Supplementary Materials for ESG Related Information

(February 26, 2026)

CHUGAI PHARMACEUTICAL

A member of the Roche group

Environment

1. Climate Change Countermeasures (Support to external organizations)
   Chugai participates in “the Carbon Neutral Action Plan for 2050” set by the Federation of Pharmaceutical Manufacturers’ Association of Japan and contributes to this commitment through our activities in the Japan Pharmaceutical Manufacturers Association.

2. Evaluation of Water Risk
   Since all manufacturing plants owned by the Chugai group are located in Japan, the risk of water supply is considered to be lower than other countries. However, we have evaluated floods caused by abnormal weather conditions and conducted countermeasures such as securing multiple procurement routes and dispersing storage of products.

3. Monitoring of Water Consumed and Wastewater
   Since the risk of water supply is considered to be low, monitoring is only conducted for the volume of water consumption and drainage.
   https://www.chugai-pharm.co.jp/english/csr/environment/pollution_control.html

4. Environmental Reporting – Coverage
   Coverage of environmental reporting is 100% from FY2023. The changes in the group companies included in the report are as follows: Major business operation is implemented in Japan. Within domestic Chugai group, Chugai Pharmaceutical Co., Ltd., which operates full functions excluding manufacture, and Chugai Pharma Manufacturing Co., Ltd., which is responsible for manufacture, have the largest and substantial impacts in light of environmental aspects. In addition, performance data of CPR (Chugai Pharmabody Research Pte. Ltd.) was included from FY2018 and these of CPTT (Chugai Pharma Technology Taizhou Co. Ltd.) was included from FY2019. Other Overseas Group Companies, which are CPE (Chugai Pharma Europe Ltd.), CPUK (Chugai Pharma U.K. Ltd.), CPF (Chugai Pharma France SAS), CPEL (Chugai Pharma Europe Logistics S.A.S.), CPG (Chugai Pharma Germany Gmbh), CPUSA (Chugai Pharma USA Inc.), CPCC (Chugai Pharma China Co., Ltd.), and CPT (Chugai Pharma Taiwan Ltd.), were included from FY2023.

5. Environmental Violations (DJSI 2.1.3)

	FY2021	FY2022	FY2023	FY2024
Number of significant* violations of legal obligations/ regulations	0	0	0	0
Amount of fines/ penalties related to theabove. Currency: USD	0	0	0	0
Environmental liabilityaccruedat yearend. Currency: USD	0	0	0	0

*By "significant" fines or penalties, we mean the fine/penalty individually costs more than $10,000 USD (or equivalent when converted from local currency).

6. Environmental Policy, Energy Management Programs (DJSI 2.1.1, 2.2.1)

< EHS Promoting Activities System >

The Chugai Group has established an integrated management system for environmental protection, health and safety, and has promoted EHS activities effectively. Effectiveness is enhanced through the PDCA cycle of identifying risks and opportunities, prioritizing, and formulating, implementing and evaluating action plans under the EHS Promoting Activities System led by the Board of Directors.

<Oversight System by Board of Directors for Environmental Risks and Opportunities>

We have introduced a Corporate Officer System to accelerate business execution and clarify executive responsibilities, separating the decision-making function for the most important management matters from the business execution function. The organization responsible for the former is the Board of Directors. The latter is made by Executive Officers, to whom the Board of Directors has delegated authority to execute business operations. Decisions concerning business operations other than the most important business matters determined by the Board of Directors are made by the Executive Committee. The Board of Directors therefore has the function to make decisions on the most important management matters, including environmental issues. It receives periodic reports on the status of business execution on a quarterly basis and reports on important decisions made at management meetings and oversees business execution. The Executive Committee makes important decisions regarding company-wide management strategies and business operations related to sustainability, including environmental issues. In this system, all members of the Executive Committee are involved in and committed to executive responsibilities. Formulating strategies for more specific and specialized matters and supervising their promotion are undertaken by Corporate Management Committees, such as the EHS Committee (held twice a year) and the Risk Management Committee (held four times a year), as subordinate organizations of the Executive Committee. Issues related to the promotion of EHS (Environment, Health and Safety) are discussed by the EHS Committee on Environment, Health and Safety (EHS). The EHS Committee then presents these issues to the Executive Committee and reports to the Board of Directors. In regard to the management of EHS risks, the Risk Management Committee identifies risks that affect the entire company, including EHS, and devises measures and submits these to the Executive Committee and the Board of Directors. This Promotion framework was as of December 2023.

https://www.chugai-pharm.co.jp/english/sustainability/environment/system.html

<Climate change Countermeasures>

The Chugai Group will create and promote new environmental measures in collaboration with business partners and academia to reduce greenhouse gas emissions and achieve more efficient energy use, with challenging goals based on international agreements and so forth.

https://www.chugai-pharm.co.jp/english/sustainability/environment/climate/index.html

More detailed examples of climate change countermeasures are described in the following websites: Eco-Conservation at Chugai Life Science Park Yokohama
https://www.chugai-pharm.co.jp/english/sustainability/environment/climate/lsp.html

<Energy audits to identify opportunities for improving energy performance>
We are improving energy performance with the data and evidence in the following processes based on our Mid-Term Environmental Goals 2030.

Step 1: Activity Policy and Progress Management System
・To formulate action policies for each material issues and KPI
・To discuss activity plans and progress at the Sustainability Committee
・To discuss important issues at the Executive Committee and reported to the Board of Directors.

Step 2: Continuous Improvement Cycle (PDCA cycle)
・To formulate annual detailed activity targets and plans
・To implement and execute the environmental activities
・To evaluate the results of environmental performance
・To apply and incorporate for updating plan and actions in next year

<Evaluation of progress in reducing energy consumption>
The EHS Committee discussed the introduction of an off-site PPA to achieve a stable supply of sustainable energy and address the increased costs associated with the electrification of fossil fuel facilities, and the introduction of a new heat pump using natural refrigerants as an energy efficiency improvement measure. These power plans and new equipment proposals were approved by the Executive Committee and reported to the Board of Directors.

<Investments in innovation or research and development to decrease energy consumption>
The concept for Chugai Life Science Park Yokohama is “Green Innovation Village - State-of-the-art creative research laboratories scattered in the green.” It has state-of-the-art equipment, and takes steps to conserve energy and even harness energy through the use of natural energy, reducing CO_2 emissions. Its sustainable facility design aims for environmental coexistence.

Climate change countermeasures: For Chugai Pharmaceutical, climate change countermeasures are of utmost importance. We have set a goal of reducing CO_2 emissions to zero by 2050, in line with the 1.5° C target. At Chugai Life Science Park Yokohama, we are promoting energy consumption reductions and sustainable electricity adoption. We will also convert our use of freon, a gas which has a significant global warming impact, to using natural refrigerants instead.

Achieving both a pleasant interior and energy efficiency: For the offices at Chugai Life

Science Park Yokohama, natural lighting, interior lighting and air conditioning are controlled using the latest information and communications technology. Illumination and air conditioning efficiently focus on areas where people are present, and lights are turned off and air conditioning air flow is reduced automatically in unoccupied areas. In addition, window blinds are automatically controlled according to the amount of sunlight, making active use of daylight.

Installation of solar power generation equipment: Photovoltaic panels are installed on office building roofs. The generated electricity is transmitted to offices for lighting and air conditioning, helping to reduce electricity demand and CO2 emissions.

Installation of energy monitoring equipment: An energy monitoring system to collect data on power usage and heating and cooling for all buildings will be installed to manage energy usage and plan energy conservation measures.

Procurement of sustainable electricity: Since January 2023, we purchase of CO_2 -free sustainable electricity, using hydroelectric power generation to reduce overall CO2 emissions.

websites: Eco-Conservation at Chugai Life Science Park Yokohama
https://www.chugai-pharm.co.jp/english/sustainability/environment/climate/lsp.html

<Energy efficiency training provided to employees>

As part of cooperation and practice in energy conservation measures, we implemented the Cool Biz and Warm Biz, company-wide energy conservation measures by seasonal room temperature management. When the announcement of the Cool Biz and Warm Biz are released for all employees, Primary power-saving measures inside and outside the office are also announced for notice and education about energy saving.

7. Environmental Management Systems Verification (DJSI 2.1.2)

The coverage of the verification is calculated based on the ratio of greenhouse gas (GHG) emissions from business activities at the target sites to the consolidated total GHG emissions.

Certification / Audit / Verification	Site	GHG emissions	coverage
EMS is verified through international standards (e.g. ISO 14001, JIS Q 14001, EMAS certification).	Ukima Fujieda Plant Utsunomiya Plant	40928	76
Third party certification / audit / verification by specialized companies.	LSP Yokohama Head office and Branches Overseas group Companies	0	0
✓Internal certification / audit / verification by company's own specialists from headquarters.	LSP Yokohama Head office and Branches Overseas group Companies	12967	24
Total		53895	100

8. Waste Management Programs (DJSI 2.3.1)

<Waste audits to identify opportunities for improving waste performance>

We are improving waste performance with the data and evidence in the following processes based on our Mid-Term Environmental Goals 2030.

Step 1: Activity Policy and Progress Management System

・To formulate action policies for each material issues and KPI

・To discuss activity plans and progress at the Sustainability Committee

・To discuss important issues at the Executive Committee and reported to the Board of Directors.

Step 2: Continuous Improvement Cycle (PDCA cycle)

・To formulate annua detailed activity targets and plans

・To implement and execute the environmental activities

・To evaluate the results of environmental performance

・To apply and incorporate for updating plan and actions in next year

As one specific example, in 2023, emissions were also expected to increase due to the closure and relocation of the Kamakura Research Laboratories and the Fuji Gotemba Research Laboratories. To effectively utilize resources, however, we controlled the increase in emissions by actively reusing research equipment as valuable materials (190,725 kg in total; 108,325 kg at Kamakura Research Laboratories, 82,400 kg at Fuji Gotemba Research Laboratories) and recycling plastics, metals, and other materials.

<Action plans to reduce waste generation>

While advancing appropriate waste treatment, we will make efforts to reduce waste, such as reviewing waste discharge processes. One example is initiatives to reduce plastic waste. As part of investment in innovation to minimize waste, we disclose initiatives to introduce eco-friendly plastics for packaging materials.
https://www.chugai-pharm.co.jp/english/sustainability/environment/resource/package.html

<Quantified targets to minimize waste>

The Chugai Group regards global environmental preservation as an important foundation that underpins all of its business activities, and has set challenging mid-term environmental goals 2030, based on the global environmental consensus, for the three issues identified as material: climate change countermeasures, use of renewable/recycled resources, and protection of biodiversity, and is actively addressing them. KPIs for Quantified targets to minimize waste are Industrial waste reduction and Plastic waste reduction.
https://www.chugai-pharm.co.jp/english/sustainability/environment/action.html

<Investment in innovation or R&D to minimize waste>

We are working on innovation and R & D investment to reduce waste. For example: Computerization of work records in smart factory initiatives leads to reduction of paper use
https://www.chugai-pharm.co.jp/english/innovation/digital/platform_value_chains.html

<Waste reduction training provided to employees>

Waste countermeasure meetings (every year) in which people in charge from each site participate are held to discuss past performance, future policies, and proposed countermeasures. The contents are educated and communicated to employees. Waste guidelines have been in place since 2025. Specifically, the order of priority in reducing activities to promote reuse and recycling of resources is shown based on the confirmation of detailed categories and definitions of waste (prevention of generation > prevention of generation > reuse > recycling > incineration). Effective efforts to reduce environmental burden, reduce costs, apply laws and regulations, and realize a sustainable society are educated and communicated to employees.

