"—that roughly 33 billion yen—include something different from what is on your pipeline chart or the list of planned and submitted applications on page 29 of the presentation?

Taniguchi [A]: No, I don't believe that's the case. I think it includes items from within that list as well.

Muraoka [Q]: But the four products currently under application are all oncology drugs.

Hidaka [A]: Mr. Muraoka, this is Hidaka, in charge of sales. As you've pointed out, while there is still considerable uncertainty, we have factored in the gene therapy Elevidys to a certain extent. I believe that should clarify the situation for you. We have included a certain amount, but I must refrain from providing further details. I hope that is acceptable.

Miyata [M]: Next from Citigroup, Yamaguchi.

Yamaguchi [Q]: My question is about the pipeline, or rather, the mid-term plan update mentioned at the beginning of the presentation, where it was stated that the annual "blockbuster production efficiency" increased from 0.3 to 0.6 products. I fully understand that you are aiming for one per year, but based on your internal assessment of the current pipeline—while acknowledging the various risks—have you reached a point where you can aim for one per year, or are you still a little short? Could you share your outlook on how this 0.6 figure might evolve during the 2026-2030 period? That is my first question.

Okuda [A]: Yes, this is Okuda. Thank you for your question, Mr. Yamaguchi. Regarding this slide, if we look back, in the 2000s, the rate was 0.1 products per year—in other words, one product in ten years. In the 2010s, this rate roughly tripled. Then, in the five years since our TOP I 2030 plan began, we have successfully launched

three products. You used the term "blockbuster," Mr. Yamaguchi, but what this metric actually refers to is the successful development and launch of our own original global products.

Until now, we have achieved these launches centered primarily on antibodies, plus small molecules. Our strategy for the second half of TOP I 2030, from 2026 to 2030, is to increase this rate even further.

Furthermore, the slide mentions "mid-size molecules." As these projects progress from the white stage to the purple stage, their success will drive even more growth from 2031 onwards. Please understand that this puts us in a position where it becomes possible to achieve, or at least aim for, the global launch of one or even more products per year.

Yamaguchi [Q]: So, it seems the increase will largely come from the addition of new modalities, such as mid-size molecules. Is that the right way to think about it?

Okuda [A]: Yes, that's right. We are balancing antibodies, small molecules, and mid-size molecules. And after that, as noted here, will come "new modalities." As we explained in the initial part of our TOP I 2030 strategy, we are pursuing a multi-modality strategy, and we are moving forward by increasing the number of modalities.

Yamaguchi [Q]: Understood, thank you. One more question regarding Giredestrant. You've provided a lot of information, and expectations are quite high. Have you disclosed the peak sales forecast for this product yet?

Kusano [A]: Thank you for the question, Mr. Yamaguchi. We have not disclosed that information for Giredestrant.

Yamaguchi [Q]: In that case, what would be the approximate Total Addressable Market (TAM) in Japan? Or perhaps I should say, the target market. I believe the current market, in terms of patient numbers, is quite large. If you could share which segment of the market you are targeting, that would be helpful. If not, perhaps you could let me know later. What do you think?

Kusano [A]: Yes, we will look into that and get back to you.

Yamaguchi [M]: Okay, thank you. That's all from me.

Ren [Q]*: The first question I would like to ask is about your CapEx. You commented on the Araris partnership for ADCs, right? My understanding is that the CapEx can be very intensive for ADCs. In fact, one of your peer companies recently announced a very large CapEx project for their ADCs.

I just wanted to see how are you thinking about the CapEx related to the ADC drugs? Are you building the production capacity internally? Are you using CDMOs? Are you using facilities from Roche? Is this included in your CapEx budget for 2026? That's my first question.

Kusano [A]: Thank you very much for your question, Mr. Tony Ren. As for the CapEx, for the current status, Araris and CHUGAI PHARMACEUTICAL are now engaged in joint research. We haven't discussed the CapEx. We just engaged in joint research.

Taniguchi [A]: Therefore, as for 2026 in the CapEx budget, this is not included.

Ren [Q]*: My second question is on the development of your GYM329 emugrobart in obesity, The GYMINDA Phase II trial of emugrobart in obesity. If we look at the clinicaltrial.gov, it is the primary completion is August 2026. Can you confirm that you will be releasing Phase II results roughly around that time as well?

Kusano [A]: Phase II trial of GYM329 in obesity. Thank you very much for your question on that. At the outset, as I said in the presentation, the result of the clinical study is going to be released by the end of this fiscal year.

Ren [Q]*: Very clear. Thank you very much.

Seki [Q]: I'm Seki with UBS. We congratulate you on an excellent performance. In other revenue, this royalty or milestone includes some items that are outside of Chugai's control. For example, if revenue were to underperform, what options or levers do you have to achieve the target of core operating profit of JPY670 billion? Or, as Mr. Taniguchi mentioned earlier, have you already conservatively factored in such uncertainties, meaning we don't need to be concerned about that possibility?

Taniguchi [A]: Thank you very much, Seki-san. I am Taniguchi. The latter. We have exercised conservatism. But if it is so unexpected happen, we cannot negate the possibility that something will happen outside this. How this will be absorbed within the entire portfolio? This is something that we will be communicating to you in the quarterly earnings call. We will keep you appraised or updated within the profit planning. We intend to provide you with updates on our overall earnings forecast on an ongoing basis. I hope that is clear.

Seki [Q]: Thank you. My second question is regarding the biological Proof of Concept (PoC) for DONQ52; I'd like to ask for some clarification on this. What exactly does this entail? For example, given that this is a Phase Ic trial, did you collect samples like PBMCs—peripheral blood mononuclear cells—and examine the T-cell response? Could you please provide a little more detail?

Kusano[A]: Thank you very much for that question about the DONQ52. We are conducting a Phase Ic study. This is a challenge trial where we administer DONQ52 to patients with stable celiac disease, followed by a three-day wheat challenge. This challenge is intended to induce a gluten-dependent immune response. The purpose of this study is to verify whether DONQ52 can suppress this gluten-dependent immune response.

In this study, in addition to pharmacokinetics, we'll be looking at pharmacological action. T-cell activation suppression due to gluten ingestion is also looked into, as well as other biomarkers.

Seki [Q]: Thank you. What were the results of that three-day challenge trial?

Kusano [A]: We are currently in the process of analyzing the data. We will announce the results when they are ready for public disclosure.

Wada [Q]: Wada from SMBC Nikko Securities. I'd like to also ask about DONQ52. The licensing out schedule, how do you look at that schedule and development? As you saw, Phase II study is going to be initiated. As I heard, this is going to be licensed out to other companies. I think that is the main strategy. Maybe it would be the Phase II timing that you're going to do that. Phase II is going to be performed by your own company, on your own. What will be the timing of Phase II as you see it?

Kusano[A]: Wada-san, thank you very much for your question on DONQ52. For licensing out strategy and timing of individual products, we cannot answer those questions. But the Phase II study that we announced, Chugai will conduct Phase II study.

Wada [Q]: Just for clarification. In the Roche pipeline, this is in Phase I. You're not aligned with Roche on this particular product. Is that correct?

Kusano[A]: Probably, this is not described in Roche material or pipeline. We don't have the information that they have introduced DONQ52.

Miyata[A]: To add to this, while Chugai's projects are listed as 'CHU' in Roche's materials, this doesn't indicate that they have been out-licensed. The notation is likely a bit different.

Wada [Q]: My question is also regarding the topic on page 15, "TOP I 2030," which Mr. Yamaguchi also asked about—specifically, the goal of launching one global product per year. I would like to ask about your perspective and strategy for R&D expenses. The number of global product launches per year doubled from 0.3 between 2011 and 2020 to 0.6 for the period of 2021 to 2025. I can understand this, as your R&D expenses have also doubled, from approximately 80 billion yen around 2015 to about 160 billion yen as of 2023. Following that logic, to achieve the goal of launching one global product per year by 2030, I would assume that you need to increase R&D expenses by about 1.5 times from 2025 onwards. On that point, I would like to ask if you have any sort of breakdown or specific plan for your R&D expense strategy to achieve this "one launch per year" goal. Could you please comment on that?

Okuda [A]: First, I, Okuda, will provide an answer, and then our CFO, Taniguchi, will comment on the future outlook for R&D expenses. To address your question of whether R&D expenses and the number of product launches are directly correlated, the answer is not necessarily. The number of launches is a function of several factors. While R&D spending is one of them, project cycle time—in other words, development speed—and the probability of success also have a significant impact. There is a time lag between R&D spending and global product launches, so we believe a simple correlation cannot be easily observed. As a core principle of our research, we are committed to creating products of extremely high quality. This has always been our approach. We create molecules with a very high probability of success, and in Phase III development, we have historically maintained a remarkably high success rate of 100% for the initial indication. We are advancing our drug discovery and development while maintaining, and even further strengthening, this "quality-centric" principle. Therefore, please understand that R&D expenses and the number of launches are not necessarily strongly correlated. However, on the other hand, R&D expenses, including human resources, are an extremely important resource for driving our research. To that end, we have increased our R&D spending as much as possible, in line with our revenue. Regarding the future outlook, I will now have our CFO provide some supplementary comments.