In particular, employees are actively educated on material recycling. Specifically, the domestic laws in Japan require heat recovery and avoidance of landfill disposal when waste, which is treated as material recycling, is reused as fuel or when slag obtained by burning incinerated ash is used as artificial sand or roadbed materials.

And, we disclose that we are working on education and training to train Associate Auditors who play a central role in environmental conservation activities.
https://www.chugai-pharm.co.jp/english/sustainability/environment/communication.html

<Integration of recycling programs to reduce the waste sent to landfill>

In 2023, a recycling survey was conducted at the Ukima Plant. The processing method (Presence or absence of intermediate treatment/incineration, presence or absence of heat recovery at the time of intermediate treatment/incineration, products after intermediate treatment/final treatment) at final disposal contractors including intermediate disposal contractors is being investigated. Examples of intermediate processing products include incinerated ash, dehydrated sludge, and crushed metal. In addition, the products after final treatment, such as molten slag metal waste, are reused in construction and civil engineering materials, roadbed materials, painting materials, etc. In 2025, inspections were conducted at all plants and laboratories in Japan.

<Waste diversion from landfill is certified by an independent accredited body>

We do not receive certification from any external organization for our waste diversion from landfill, but the waste recycling ratio, which is the basis for assessment, is 99.1%, and is at a level sufficient to achieve certification. In addition, the amount of waste generated and the amount of recycling, which form the basis of the values, are subjected to third-party assurance. For this reason, we have judged that there is an effort equivalent to the option "Waste diversion from landfill is certified by an independent accredited body," and therefore we tick the applicable option.

https://www.chugai-pharm.co.jp/english/sustainability/data/policy.html

9. Water Efficiency Management Programs (DJSI 2.4.1)

<Actions to reduce water consumption>

< Water use assessment to identify opportunities for water efficiency improvements >

We are assessing water usage and improving water efficiency with the data and evidence in the following processes based on our Mid-Term Environmental Goals 2030.

Step 1: Activity Policy and Progress Management System

・To formulate action policies for each material issues and KPI

・To discuss activity plans and progress at the Sustainability Committee

・To discuss important issues at the Executive Committee and reported to the Board of Directors.

Step 2: Continuous Improvement Cycle (PDCA cycle)

・To formulate annual detailed activity targets and plans

・To implement and execute the environmental activities

・To evaluate the results of environmental performance

・To apply and incorporate for updating plan and actions in next year

<Actions to reduce water consumption>

At the Yokohama Research Institute, rainwater is utilized to reduce environmental impact. City water that is normally used consumes energy and undergoes various treatment processes to improve water quality. By using rainwater as an alternative to city water, it is possible to reduce the consumption of city water that has undergone water quality improvement using a large amount of energy, thereby contributing to environmental impact reduction.

<Actions to improve wastewater quality>

Below are screenshots of the CDP website pages regarding improvement of wastewater quality where responses for CDP2024, 5.11.9water can be found. In addition, we also explained about WET test as our water-related targets in 9.15.2 (Row 2)

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :Stakeholders in the river basin

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Incentivize collaborative sustainable water management in river basins

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Less than 1%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

From the standpoint of protecting biodiversity, in 2013 we began conducting WET (Whole effluent toxicity) tests to verify the impact on local ecosystems of wastewater discharge from our plants and research laboratories, not only to fulfill regulatory wastewater standards, but to gain a comprehensive understanding and assess the impact of chemical substances contained in that wastewater. In 2023, we again conducted a once-yearly WET test at all of our plants and research laboratories, and confirmed that no problems were found. By disclosing the results, we can help people understand that our business activities do not have a negative impact on local communities and maintain good relationships with local communities. In addition, with the cooperation of a local NPO, in 2023, employees and their families carried out vegetation thinning work in Kawane Honcho (Shizuoka Prefecture), the watershed for the Fujieda Plant, as part of activities to preserve production site water sources begun in 2019. Additionally, since 2022, we have expanded our activities to Chichibu-gun, Saitama Prefecture, the watershed for the Ukima Plant, where employees and their families carried out vegetation thinning work under the guidance of a local agriculture and forestry corporation in 2023. We not only hope to minimize the impact our production activities have on the global environment but contribute to preserving the abundant water resources that we share with residents living near these watersheds.

(5.11.9.6) Effect of engagement and measures of success

All sites carry out WET tests once a year at the sites in Japan after confirming there were little seasonal fluctuation. WET tests were conducted once a year at domestic plants and research laboratories. The target concentration is TU of 10 or less in the algae growth inhibition test, the daphnia reproduction test, and the fish acute toxicity test. TU is expressed as a percentage of the reciprocal of NOEC (No Objective Effect Concentration), and TU10 is an index which is said to be likely to affect aquatic organisms in domestic Class 1 rivers. As a result of the 2023 WET test, the TUs of the effluent from all factories and laboratories, excluding the eastern discharge from the Yokohama Research Laboratories, were below 10. Namely, for the algae growth inhibition test at the eastern discharge point of the Yokohama Research Institute, TU was 20, while for the other tests at the other discharge points (2 drainage points), the TU was 2.5. Regarding the results of the algae growth inhibition test at the eastern discharge point, it was decided to monitor the progress. At the Fujieda Factory (1 discharge point), Ukima Factory (3 discharge points), and Utsunomiya Factory (2 discharge points), TUs were 2.5 for all test items. The target value of water source conservation activities for production sites is the coverage rate of the target production sites. In 2023, we planned 3 sites, In 2023, we planned 3 sites, Fujieda, Ukima and Yokohama sites, and the coverage rate was 100%.

<Application of water recycling>

Manufacturing water blow-down water is returned to the industrial water tank and reused as industrial water in Bio Drug Substance Manufacturing Building “UK3” in Ukima site.

[Overview of UK3]

1. Location: 5-5-1 Ukima, Kita-ku, Tokyo
2. Target of production: Commercial products/Investigational drugs (Large-to -medium-scale)
3. Completion of construction: January 2019

<Awareness training provided to employees on water efficiency management programs>

At the Fujieda Plant, a poster titled "Do Not Drain Out Too Much Water" was posted in the hand-washing area on the site to encourage employees to reduce the amount of water they use on a daily basis and to increase their awareness of water conservation.

10. Biodiversity (DJSI 2.6)

Biodiversity Risk Assessment (DJSI 2.6.1)

Process Description

＜**Integrated into multi-disciplinary company-wide risk management processes**＞

Page: 4 Operational risk management

Division Risk Compliance Management Committees create and quantitatively evaluate risk maps that identify the risks in the business activities of their respective divisions. If Nature-related risks are judged to be the risks to be prioritized, to address priority risks, which are division risk issues, the Division Risk Management Committees draw up annual response plans and submit reports as needed on the progress of the plans to the Risk Management Committee. The Chugai Group considers protection of the global environment to be an important foundation supporting all of its business activities. The progress of countermeasures against Nature-related risks is periodically reported from the departments in charge to the Executive Committee and the Board of Directors once a year, in addition, important matters are reported as needed.

https://www.chugai-pharm.co.jp/english/sustainability/governance/riskmanagement.html

＜**Adjacent areas to own operations**＞

IBAT was also used to assess risk for adjacent locations (Landscapes, seascapes and watersheds important to biodiversity within 0-2 km of the site).

Biodiversity Commitment (DJSI 2.6.2)

＜**Definition of biodiversity-related targets for priority areas to work towards no net loss**＞

The Ministry of the Environment (Japan) recognized this initiative and certified the green space at Chugai Life Science Park Yokohama as a Natural Symbiosis Site in the latter half of FY 2024. “Natural Symbiosis Site” is a designation by the Ministry of the Environment for areas where private initiatives promote biodiversity conservation with the aim of achieving nature positivity. The Ministry of the Environment started this system in 2023 to achieve the 30by30 Goal, which the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) adopted as a global target in December 2022. With the exception of areas that overlap with protected areas, accredited areas are registered in the international database as “OECM (Other Effective area-based Conservation Measures).”

https://www.chugai-pharm.co.jp/english/sustainability/activity/detail/20250416130000_153.html

Water Conservation Activities

Implementation of WET Testing

From the perspective of biodiversity conservation, the Chugai Group began conducting WET testing in 2013 to verify the impact on local ecosystems of wastewater discharge from its business sites, not only to ensure that wastewater standards are met by law, but also to comprehensively understand and evaluate the impact of chemical substances contained in the wastewater. In 2024, all plants and laboratories conducted annual WET tests and confirmed that there were no problems.
https://www.chugai-pharm.co.jp/english/sustainability/environment/biodiversity.html

Water Source Conservation Activities

Water is not only one of the essential raw materials in pharmaceutical manufacturing, but also an irreplaceable resource necessary for a sustainable society. The Chugai Group is committed to reducing water usage and managing wastewater, while also engaging in water source conservation through forest maintenance activities at our production sites. These efforts are aimed at minimizing the environmental impact of our manufacturing activities and contributing to the protection of shared water resources for communities within the watershed. As part of these efforts, we have been conducting continuous forest maintenance in Kawanehon Town, Haibara District, Shizuoka Prefecture, since 2019 - this is the water source area for our Fujieda Plant. Since 2022, we have also been engaged in similar activities in Yokoze Town, Chichibu District, Saitama Prefecture, the water source for our Ukima Plant. In 2024, Chugai Group employees and their families participated in shrub[*5] removal in September and thinning operations in November in Kawanehon Town. In Yokoze Town, we concluded the Saitama Forest Creation Agreement in 2023 with Saitama Prefecture and the Saitama Prefectural Public Corporation for Agriculture and Forestry, and conducted thinning based on this agreement. Furthermore, starting in 2024, we signed an agreement with the Yokohama City Waterworks Bureau, where our Chugai Life Science Park Yokohama is located, and have joined the W-eco・p (Water Source Eco Project). Through these initiatives, we aim to minimize the environmental impact of our production activities while contributing to the conservation of abundant water resources shared with local communities. Our goal is not only to minimize the impact of our production activities on the global environment, but also to contribute to the conservation of abundant water resources together with the people living in the watershed. We will continue to implement the practice of using water carefully, cleaning it and returning it to nature in our business activities, and will also continue our efforts to maintain the forests that nurture water.
https://www.chugai-pharm.co.jp/english/sustainability/environment/biodiversity.html
https://www.chugai-pharm.co.jp/english/sustainability/activity/detail/20250130130000_144.html

＜Conducting a biodiversity risk assessment＞

"Disclosures based on the TNFD recommendations" In Jun, 2025, the Chugai group announced its support for the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)

and registered it as a TNFD Adopter. On the basis of TNFD recommendation, we have evaluated the dependence and impact of our business activities on nature.

＜Engagement with stakeholders on biodiversity＞

We acquire supplier's commitment to the preservation of biodiversity as Supplier Code of Conduct (SCC). Refer to SCC and Environment items in Appendix.

<Handling of the active pharmaceutical ingredient (API) and environmental impact assessment (DJSI 2.7.2)>

Active pharmaceutical ingredients (APIs) are released into the environment through manufacturing processes, excretion after proper use, and disposal of pharmaceuticals. These active ingredients (including their metabolites when administered to humans) may potentially impact ecosystems due to their physiological effects and physicochemical and biological properties. At our facilities, we basically collect all waste generated during the manufacturing process of APIs and entrust their treatment to waste disposal companies, thereby preventing the release of these active ingredients into the environment.

Environmental impact assessments of APIs are appropriately conducted in accordance with guidelines from each country. For new pharmaceutical candidate substances aimed at pharmaceutical approval applications and already marketed APIs, our company will sequentially evaluate their impact on aquatic organisms and publish the results in Safety Data Sheets (SDS).

11. Climate Strategy (DJSI 2.5)

Climate Governance (DJSI 2.5.4)

Reference for Board Oversight

CDP 2024_4.1

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

(2) Composition of the Board of Directors The Board of Directors is to consist of persons with diverse knowledge, experience and skills, and it must be ensured that the Board as a whole has the necessary expertise and skills and is of appropriate diversity, including in terms of gender, international experience, work experience and age, and size. (4.11; 4.11.1) In addition, the Board of Directors will establish and disclose independence standards (Attachment 2) aimed at ensuring effective independence of independent directors, taking into consideration the independence criteria set by the Tokyo Stock Exchange, and appoint one-third of the directors or more as independent outside directors. (4.8; 4.9)

(4.1.6) Attach the policy (optional)

eBasicCorporateGovernancePolicy.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

Emissions Reduction Targets(DJSI 2.5.12)

CDP2024_(7.5.31)

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

CHUG-JAP-001-OFF Certificate.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

47271

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

65508

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

112779.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

98

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2025

(7.53.1.55) Targeted reduction from base year (%)

40

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

67667.400

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

47329

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

50787.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

137.42

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers Energy Source Scope 1 and Scope 2 for the entire consolidated group, excluding Non-Energy Source Scope 1. In the base year, non-energy source Scope 1 emissions were 818 tons, 1.7% of the total 48089 tons in Scope 1, and that is only 0.7% compared with the base year total 113,597 tons in Scope 12.

(7.53.1.83) Target objective

To address the global social issue of climate change, we will look further ahead and actively contribute to solving social issues by setting and implementing a long-term goal of zero CO2 emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

With the completion of the new Chugai Life Science Park Yokohama and the consolidation of its research laboratories, promotion of reduced and more efficient use of energy, and a shift to the use of sustainable electricity, the Chugai Group aims to bring its use of sustainable electricity to 100% by 2025. Because this will also require a reduction in direct CO2 emissions (Scope 1) from fuel consumption, Chugai is also considering the conversion of existing facilities, facility consolidation/elimination and redesigns. Furthermore, we have set a long-term goal of zero CO2 emissions to be achieved by 2050. We will implement long-term and

large-scale climate change measures to achieve our goals. Scope 1 and Scope 2 emissions from energy consumption decreased by 55% from the base year level to 50,787 tons. In terms of Scope 2 emissions, in 2021 factories and research laboratories that consume a lot of electricity started to switch to sustainable electricity provided by electric power companies, and by utilizing Non-Fossil Fuel Certificates at our head office and branches, we have achieved 100% sustainable electricity use across the entire Group in Japan. Overseas business sites are also promoting the use of sustainable electricity, and the Chugai Group as a whole is expected to achieve a sustainable electricity ratio of 100% as stated in its Mid-term Environmental Target 2030. In order to achieve our Mid-term Environmental Target 2030, we also need to reduce direct CO2 emissions from fuel use (Scope 1), so we are considering conversion of existing facilities as well as facility consolidation and redesign.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 2

(7.53.1.1) Target reference number

Select from:
☑ Abs 7

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:
☑ Well-below 2°C aligned

(7.53.1.5) Date target was set

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply
☑ Scope 3, Category 15 – Investments
☑ Scope 3, Category 2 – Capital goods
☑ Scope 3, Category 6 – Business travel
☑ Scope 3, Category 7 – Employee commuting
☑ Scope 3, Category 1 – Purchased goods and services
☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 12 – End-of-life treatment of sold products
☑ Scope 3, Category 4 – Upstream transportation and distribution
☑ Scope 3, Category 9 – Downstream transportation and distribution
☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

833110.0

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

69472

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

21341.0

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

6202.0

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

599.0

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

4876.0

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

2298.0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

27418.0

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

336.0

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

63.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

965715.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

965715.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100.0

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100.0

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100.0

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100.0

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base

year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100.0

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100.0

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100.0

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100.0

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100.0

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100.0

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100.0

250

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

30

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

676000.500

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

990121

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

79339

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

21608

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

9397

251

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

229

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3915

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

2348

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

29808

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

172

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

32

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1136969.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1136969.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-59.11

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

All categories related to Chugai's business activities are aggregated. There are no business activities that fall under categories 8,10, 11, 13, and 14 that are excluded. Therefore, the Scope 3 target covers 100% of the total Scope 3 emissions. Categorie8:We do not have any leased asset. Categorie10:Sold products will not be processed, because they are medicines. Categorie11:CO2 will not be generated by use of sold product, because they are medicines. Categorie13:We do not have any leased asset. Categorie14:We do not operate any franchise.

(7.53.1.83) Target objective

We believe that it is important to take action to reduce CO2 emissions throughout the supply chain in order to realize a sustainable society. To this end, we have set a CO2 emissions reduction target of 30% by 2030, and we will encourage suppliers who have not set CO2 emission reduction targets to set and promote them.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Scope 3 emissions were 1,136,969 tons, 1.2 times the base year. In Category 1 (Purchased goods and services), there was a 41% reduction compared to the previous year, due to a decrease in the amount of goods and services purchased and a reduction in CO2 emissions by suppliers. In addition, in Category 2 (Capital goods), there was a significant increase in 2022 with the completion of the Chugai Life Science Park Yokohama, but this increase was reduced in 2023, resulting in an 84% decrease from the previous year. We believe that it is important to take action to reduce CO2 emissions throughout the supply chain in order to realize a sustainable society, and we will strive to achieve the goal of reducing CO2 emissions by 30% compared to the base year by 2030. In order to reduce the emission of Category 1, which accounts for 80% in Scope 3 emission, we will promote emission reduction by engagement of emission reduction with top 10 companies, which account for 80% of the transaction amount among the business partners in Category 1. We have requested and agreed to the Chugai Group Supplier Code of Conduct (SCC) for new suppliers. In SCC, it is stated that suppliers are environmentally responsible and operate in an efficient manner to minimize adverse environmental impacts, including climate change. Suppliers are also encouraged to conserve natural resources, avoid the use of harmful substances as much as

possible, and engage in reuse and recycling activities. In other categories, we actively promote emissions reductions, although the effect in Scope 3 is limited. Setting a Scope 3 reduction target of 30% in by 2030 compared to 2019, this target is well below his 2C.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 3

(7.53.1.1) Target reference number

Select from:
☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Market-based

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

47271.0

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

65508.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

112779.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

98.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

47329

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3458

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

50787.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

54.97

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers Energy Source Scope 1 and Scope 2 for the entire consolidated group, excluding Non-Energy Source Scope 1. In the base year, non-energy source Scope 1 emissions were 818 tons, 1.7% of the total 48089 tons in Scope 1, and that is only 0.7% compared with the base year total 113,597 tons in Scope 12.

(7.53.1.83) Target objective

To address the global social issue of climate change, we will look further ahead and actively contribute to solving social issues by setting and implementing a long-term goal of zero CO2 emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

With the completion of the new Chugai Life Science Park Yokohama and the consolidation of its research laboratories, promotion of reduced and more efficient use of energy, and a shift to the use of sustainable electricity, the Chugai Group aims to bring its use of sustainable electricity to 100% by 2025. Because this will also require a reduction in direct CO2 emissions (Scope 1) from fuel consumption, Chugai is also considering the conversion of existing facilities, facility consolidation/elimination and redesigns. Furthermore, we have set a long-term goal of zero CO2 emissions to be achieved by 2050. We will implement long-term and large-scale climate change measures to achieve our goals. Scope 1 and Scope 2 emissions from energy consumption decreased by 55% from the base year level to 50,787 tons. In terms of Scope 2 emissions, in 2021 factories and research laboratories that consume a lot of electricity started to switch to sustainable electricity

provided by electric power companies, and by utilizing Non-Fossil Fuel Certificates at our head office and branches, we have achieved 100% sustainable electricity use across the entire Group in Japan. Overseas business sites are also promoting the use of sustainable electricity, and the Chugai Group as a whole is expected to achieve a sustainable electricity ratio of 100% as stated in its Mid-term Environmental Target 2030. In order to achieve our Mid-term Environmental Target 2030, we also need to reduce direct CO2 emissions from fuel use (Scope 1), so we are considering conversion of existing facilities as well as facility consolidation and redesign.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 4

(7.53.1.1) Target reference number

Select from:
☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Market-based

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

47271.0

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

65508.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

112779.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

98.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

75

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

28194.750

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

47329

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3458

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

50787.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

73.29

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers Energy Source Scope 1 and Scope 2 for the entire consolidated group, excluding Non-Energy Source Scope 1. In the base year, non-energy source Scope 1 emissions were 818 tons, 1.7% of the total 48089 tons in Scope 1, and that is only 0.7% compared with the base year total 113,597 tons in Scope 12.

(7.53.1.83) Target objective

To address the global social issue of climate change, we will look further ahead and actively contribute to solving social issues by setting and implementing a long-term goal of zero CO2 emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

With the completion of the new Chugai Life Science Park Yokohama and the consolidation of its research laboratories, promotion of reduced and more efficient use of energy, and a shift to the use of sustainable electricity, the Chugai Group aims to bring its use of sustainable electricity to 100% by 2025. Because this will also require a reduction in direct CO2 emissions (Scope 1) from fuel consumption, Chugai is also considering the conversion of existing facilities, facility consolidation/elimination and redesigns. Furthermore, we have set a long-term goal of zero CO2 emissions to be achieved by 2050. We will implement long-term and

large-scale climate change measures to achieve our goals. Scope 1 and Scope 2 emissions from energy consumption decreased by 55% from the base year level to 50,787 tons. In terms of Scope 2 emissions, in 2021 factories and research laboratories that consume a lot of electricity started to switch to sustainable electricity provided by electric power companies, and by utilizing Non-Fossil Fuel Certificates at our head office and branches, we have achieved 100% sustainable electricity use across the entire Group in Japan. Overseas business sites are also promoting the use of sustainable electricity, and the Chugai Group as a whole is expected to achieve a sustainable electricity ratio of 100% as stated in its Mid-term Environmental Target 2030. In order to achieve our Mid-term Environmental Target 2030, we also need to reduce direct CO2 emissions from fuel use (Scope 1), so we are considering conversion of existing facilities as well as facility consolidation and redesign.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 5

(7.53.1.1) Target reference number

Select from:
☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:
☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

262

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2924.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2924.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2025

263

(7.53.1.55) Targeted reduction from base year (%)

35

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1900.600

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1579

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1579.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

131.42

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The Chugai Group has set mid-term environmental goals, set final years, and contributed to the realization of a sustainable global environment for the three important issues of climate change countermeasures, the use of renewable and recycled resources, and biodiversity conservation. In addition, we have set long-term targets for GHG reduction with 2050 as the final year. The goal of climate change measures is to reduce scope 1 2 GHG emissions by 60-75% by 2030 compared to 2019. As a milestone, we have set a 40% reduction target in 2025. As a method of achieving the target, we have set a target to reduce the total fuel consumption of commercial

vehicles by 35% by 2025. This goal is for all MR vehicles.