Taniguchi [A]: First, regarding the year 2026, it is true that there is a 5.5% increase planned from 2025.However, as Dr. Okuda just mentioned, our company places great importance on improving productivity. In R&D, we intend to significantly increase efficiency through various means, including the future utilization of AI and the refinement of our Go/No-Go decision-making process. Therefore, we do not assume that R&D expenses will continue to climb steeply in the manner you suggested. Furthermore, we do not have a specific target or benchmark for R&D expenses as a percentage of sales. That said, it is possible that in reality, development costs will increase as projects advance. Even in such cases, we will strive to achieve maximum results by carefully managing and controlling those costs, while always keeping efficiency and productivity in mind. I hope that answers your question.

Miyata [M]: Next, we will take a question from Ms. Sogi of Sanford C. Bernstein. Please go ahead.

Sogi [Q]: Thank you. I would like to ask two questions about Hemlibra. The first is regarding overseas sales. For 2026, you are assuming the yen will weaken, with the Swiss franc appreciating by about 6%. Considering this, if we were to assume a flat exchange rate, it seems your plan implies a decrease in Hemlibra's overseas sales.

Regarding this, I believe you have mentioned in the past that as Roche's sales of Hemlibra increase in international markets, the unit price decreases. Is it possible that even with an overall increase in volume, the

impact of the declining unit price is greater, leading to a situation where the actual export value decreases despite the volume sold increasing? Could such a scenario occur?

Taniguchi [A]: Thank you, Ms. Sogi. This is Taniguchi. Your question is about the breakdown of the Hemlibra forecast for the current fiscal year. As you mentioned, the main factors are the unit price, volume, and exchange rates. However, I must decline to provide specific details on that breakdown here.

That said, as you can see from our assumptions, there is certainly a positive impact from foreign exchange. So, the question is what the picture looks like excluding that effect, which comes down to the combination of unit price and volume.

The unit price—the export price—is determined based on the weighted average unit price in the market from the previous year. The export unit price is set while taking that market price into account to some extent.

On the other hand, volume is updated each period. We have seen significant volume growth in emerging markets and globally in the past, and we expect volume to continue to grow considerably going forward. It is a combination of this unit price and volume. So, I can tell you that structurally, such a situation is possible. I hope that helps you understand the structure.

Sogi [Q]: Understood. Thank you. I have one more question about Hemlibra. It's regarding the auto-injector. What kind of upside does your company anticipate from launching this auto-injector? Hemlibra's market penetration is already quite high, so what is your assumption about the types of patients you can capture with the auto-injector who are not currently being reached? I would appreciate it if you could share your thinking for Japan, as well as Roche's perspective.

Okuda [A]: I, Okuda, will answer that. We are diligently developing the Hemlibra auto-injector with the aim of significantly improving patient convenience. Of course, we do anticipate an increase in uptake from new patients once the auto-injector becomes available. However, it's also important to understand that there is a significant defensive aspect to this. There is a possibility that a competitor, Mim8, which is currently in development, will be launched with a highly convenient device.

Sogi [M]: I see. Thank you very much.

Ueda [Q]: Ueda from Goldman Sachs Securities. The first question is about the US partnering office that has been launched. At the moment, in the previous activities, what were the challenges that you faced to trigger this? What kind of effects are you expecting out of this initiative?

Okuda [A]: Thank you for the question. Well, as for US partnering office, this is located in South San Francisco in the West Coast, and it just started operation. Including Silicon Valley, there are many bio ventures and universities in the area. Of course, we can keep communication from Japan, but by physically locating in the area, we will have closer communication with bio ventures and academia and venture capitals, so that we can achieve open innovation to increase drug discovery capabilities. That's why we've decided to locate our office in West Coast or South San Francisco.

Ahead of this, there is a corporate venture capital that was established in 2023 in Boston. It's been already two years since the start of the operation. We went into venture communities, and from venture companies or start-up companies, there was a lot of information that we received. As the technologies matures, we could have a joint collaboration with those, and there is a link there as well.

But it's not just in the US, but in Singapore, there is a similar function. There's also a partnering function in London and Chugai headquarters in Tokyo. By establishing a global partnering network, we are hoping to increase our drug discovery capabilities. That's our intention.

Ueda [M]: I think we run out of time. I'd like to leave here. Thank you.

[END]

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