(7.53.1.83) Target objective

To address the global social issue of climate change, we will look further ahead and actively contribute to solving social issues by setting and implementing a long-term goal of zero CO2 emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

At the end of 2023, the introduction rate of eco-friendly cars for commercial vehicles was 93%, and the total fuel consumption was 23,021 GJ, a decrease of 45% compared to the base year. Due to the gradual recovery of sales activities, which had been restricted due to the COVID-19 pandemic, it has increased by 4% from 2022. The Group will further strengthen its efforts to introduce eco-friendly vehicles such as hybrid cars and highly fuel-efficient vehicles, and will consider the introduction of electric vehicles and other measures to reduce the total fuel consumption of commercial vehicles by 75% by 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 6

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Market-based

(7.53.1.11) End date of base year

12/30/2019

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

65508.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

65508.000

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2025

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

3458

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

3458.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

94.72

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The scope of analysis includes the entire consolidated group. There is no exclusion.

(7.53.1.83) Target objective

With the completion of the new Chugai Life Science Park Yokohama and the consolidation of its research laboratories, promotion of reduced and more efficient use of energy, and a shift to the use of sustainable electricity, the Chugai Group aims to bring its use of sustainable electricity to 100% by 2025. Because this will also require a reduction in direct CO2 emissions (Scope 1) from fuel consumption, Chugai is also considering the conversion of existing facilities, facility consolidation/elimination and redesigns.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

In terms of Scope 2 emissions, in 2021 factories and research laboratories that consume a lot of electricity started to switch to sustainable electricity provided by electric power companies, and by utilizing Non-Fossil Fuel Certificates at our head office and branches, we have achieved 100% sustainable electricity use across the entire Group in Japan. Overseas business sites are also promoting the use of sustainable electricity, and the Chugai Group as a whole is expected to achieve a sustainable electricity ratio of 100% as stated in its Mid-term Environmental Target 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

268

Row 8

(7.53.1.1) Target reference number

Select from:

☑ Abs 6

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/24/2021

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

(7.53.1.11) End date of base year

12/30/2019

269

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2924.0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2924.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

75

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

731.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1579

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1579.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

61.33

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The Chugai Group has set mid-term environmental goals, set final years, and contributed to the realization of a sustainable global environment for the three important issues of climate change countermeasures, the use of renewable and recycled resources, and biodiversity conservation. In addition, we have set long-term targets for GHG reduction with 2050 as the final year. The goal of climate change measures is to reduce scope 1 2 GHG emissions by 60-75% by 2030 compared to 2019. As a milestone, we have set a 40% reduction target in 2025. As a method of achieving the target, we have set a target to reduce the total fuel consumption of commercial vehicles by 75% by 2030. This goal is for all MR vehicles.

(7.53.1.83) Target objective

To address the global social issue of climate change, we will look further ahead and actively contribute to solving social issues by setting and implementing a long-term goal of zero CO2 emissions by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

At the end of 2023, the introduction rate of eco-friendly cars for commercial vehicles was 93%, and the total fuel consumption was 23,021 GJ, a decrease of 45% compared to the base year. Due to the gradual recovery of sales activities, which had been restricted due to the COVID-19 pandemic, it has increased by 4% from 2022. The Group will further strengthen its efforts to introduce eco-friendly vehicles such as hybrid cars and highly fuel-efficient vehicles, and will consider the

introduction of electric vehicles and other measures to reduce the total fuel consumption of commercial vehicles by 75% by 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No
[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:
☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:
☑ No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

01/24/2021

(7.53.2.6) Target coverage

Select from:
☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

272

Net-Zero Commitment（DJSI2.5.14）

CDP2024_(7.54.3)

(7.54.3) Provide details of your net-zero target(s).

283

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

01/24/2021

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Abs3

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply
☑ Scope 1

284

☑ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The entire Chugai Pharmaceutical Group is included, with no exclusions.

(7.54.3.11) Target objective

Viewing environmental preservation as an important underpinning supporting all business activities, Chugai has unveiled its challenging Mid-Term Environmental Goals 2030, developed based on global environmental consensus. With respect to climate change countermeasures, because a longer-term plan is needed, we have set a goal of zero CO2 emissions (Scope 12) by 2050.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Even after reaching the net zero target, if there are any remaining emissions, we will consider neutralizing this by investing in carbon dioxide storage technologies. Although a specific method has not yet been determined, the Sustainability Committee will fully deliberate the plans, investments, and progress of activities to achieve

this, and will deliberate important matters before the Executive Committee and report them to the Board of Directors for implementation.

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

In April 2023, we concluded the "Saitama Prefecture Forest Creation Agreement"1) with Saitama Prefecture (Motohiro Ono, Governor, Saitama Prefecture) and the Saitama Agriculture & Forestry Corporation (Michio Kowase, Chairman). Under this agreement, on October 9, 2023, employees and their families of the Chugai Pharmaceutical Group thinned trees2) under the direction of Saitama Prefecture and the Saitama Agriculture & Forestry Corporation. As a result of the forest maintenance, the amount of CO2 absorbed was certified by Saitama Prefecture. The amount of certification was 27.4 t-CO2/year on 2.6 hectares.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

As we work toward achieving our mid-term environmental goals, we have implemented an ongoing program of environmental that involve setting yearly action goals or plans for each item based on the mid-term plan, evaluating the results, and reflecting those results in the following year's plan.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

Social

1. Human Rights (DJSI 3.2.1)

- Chugai Group respects and supports the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work and other international norms. - Specifically, the Group respects/prevents labor rights including human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal remuneration, and discrimination, etc. among stakeholders involved in our business activities and throughout the supply chain. Moreover, it respects and protects the human rights of patients and test subjects in compliance with the Ethical Principles for Medical Research Involving Human Subjects (Declaration of Helsinki) in the research and development of pharmaceutical products.
- Furthermore, the Group hereby sets forth Chugai Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights (UNGPs) to promote activities for the respect of human rights. The policy is based on the Chugai Group Mission Statement and promises activities for the further respect of human rights.
- We also seek business partners and suppliers to understand and support this policy, and are promoting efforts to respect human rights. Business partners include healthcare professionals, patient organizations, agents and other intermediaries, and consortia partners, governments, customers, NGO/NPO, and local communities.
- Human rights policies and the identified risks of serious human rights violations are reviewed and evaluated by the Compliance Committee, which is an advisory body to the Executive Committee.
- We have internal and external consultation desk to receive reports from all our employees (including contract employees, temporary employees, part-time employees) regarding human rights issues such as harassment, power harassment, sexual harassment, discrimination, work environment, internal regulations. In addition, we have assigned area counselors to each branch office, plant, and research laboratory to make it easier for consulters to access. When responding, while respecting the wills of the consulters, we conduct fair investigations with confidentiality and resolve problems.
- Based on our corporate culture that "cherishes ourselves and our people", we conduct human right training for all employees once or twice a year, aiming to realize a workplace where each person values his or her own thoughts, recognizes each other's values so that they can fully exercise their abilities, and respects diversity. In 2024, the topic for training was “Chugai Pharmaceutical Group Code of Conduct”, the attendance rate was 100% (excluding employees who cannot take classes due to company-recognized reasons such as maternity leave and childcare leave).

1) Identifying and Addressing Human Rights Risks (DJSI 3.2.2)

- We have established a risk management program designed to systematically identify, assess, mitigate, and properly manage risks in our business activities, and apply human rights violation risk to those programs.
- We have the following key efforts to respect human rights in our business activities, including vulnerable groups such as patients, employees, suppliers and business partners.
- Furthermore, clinical trials and drug-discovery research utilizing human-derived samples and information are executed with the highest regard for human rights.

1)-1 Prohibition of discrimination

We will respect individual dignity and human rights both inside and outside the Company, and will not tolerate any discrimination based on race, ethnic background, gender, sexual orientation, gender identity, age, nationality, national origin, religion, beliefs or ideas, education, disability, illness, social status, family status or birth status.

1)-2 Prohibition of harassment

Sexual harassment, abuse of authority, bullying or any form of harassment not only harms an individual's personality and dignity, but also constitutes an infringement upon the right to work in a comfortable work environment and prevents a person from demonstrating his/her ability fully. We will never tolerate such actions.

1)-3 Respect for basic rights at work

a. Prohibition of Forced Labor and Child Labor

We respect international norms relating to human rights, including prohibition of forced labor and child labor, and comply with labor-related laws and regulations of each country to maintain proper labor standards.

b. Respect for the Rights of Freedom of Association and Collective Bargaining

We will respect the human rights of all people, including the rights of freedom of association and collective bargaining.

Labor Practices Commitment (DJSI 3.1.1)

<Paying a living wage>

Chugai Pharmaceutical Co., Ltd. not only pays wages that exceed the national minimum wage, but also pays wages that exceed market standards through comparison with objective market wage data. Furthermore, we strive to ensure living wages for our employees.

<Avoiding or reducing overtime or excessive working hours>

Chugai Pharmaceutical Co., Ltd., as a life-related company, values employee health and works to maintain and promote employees' health. Japan's Labor Standards Act prohibits, in principle, working more than 8 hours per day and 40 hours per week. Our company complies with the Labor Standards Act and stipulates in our work rules that the prescribed working hours per day are 7 hours and 45 minutes, and defines work exceeding 7 hours and 45 minutes as overtime work, which is subject to overtime pay. We will not only comply with legal regulations regarding working hours but also implement initiatives to reduce working hours for employees whose monthly overtime working hours exceed 45 hours, which we define as 'health management time*'. In addition to setting maximum working hours based on the " Labor-Management Agreement on Overtime and Holiday Work (Article 36 Agreement)" under the Labor Standards Act, we limit non-statutory working hours to 120 hours over a three-month period as an internal rule.
*Health management hours = Total monthly working hours - Monthly statutory working hours

<Setting maximum working hours>
Under Japan's Labor Standards Act, working more than 8 hours per day and 40 hours per week is prohibited in principle. Our company complies with the Labor Standards Act and stipulates in our work rules that the prescribed working hours per day are 7 hours and 45 minutes. Any work exceeding 7 hours and 45 minutes is defined as overtime work and is subject to overtime pay.

<Equal remuneration for men and women>
Chugai Pharmaceutical Co., Ltd. provides equal treatment for men and women and pays equal wages for work of equal value. We publish the ratio of women's average annual wages to men's average annual wages every year for the purpose of promoting DE&I and women's advancement and monitor wage disparities between men and women.

<Paying workers for annual leave>
Chugai Pharmaceutical Co., Ltd. grants employees paid leave that exceeds legal requirements and implements measures to ensure employees can reliably take their paid leave.

<Setting minimum consultation or notice periods before mass terminations>
In the event of employee dismissal, Chugai Pharmaceutical Co., Ltd. will provide at least 30 days' advance notice or pay an amount equivalent to or greater than the average wage for any days short of the required notice period.

Labor Practices Programs (DJSI 3.1.2)

<Ensure adequate wages at or above cost of living estimates or benchmarks>
We ensure that our employees' wages not only exceed the national minimum wage but also verify that our wage levels are above market standards by annually comparing objective market

wage data with our company's wage data. We strive to maintain and secure wage competitiveness in the market while also ensuring living wages for our employees.

<Monitor working hours including overtime management>

We monitor all employees' working hours and review labor hour trends quarterly with the labor union. To prevent negative health impacts from long working hours, we implement measures to mitigate the negative impacts of excessive working hours, such as encouraging employees who exceed certain thresholds to consult with an Occupational Physicians.

<Ensure employees are paid for overtime work>

We implement measures to eliminate unpaid overtime by checking discrepancies between reported working hours and computer login times. When discrepancies may occur, we verify the reasons, and if the discrepancy is due to actual work that was not properly reported, we have employees correct their record on attendance management system accordingly.

<Regularly engage with workers' representatives on working conditions>

Management and workers' representatives regularly discuss employee working conditions. Wage revisions and changes to working conditions are discussed between management and workers' representatives at least once a year.

<Routinely monitor the gender pay gap to achieve equal remuneration for men and women>

We have implemented and operate a human resources system aimed at "enabling everyone to succeed regardless of age or attributes" and "achieving evaluations and compensation based on roles and performance." Compensation is fundamentally equal for men and women, but we recognize that there is a gender pay gap, and current wage differences are due to differences in job duties, grades, and age composition. And we conduct annual monitoring of gender wage disparities. Please refer to Supplementary Materials for ESG Related Information （２）<https://www.chugai-pharm.co.jp/english/ir/esg/pdf/eESG_Supplement_2.pdf>To eliminate these disparities, we focus on actively promoting female managers and supporting career development for women.

<Expand social protection coverage for workers beyond public programs>

Our company has established the "Wellness Club" based on principles of self-reliance and mutual assistance, aimed at ensuring the mental and economic stability of employees and their families and contributing to the development of comprehensive employee welfare. Activities include childcare and nursing care support, congratulatory and condolence payments, accommodation subsidies, workplace event management, and various entertainment ticket arrangements. Specific benefits and subsidies include:

Category	Details
Celebrations	Marriage gifts/Childbirth gifts/School entrance gifts

Non-insurance covered benefits	Private hospital room subsidies/Dental treatment subsidies/Fertility treatment subsidies/Mental health counseling subsidies/Prosthetic device purchase subsidies/Second opinion subsidies
Support payments	Injury and illness support/Nursing care leave support/Disaster relief/Volcanic ash damage relief/Special illness support and long-term illness pension/Sickness allowance and additional benefits/Extended sickness benefits
Bereavement	Condolence money and flowers/Special condolence money or survivor's pension/Travel expenses for attending funerals/Funeral attendance transportation costs/Burial expenses
Social contribution subsidies	Disaster prevention expert certification subsidies/ Nature Conservation Educator subsidies/Pet saver program subsidies
Various loans	Mutual assistance funds/Educational funds/Disaster and medical funds/General funds

<Ensure employees are taking their paid annual leave entitlements>

When April 30th and May 2nd fall on working days during the Golden Week period (April 29th to May 5th), we designate these as company-wide annual paid leave days (planned holidays). Additionally, management and workers' representatives jointly set recommended paid leave days each year to encourage employees to take their annual paid leave.

<Provide training or reskilling to mitigate negative effects of industrial or climate transition changes>

With the recent emergence of disruptive technologies such as generative AI, business transformation is inevitable. If employees cannot master these technologies, they risk not being able to fully utilize their skills. To mitigate these negative effects of industrial change, we have established a company-wide framework to promote the use of generative AI. Through generative AI implementation, we aim to advance our pharmaceutical research and improve productivity across the value chain. To promote generative AI utilization, we provide training such as generative AI utilization seminars for our employees.

Freedom of Association (DJSI 3.1.7)

<FY2024>

% of employees represented by an independent trade union 60.8%

The above data is Chugai Pharmaceutical Co., Ltd. and its domestic affiliated companies base. Chugai group companies have signed collective labor agreements with the independent trade union.

c. Payment of Minimum Wages (DJSI 1.2.15)

We will follow labor laws and pay employees above minimum wages.

Median/Mean Compensation of all Employees & CEO Compensation (DJSI 1.2.15)

<FY2024>

Total annual CEO compensation: 422,370,000JPY
Employee compensation (except CEO): Median: 10,945,807 JPY Mean: 11,163,152 JPY
The ratio between the total annual CEO compensation and the mean or median employee compensation: Ratio (vs Median): 38.58738 Ratio (vs Mean): 37.83609

- Mean Employee Compensation (11,163,152 JPY) is calculated by dividing the total remuneration of "Chugai Pharmaceutical Co., Ltd and Chugai Pharma Manufacturing Co., Ltd." by the total number of employees of "Chugai Pharmaceutical Co., Ltd. (3,624 persons) and Chugai Pharma manufacturing Co., Ltd. (1,111 persons)."

d. Equal Remuneration

We conduct equal pay for equal work. We respect individual dignity and human rights of all the people including women both inside and outside our company, and treat them in a fair and equal manner. We will also ensure equal opportunities in hiring, internal training, and promotion. In addition, we will ensure that there is no unreasonable disparity between permanent and fixed term employees or others.

1)-4 Respect for individual privacy

We will always keep in mind the importance of protecting personal information and will manage all information relating to the privacy of our employees and personal information obtained through business activities in a strict manner.

1)-5 Respect for diversity (DJSI 3.1.4, 3.1.5)

We value employee diversity. We will realize a workplace where all employees can perform at their full potential by creating a free, vigorous and open environment in which members respect each other’s personalities and values, and personal growth and self-realization through work are actively supported.

Workforce Breakdown: Gender (DJSI 3.1.4)

<FY2024 Actual>

Diversity Indicator	Diversity Indicator (consolidated)
Female share of total workforce (%)	37.3%
Females in all management positions, including junior, middle and senior management (as % of total management workforce)	23.5%
Females in junior management positions (%)	24.7%
Females in top management positions (%)	5.0%
Females in management positions in revenue-generating functions(%)	12.6%
Females in STEM-related positions(%)	39.3%

*The above data is in a consolidated base.

< Target for women representation>

Key Performance Indicator	Actual	Target	
	End of FY2024	FY2026	FY2030
Females in all management positions*	17.6%	25%	38%

* as % of female employees in management positions at Chugai and its domestic affiliates.

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.5)

Nationality	Share in total workforce (*1	Share in all management positions (*2
Japanese	98.7%	99.7%
Chinese	0.8%	0.2%
Korean	0.3%	0.1%
Others	0.2%	0.0%

*1:as % of total workforce of Chugai Pharmaceutical Co., Ltd. and Chugai's domestic affiliates.

*2:as % of total management workforce of Chugai Pharmaceutical Co., Ltd. and Chugai's domestic affiliates.

1)-6 Bioethics in R&D

To ensure that research using human-derived test materials, including embryonic stem (ES) cells, induced pluripotent stem (iPS) cells and tissue stem cells, is carried out appropriately, Chugai has established “Ethical Guidelines for Research That Uses Human-Derived Test Material“ and a “Research Ethics Committee.“ More than half of the members of this committee are from outside the Company, enabling fair evaluations from a pluralistic frame of reference. Moreover, we strive to ensure that research is conducted with respect for

human rights by offering guidance to our researchers on the necessary ethical knowledge and standards required when conducting research on human-derived test material, including the Declaration of Helsinki and protection of personal information.

Especially for the stem cells, Chugai has established Rules for the Usage of ES Cells, iPS Cells and Tissue Stem Cells. The purpose of the rules is to ensure that human stem cell research conducted by Chugai conforms to current laws and guidelines.

Ethical aspects are covered by the afore mentioned “Ethical Guidelines for Research That Uses Human-Derived Test Material and “Research Ethics Committee.”

For the discovery, pharmacokinetics and safety research to develop innovative pharmaceuticals, Chugai performs and contracts out research using stem cells. Chugai utilizes iPS cells and somatic stem cells (e.g. hematopoietic and mesenchymal stem cells) derived from “non-fetal” tissues. Fetal “cell lines” such as HEK293 and WI- 38 are also used for the development of therapeutic proteins. In addition, Chugai participates in external studies that use human stem cells. These studies involve the use of iPS cells and somatic stem cells derived from “non-fetal” tissues.

However, neither human embryonic stem cells nor human fetal tissues are used for the research being performed or contracted out by Chugai. Chugai does not offer any technologies or products specifically on stem cells that isolates or regulates its growth and proliferation.

2) Human Rights Due Diligence Process (DJSI 3.2.2)

We carry out human rights due diligence on a regular basis based on “Chugai Group Human Rights Statement” and in accordance with the following procedure.

Step 1

Identifying significant human rights risk

1） Assess the overall picture in terms of severity and probability of the risks

- Collect external data
- Questionnaire and interviews
- Assess internal data

2） Considering changes in the external environment, changes in the scope of the Chugai Pharmaceutical Group's business, etc., consider the necessity of changing important human rights issues and each human rights theme included in important human rights issues in about three to five years.

Step 2

Monitoring of initiatives and implementation status for important human rights issues

- Survey on important human rights issues through questionnaires, interviews, etc. Promptly report the investigation results to the Executive Officer in Charge of Risk & Compliance Department.
- Based on the investigation results, if it is determined that there is a risk (including potential risks) of serious human rights violations, it shall be reported to the Risk and Compliance Committee. Seek instructions on any necessary prevention, mitigation or corrective measures.

Step 3

Correspondent to the issues in accordance with the Risk and Compliance Committee.

Step 4

- DisclosureChugai Pharmaceutical Official Website
- Annual report
- Supplemental Materials for ESG Related Information
- Other

Step 5

Records management

< Priority human rights issues>

1) Patient safety

   Considering that we are creating pharmaceutical products that directly affect the human body, we must continue our effort to prevent negative effects from occurring, by viewing patient safety as a human rights issue that must be given the highest priority.

2) Personal information and privacy

   The expansion of activities including "global clinical trials/clinical research" will require clinical trials to be conducted in various countries and regions, and compliance with the regulations in each country and region will be required. We use new personal and privacy information including genetic information to create innovative pharmaceutical products and it is necessary to continuously protect personal and privacy information.

3) Human rights in the supply chain

   We evaluate how our suppliers address ethics, labor (including child labor, forced labor, and other human rights issues), health and safety, and the environment in the course of their business, based on the principles of PSCI* (Pharmaceutical Supply Chain Initiatives). In addition, suppliers provide written consent to adhere to the Chugai Pharmaceutical Group Supplier Code of Conduct (SCC). In 2022, we have established a reporting and consultation center for external partners.

4) Human rights of employees in the workplace

Human rights themes in the workplace are wide-ranging, including freedom of association rights, collective bargaining, child labor, forced labor, employment/labor conditions, discrimination, and harassment. We respect the fundamental rights of workers as well as the diversity of our employees. We offer harassment consultation via the following centers and services.

5) Access to healthcare

We think that this is likely to be an area that involves not only "respect for human rights" but also "promotion of human rights." The main issues are as follows.

Stable supply of medicine in emergencies

- ✓ Including pandemics, floods and earthquake disasters.
- ✓ Maintaining and guaranteeing supply when product supply plans are affected by accidents or problems at outsourcing partners or other pharmaceutical manufacturers.

Improving Global Health Initiatives

- ✓ Access to medicines and health infrastructure in developing countries.

Improvement of Healthcare Access

- ✓ Access to clinical trials (e.g., regional differences in access to advanced medical care)
- ✓ Access for vulnerable individuals and regions (e.g., patients in rural areas, remote islands, elderly living alone)

Access to health care information

- ✓ Including the expansion of the provision of additional information for the benefit of patients, in accordance with applicable rules.

＜Target country / regions＞

We carry out human rights due diligence for the human rights in the countries / regions to which we sell and operate, and the rights of patients and healthcare professionals who are our consumers all over the world.

＜Countries / regions＞

Japan, China, South Korea, Taiwan, USA, UK, Germany, France, Singapore

<Actual or potential human rights issues covered/identified >

We carry out human rights due diligence not only within the company but also for our entire value chain, including our business partners and customers, from the following perspectives.

Patient safety, protection of personal information and privacy, human rights of employees in our company and supply chain (discrimination, harassment, child labor, forced labor, human

trafficking, freedom of association, the right to collective bargaining, wage, equal remuneration, labor hours, corruption, health & safety, environment, etc.), access to healthcare.

< Groups at risk of human rights issues covered/identified >
Own employees, Women, Children, Migrant workers, Third-party employee, Local communities, Patients, Patient's family, Healthcare professionals, Study subjects in clinical trials
* The process of risk identification in new business relations including mergers, acquisitions, joint ventures etc. is under investigation.

3) Risk assessment for internal human rights (DJSI 3.2.4)

- We conduct the all-employee survey concerning awareness of human rights every three years in order to establish workplaces where co-workers value each other based on an organizational climate of respect for self and others. In 2024, we conducted a survey on employees' awareness of human rights, including the workplace environment, and conducted a survey on compliance officers at each workplace. There were no issues requiring corrective action with regard to words and behavior that constituted discrimination, prejudice or harassment.
- We have established a point of contact that allows all employees (including contract and temporary employees) to seek consultation on matters concerning the Code of Conduct, including respect for human rights, and to report violations and suspected violations of the Code of Conduct. Issues reported are investigated impartially and with strict confidentiality to find a solution while respecting the opinion of the person who made the report or consultation. Company rules prohibit retaliation or any other disadvantageous treatment of employees who seek consultation or make reports.

Status of handling in Japan in FY 2024 was as follows.

- Number of consultations and reports: 96
- Details of consultations and reports: power harassment, sexual harassment, discrimination, work environment, internal regulations, other
- Handling status: Of the consultation and reports that are received, cases that are determined to require investigation are properly investigated and cases for which a violation is found are handled appropriately.

Five cases occurred internally in FY 2024 that fell under harassment, which was conducted remediation action as a disciplinary action.

4) Risk assessment for Supplier Human Rights (DJSI 3.2.4)

- Regarding human rights violation risk of suppliers, we incorporate human rights violation risk into the Supplier Code of Conduct created based on PSCI principles, conduct supplier human rights violation risk assessment, and ask for implementation of corrective action plans for findings.
- For more information on how to perform risk assessment for supplier human rights violations, see the “Supply Chain Management” section.

<The result of supply chain risk assessment for Human Rights in 2024>

The number of sites assessed	14
The number of sites with findings related to Human Rights	6
The number of sites with mitigation plans	6

<Numbers of findings given after the supply chain risk assessment for human rights in 2024 and the percentages of the mitigation actions implemented by issue of human rights>

As a result of the supplier EHS/compliance risk assessment in 2024, there were no suppliers were classified as "sustainability high-risk". In addition, there were no human rights violations requiring remediation actions in 2024.

Issues	Findings in 2022	Findings in 2023	Findings in 2024	Mitigation actions*
Discrimination	4	0	0	NA
Harassment	0	0	0	NA
Child labor	0	0	0	NA
Forced labor	0	1	0	NA
Human trafficking	0	0	0	NA
Freedom of association	0	0	0	NA
The right to collective bargaining	0	0	0	NA
Wage	0	0	0	NA
Equal remuneration	0	0	0	NA
Labor hours	0	0	1**	NA
Corruption	0	0	1**	NA
health & safety	105	57	99***	100%
environment	37	34	57***	100%
Others	3	5	4**	NA

* These mitigation actions are in progress.

** The mitigation plan has not been executed before the contract.

***The reason why the number of findings related Safety and Health is that there are many questions related Safety and Health in the PSCI SAQ. The findings, which are relatively numerous, are as follows; exposure controls, maintenance of protective equipment, control of hazardous chemicals.

5) Engagement

In October 2022, Chugai participated for the third consecutive year in the international Business and Human Rights Conference in Tokyo, an event in its ninth year which is sponsored by the Caux Round Table Japan, where we engaged in individual dialogue with overseas experts. We received some opinions and pieces of advice on practical approaches for companies to further assess the risks before conducting the human rights due diligence to suppliers. The advice includes the methodologies and its processes on how to identify the salient human rights issues based on the results of the direct engagement between rights-holders and Chugai.

6) Human Rights Assessment (DJSI 3.2.3)

Chugai conducted an assessment of potential human rights issues across its business activities in the past three years.

Category	% of total assessed in last three years (A)	% of total assessed (column A) where risks have been identified (B)	% of risk (column B) with mitigation actions taken (C)
Own Operations (including Joint Ventures where the company has management control) the basis for reporting (denominator): as a % of FTEs	100% .	3.6%	100%
Contractors and Tier I Suppliers (as a % of contractors or Tier I Suppliers)	30%	8.2%	100%
Joint ventures (including stakes above 10%) (as a % of joint ventures) ✓ We do not have any joint ventures.	-	-	-

2. Training & Development Inputs（DJSI 3.3.1）

<FY2024>

Average hours per FTE of training and development	10.0(hours)
Average amount spent per FTE on training and development.	53,059(JP-Yen)

The above data is Chugai Pharmaceutical Co., Ltd. and Chugai Pharma Manufacturing Co., Ltd.

3. Human Capital Return on Investment（DJSI 3.3.3）

	FY2021	FY2022	FY2023	FY2024
a) Total Revenue	999,759,000,000	1,259,726,000,000	1,111,367,000,000	1,170,611,000,000
b) Total Operating Expenses	239,715,000,000	250,386,000,000	258,887,000,000	289,199,000,000
c) Total employee-related expenses (salaries + benefits)	105,652,000,000	110,067,000,000	119,301,000,000	116,172,000,000
Resulting HC ROI (a - (b-c)) / c	8.19384	10.17023	8.14562	8.58713

4. Hiring（DJSI3.3.4）

	FY2021	FY2022	FY2023	FY2024
Total number of new employee hires	295	294	387	395
Percentage of open positions filled by internal candidates (internal hires)	100.0%	97.7%	98.9%	96.7%

The above data is Chugai Pharmaceutical Co., Ltd. and Chugai Pharma Manufacturing Co., Ltd.

5. Type of Performance Appraisal (DJSI3.3.8)

Management by objectives:

We conduct evaluations based on the management by objective (MBO) system. The MBO evaluation system is designed to clarify the evaluation criteria by setting two levels of goals: “Commit” (minimum level to be achieved) and “Target” (stretched level), to enhance the evaluators' understanding of the evaluation and to support challenges.

Furthermore, in Chugai, our standards which is expected as our human capital are defined, and it is the way of thinking and the competency of individual. They are also based and used for the individual performance appraisal to measure as to how individual achieved to the own objectives which is designed by the “Commit & Target”. For further details, the competency standards consist of three decision principles as well as the four action principles. The decision criteria measure not only customer-oriented perspective, global thinking, and being trusted by our internal and external stakeholders but also compliance whereas the action principles assess the strategic thinking, influencing and good collaboration, pursuing outcomes, and developing human capital.

The evaluation period is one year. The evaluation is conducted at the end of the year, based on the goals set at the beginning of the year. In addition, a "Quarterly Review" is conducted every quarter to check the progress of performance and the demonstration

of competencies between supervisors and subordinates. We expect that the “Quarterly Review” will improve the transparency and acceptability of evaluations, improve communication between supervisors and subordinates, and provide an opportunity for human resource development.

Multidimensional performance appraisal (e.g. 360 degree feedback):

We conducts a "360 degree feedback evaluation" with some targets for the purpose of recognizing and developing leaders. In our company's “360 degree feedback evaluation, ” persons in various positions such as the superior or peer of the person to be evaluated evaluate the management skills of the person to be evaluated from multiple perspectives. “360 degree” feedback provides a good opportunity for a leader to reflect on his or her own management style.

Team-based performance appraisal:

We translate company goals into divisional goals, and then translate divisional goals into Team goals. Finally, we incorporate these goals into the goals of each individual employee. It should be noted that leaders who run teams are measured not only in the achievement of their individual objectives but also in the achievement of their team objectives. The frequency of the assessments will be done annually at the end of the period.

Agile conversations:

We conduct "Quarterly Review" between supervisors and subordinates to discuss the progress of work and the status of competency demonstration. In addition, we have implemented "Check in" (1 on 1)to support the growth of subordinates and promote stronger dialogue between supervisors and subordinates, and we recommend that "Check in" be conducted at least once a month. The "Check-in" is not only a short-term check of work performance, but also an opportunity for dialogue to support the growth of subordinates and the realization of their future careers, to align the company's vision with their work, and to check on their physical and mental condition. We value the growth of our employees through regular communication and feedback between supervisors and subordinates.

6. Employee Turnover Rate（DJSI 3.3.5） (%)

	FY2021	FY2022	FY2023	FY2024
Full time staff total turnover rates	2.762	3.193	3.314	3.015
Full time staff voluntary turnover rates	1.389	1.939	1.831	1.500

The total employee turnover rate and the voluntary employee turnover rate for the total of Chugai Pharmaceutical Co., Ltd. and Chugai Pharma Manufacturing Co., Ltd.

7. Trend of Employee Wellbeing (DJSI 3.3.9)

	Unit	FY2021	FY2022	FY2023	FY2024
Employee Engagement Overall	% of actively engaged employees	Not conducted	75%	Not conducted	75%
Female			71%		75%
Male			76%		74%
Data Coverage	% of total employees		89%		94%

<Survey Methodology>

- Chugai regularly conducts employee awareness surveys for all employees once every two years. Employee engagement surveys were not conducted in 2021 and 2023. The results after FY2019 show the percentage of “Favorable” responses to engagement questions, which are “Clear & Promising Direction,” “Confidence in Leaders,” “Quality & Customer focus,” “Respect & Recognition,” “Development Opportunities” and “Pay & Benefits.”
- 6 point scale: "Strongly Agree," "Agree," "Neither Agree nor Disagree," "Disagree," "Strongly Disagree" and "Don't know/Not applicable." Within these 6 point scales, 5-point response options are organized into 3 groups, “Favorable” (Strongly Agree, Agree) / “Neutral” (Neither Agree nor Disagree) / “Unfavorable” (Disagree, Strongly Disagree).

8. Employee Support Programs (DJSI 3.3.7)

Flexible working hours:

The working hours are defined by monthly basis, but employees are free to decide on the starting/finishing times and working hours on a day-to-day basis. (We do not set a time band that employees must work in a day)

Lactation Support & Childcare Facilities/Benefits:

We have registered as a corporate member with Benefit Station which provides various benefits and welfare services. We can offer discount rates on equipment rental costs for breast-feeding and milking, and on child care services to our employees and their families using the membership. We are also affiliated with nursery facilities near our company. Furthermore, we offer subsidies for expenses of baby sitting and non-registered day care facility.

Paid Parental Leave for Primary Caregivers Beyond Minimum Legal Requirements:

Under the Child Care and Family Care Leave Act, employees can take leave until their child reaches one year of age (approximately 52 weeks).

Japan's Labor Standards Act stipulates that prenatal leave begins 6 weeks before the expected delivery date, and postnatal leave lasts for 8 weeks after childbirth. While all female workers have the right to take maternity leave, there is no obligation to provide paid maternity leave. At the Chugai Group, all female employees receive paid maternity leave with compensation equal to their regular salary (14 weeks paid). Additionally, for the first childcare leave after birth, up to 14 days of salary will be paid. Pregnant employees

can also take paid leave for prenatal checkups. In principle, these can be taken once every 4 weeks until the 23rd week of pregnancy, once every 2 weeks from the 24th to 35th week, weekly from the 36th week onward, and on other necessary days as deemed necessary by a physician (totaling 2 weeks).
For mothers: Total of 18 weeks = 14 weeks Maternity leave + 2 weeks Childcare leave + 2 weeks Prenatal checkup leave

Paid Parental Leave for Non-Primary Caregivers Beyond Minimum Legal Requirements:

Under Japan's Child Care and Family Care Leave Act, non-primary caregivers can take paternity leave (commonly referred to as "postnatal paternity leave") for up to 4 weeks (28 days) within 8 weeks after the child's birth. At our company, this paternity leave is paid for up to 14 days though this is not legally required to be paid. Even if paternity leave is not taken, the first 14 days of childcare leave will be paid. Furthermore, the company offers special leave for spouse's childbirth, with up to 2 days of paid leave.
For non-primary caregivers : Total of 2.3 weeks = 2 weeks Paternity leave or 2 weeks Childcare leave + 2 days (0.3 weeks) Spouse childbirth leave

Sport & health initiatives:

Chugai Group has introduced a health support app "& well" for employees to help them maintain and promote self-directed health by becoming aware of their health problems and changing their behavior. The app allows employee to access various health programs from their personal smartphone.
The content covers a wide range of topics, including exercise, sleep, diet, health management, and women's health.
In addition, this app allows employees to participate in events related to themes as described above (ex,Team competition for steps).
If employees use "& well" contents such as self-check and participation in events, they will accumulate " & well points." The accumulated points can be exchanged for prizes, which motivates participation in events, etc.

9. Workforce Diversity Data (MSCI WIN)

	2024	2025
Total number of employees in senior management (managers & above)	1,387	1,457
Number of women in senior management :	277	312
Percentage of women in senior management :	19.97%	21.41%
Number of women directors on board :	2	2

	2024	2025
Total number of directors on board :	8	9
Percentage of women directors on the board :	25.00%	22.22%
Total workforce :	5,026	5,104
Number of women employees in workforce :	1,642	1,694
Percentage of women employees in total workforce :	32.67%	33.19%
Total number of newly hired employees :	284	249
Number of women employees in new hires :	104	88
Percentage of women employees in new hires :	36.62%	35.34%
Average years employed by the company for female employees :	12.8	13.1
Average years employed by the company for male employees :	16.9	16.7
Percentage difference in average employment years for female to male employees :	-24.26%	-21.56%

*Figures above are non-consolidated basis calculated based on the definition in the Company's Yuka Shoken Hokokusho (Securities Report).

10. Number of employees in Japan and other geographical areas (DJSI 1.8.2)

Over 90% of the employees at Chugai Pharmaceutical's overseas Group companies are locally hired.

index		period	FY2020	FY2021	FY2022	FY2023	FY2024
geographical employees	Japan	End of period	6,945	7,047	7,153	6,981	7,157
	Asia		392	407	435	450	455
	Europe		232	226	202	185	176
	America		15	15	20	21	23

11. Policy, Management System, and Activities in Environment, Health and Safety (EHS), Environmental Policy & Commitments, OHS Policy (DJSI 3.4.1), and OHS Programs (DJSI 3.4.2)

Chugai EHS policy, which supports realization of our mission, was approved at January the first in 2017 by Bord of Directors according to our regulation.

The EHS policy comprehensively states our commitment and engagement on stakeholders out of Chugai group in the section "Communication with stakeholders". It includes our efforts

to reduce adverse impacts of such as nose and odor on residents around our facilities and to ensure occupational safety of contractors or individuals working at our facilities, for example.

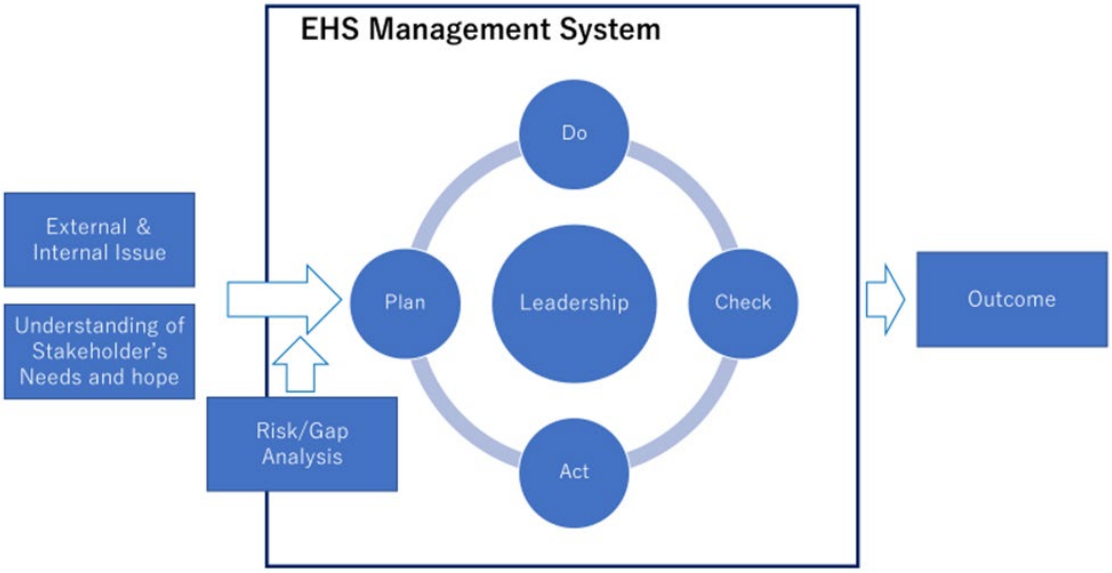
We adopted EHS management system[1)] based on ISO 14001 and ISO 45001 (OHSAS 18001) and then we set qualitative (as possible) mid- or long-term targets and goals by conducting to identify materiality of EHS from results of gap and risk analyses.
We are continuously improving our EHS risks and issues to achieve those mid- or long-term targets and goals by setting single year quantitative or qualitative goals, prioritizing EHS programs, and implementing PDCA cycle (Fig. 1).
This system is conducted at not only company base but also at each facility. Namely, each facility sets its own EHS goals, conducts EHS risk analysis, and implements PDCA cycle to achieve its goals.

In EHS risk analysis, we would identify hazards which would cause harm to workers and evaluate risk scenarios of the found hazards to decide which hazards should be put into PDCA cycle as risk mitigation plans[2)]. In addition to these risk analyses and implementation of PDCA cycles, we investigate the cause of an incident or an accident and provided training to employees and/or other relevant parties to raise awareness and reduce operational HS incidents and accidents[3)].

Chugai calls health and safety (HS) activities as those of “Health and Productivity” management. The promotion of “Health and Productivity” is implemented in EHS management system described above therefore priority items and goals of “Health and Productivity” were set from high HS risks identified by the risk analyses in the same way as environmental priority items and goals. Then we evaluate our HS programs in the PDCA cycle as in Fig.1 to continue improvement to achieve our HS targets. By reaching these goals in the medium to long term, Chugai will achieve its vision for health and productivity management. In recognition of these efforts to date, Chugai has been selected as a “Health & Productivity Stock” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the second consecutive year as an outstanding listed company engaging in a health and productivity management. Chugai has also been certified as “Health & Productivity Management Outstanding Organization 2025 (White 500)” (Large Enterprise Category) for five consecutive years since 2021.[4)]

1) https://www.chugai-pharm.co.jp/english/sustainability/healthmanagement/system.html
2) https://www.chugai-pharm.co.jp/english/sustainability/healthmanagement/industrialaccident.html
3) https://www.chugai-pharm.co.jp/english/sustainability/healthmanagement/communication.html
4) https://www.chugai-pharm.co.jp/english/sustainability/evaluation/#link-02-02

Fig. 1) EHS Management System in Chugai Group



Governance

12. Board Accountability (DJSI 1.2.6)

- Directors and Audit & Supervisory Board Members (as of December 31, 2024)

	Name	Position and Responsibility in the Company	Attendance at Meetings (Mar., 2024 - Mar., 2025)	Board Mandates/ Important Concurrent Positions
Executive Directors	Dr. Osamu Okuda	Representative Director, President & CEO	100% (12out of 12)	
	Mr. Iwaaki Taniguchi	Director, Executive Vice President, CFO	100% (9 out of 9)	
	Dr. Hitoshi Iikura	Director, Executive Vice President	100% (9 out of 9)	
Non-Executive Directors	Dr. Mariko Y Momoi	Outside Director	100% (12 out of 12)	3 mandates/ Professor Emeritus of Jichi Medical University Visiting Professor of School of Medicine, Shinshu University Regent of Tokyo Medical University (part-time)
	Dr. Fumio Tateishi	Outside Director	100% (12 out of 12)	1 mandate/ Honorary Advisor of OMRON Corporation
	Mr. Hideo Teramoto	Outside Director	100% (12 out of 12)	2 mandates/ President of Dai-ichi Life Research Institute, Inc. Outside Director of Imperial Hotel, Ltd.

	Name	Position and Responsibility in the Company	Attendance at Meetings (Mar., 2024 - Mar., 2025)	Board Mandates/ Important Concurrent Positions
	Dr. Christoph Franz	Director	100% (12 out of 12)	2 mandates/ Vice-Chairman of the Board of Directors of Zurich Insurance Group Ltd. (Switzerland) Member of the Board of Directors of Stadler Rail Ltd. (Switzerland)
	Ms. Teresa A. Graham	Director	100% (12 out of 12)	1 mandate/ Global Head of Roche Pharma Partnering and Member of the Roche Enlarged Corporate Executive Committee
Audit & Supervisory Board Members	Yoshiaki Ohashi	Full-time Audit & Supervisory Board Member	100% (12 out of 12)	
	Dr. Shigehiro Yamada	Full-time Audit & Supervisory Board Member	100% (12 out of 12)	
	Mr. Kenichi Masuda	Outside Audit & Supervisory Board Member	100% (12 out of 12)	3 mandates/ Partner of Anderson Mōri & Tomotsune Outside Director of Bridgestone Corporation Outside Audit & Supervisory Board Member of Mercuria Holdings Co., Ltd.

	Name	Position and Responsibility in the Company	Attendance at Meetings (Mar., 2024 - Mar., 2025)	Board Mandates/ Important Concurrent Positions
	Ms. Yumiko Waseda	Outside Audit & Supervisory Board Member	100% (12 out of 12)	3 mandates/ Partner Attorney-at-Law/Partner Patent Attorney, Tokyo Roppongi Law and Patent Office Outside Audit & Supervisory Board Member of IHI Corporation Outside Director (Audit and Supervisory Committee Member) of SCSK Corporation
	Ms. Mami Yunoki	Outside Audit & Supervisory Board Member	100% (9 out of 9)	2 mandates/ Representative of Mami Yunoki Certified Public Accountant Office Outside Director (Member of the Board) of Daiwa Securities Group Inc.
Average board meeting attendance (Directors only)			100%	

- Directors Iwaaki Taniguchi and Hitoshi Iikura, Audit & Supervisory Board Member Mami Yunoki were newly elected and assumed office at the 113th Annual General Meeting of Shareholders held on March 2024.
- Director James H. Sabry resigned from his office as of June 30, 2024.
- Minimum of Attendance

  Minimum attendance for all members required for the Board Meeting is "over 50%," in accordance with the Corporation Law (Japanese Companies Act).
- Changes in bylaw

  Shareholder approval (affirmative vote of two-thirds or mor of the voting rights of the shareholders present at the meeting where the shareholders holding a majority of the voting rights are present) is required for change(s) in bylaw and the Company complies with such provisions of the Companies Act.
- CEO Succession Plan

  The Company has succession plans for the executive team in the Appointment Committee, through monitoring the development plan for the CEO successor candidates, having discussions with the successor candidates, and analysis of the results of external assessments.
- Term of office of Directors

  Directors are elected on an annual basis in accordance with the Company's bylaw.

13. Board Average Tenure (DJSI 1.2.7)

Directors (as of April 1, 2025)

	Name	Position and Responsibility in the Company	Number of years served
Executive Directors	Dr. Osamu Okuda	Representative Director, President & CEO	5 years
	Mr. Iwaaki Taniguchi	Director, Executive Vice President, CFO	1 year
	Dr. Hitoshi Iikura	Director, Executive Vice President	1 year
Non-Executive Directors	Dr. Mariko Y Momoi	Outside Director	5 years
	Dr. Fumio Tateishi	Outside Director	2 year
	Mr. Hideo Teramoto	Outside Director	2 year
	Dr. Thomas Schinecker	Director	0 years
	Ms. Teresa A. Graham	Director	2 years
	Mr. Boris L. Zaïtra	Director	0 year
Average tenure of Directors			2.0 years

Dr. Thomas Schinecker and Mr. Boris L. Zaïtra were elected at the 114th Annual General Meeting of Shareholders held on March 2025 and assumed office.

14. Clawback Provision in the Restricted Stocks Compensation Plan (DJSI 1.2.10)

If CEO falls under any of the following during the Transfer Restriction Period, then Company shall take back restricted shares provided as stock compensation without cost: (1) The Board decides that CEO has violated laws or regulations and/or Company's internal regulations; (2) The Board decides that release of restriction of the shares could cause serious damage to Company; (3) the Board decides that it is reasonable for Company to take back the shares, in whole or in part, without cost. This clawback provision also applies to other senior executives.

15. Management Ownership (DJSI 1.2.11)

<FY2024>

Position	Name	Multiple of base salary (Company shares held / Base salary)
CEO	Dr. Osamu Okuda	9.8
Average across other executive committee members owning shares	Iwaaki Taniguchi, Dr. Hitoshi Iikura, Tetsuya Yamaguchi, Junichi Ebihara, Shinji Hidaka, Yoshiyuki Yano, Tsukasa Kusano, Kaori Ouchi and Norihisa Onozawa	5.5

(Note) Share price at the end of 2024 (i.e. 6,999JPY) was used for the calculation.

16. Materiality Metrics for Enterprise Value Creation (DJSI 1.3.3)

Executive compensation:

In terms of executive compensation, it is composed by several reference indicators for performance-based Remuneration of executive directors, not only performance in financial aspects but also achievement of significant managerial matters such as progress of the environmental protection measures as a part of degree of achievement of ESG objectives (based on evaluation by expert organization, etc.), promoting a ratio of female in management and successor development as a part of talent management objectives, and organizational culture development objectives.

17. UN Global Compact Membership (DJSI 1.5.1)

Chugai Pharmaceutical signed the United Nations Global Compact (UN Global Compact, hereinafter "UNGC") which is the world's largest sustainability initiative and was registered as a participant on June 24, 2024.

18. Preventing Bribery and Corruption

Chugai recognizes bribery and corruption as important risk factors which may significantly impair trust in the company. Chugai is committed to prevention based on the “Chugai Group Code of Conduct” (Code of Conduct) and the “Chugai Ethical Purchasing Standards,” in addition to the “Anti-Bribery Policy,” which intends to ensure that Chugai Pharmaceutical Co., Ltd. and its domestic and overseas subsidiaries avoid any acts related to bribery and conduct their business in an appropriate manner.

19. Global Anti-Bribery Policy (an excerpt) (DJSI1.5.3)

1. Purpose

The Anti-Bribery Policy (“Policy”) intends to ensure that Chugai Pharmaceutical Co., Ltd. and its domestic and overseas subsidiaries (“Chugai Group”) avoid any acts related to bribery and conduct their business in an appropriate manner. Further, Chugai prohibits corruption, bribery, graft, and other corrupt acts in the Chugai Group Code of Conduct (CCC). For our anti-corruption and bribery policy, see "3. Acting with integrity", "5. Appropriate Partnerships" and each detailed explanation in the CCC.

2. Basic Principles

(1) Compliance to Laws and Regulations

The directors, officers and employees of any company in the Chugai Group ("We”) shall comply with laws and regulations, industry standards, internal rules and any other applicable rules related to prevention of bribery and corruption in all countries and regions where the Chugai Group conducts its business activities.

(2) Prohibition of Providing a Bribe

We will not bribe any parties directly or through third parties (e.g., agents, agencies, consultants, contractors), irrespective of whether the party is a government official, public servant, or corporate personnel etc., and irrespective of whether it is a corporation or an individual. Any act that may raise concern in society regarding a potential bribe provided by the Chugai Group is also prohibited.

(3) Prohibition of Accepting a Bribery

We will maintain good faith and a fair attitude towards suppliers, and will not request or accept a bribe from the clients, customers, business partners or any others by taking advantage of our respective position in the respective company. Any acts that may raise concern in society regarding the potential acceptance of a bribe by the Chugai Group is also prohibited.

(4) Measures to Prevent Bribery

The Compliance Officer in each subsidiary of Chugai Pharmaceutical Co., Ltd. shall carry out the following preventive measures of bribery in cooperation with the Corporate Social Responsibility Department of Chugai Pharmaceutical Co., Ltd.:

1) Develop an “Anti-Bribery Guideline” based on the Policy, disseminate it to all employees of his/her own company, ensure implementation and adherence, and conduct periodic reviews
2) Implement monitoring related to bribery
3) Plan and implement education and training for anti-bribery
4) Provide an initial response to any event related to bribery, and develop measures to prevent reoccurrences
5) Respond appropriately to consultations or reports received through the internal hotline

Date of the latest revision: April 1, 2019

20. Donations/Grants and Sponsorships Policy (an excerpt) (DJSI 1.5.3)

1. Purpose

The Donations/Grants and Sponsorships Policy (“Policy”) intends to establish basic principles relating to donations, grants (collectively referred to as "Donations") and sponsorships made by Chugai Pharmaceutical Co., Ltd. and its domestic and overseas subsidiaries (“Chugai Group”), thereby enabling the Chugai Group to contribute to the betterment of society.

3. Basic Principles

When making Donations and sponsorships, the Chugai Group and its directors, officers and employees (“We”) shall comply with all laws, regulations, international conventions/treaties, and industry standards applicable in relevant countries and regions (“Laws”), as well as our own internal rules. We shall follow the principles set forth below.

(1) Donations and sponsorships by the Chugai Group shall be made to contribute to

healthcare, social welfare, inclusive society, next generation development and local communities. Political donations may be made to the extent permitted by Laws.

(2) Donations and sponsorships shall only be made to legal entities or organizations. Donations to individuals may be made to the extent permitted by Laws.

(3) For Donations and sponsorships, the eligibility of each Donations and sponsorships shall be determined and implemented from viewpoint of their ethics, contribution and validity to society.

1) We shall not use Donations and sponsorships to exercise influence over the independence of the receiving party.
2) We shall act in good faith, and shall not make inappropriate provision of profit nor elicit maneuvering of profits.
3) The Chugai Group shall appropriately disclose information on implemented Donations and sponsorships to ensure transparency in accordance with Laws.

(4) Each company of the Chugai Group shall develop a guideline (or relevant internal rule, etc.) describing the review and approval processes for Donations and sponsorships to be made by the company and ensure the retention of relevant records, other necessary measures and awareness by its employees. In the process of the implemented procedures, it shall be hereunder identified by confirming if such financial or non-financial support is either Donations or sponsorships, and thereafter the appropriate review and approval process shall be designed and implemented accordingly. As for the Donations, particularly, the pre-consultation process by the Chugai Pharmaceutical Co.,Ltd. prior to the local review and approval shall be designed and implemented in consideration of the risk which the financial or non-financial support of Donations may be regarded as an improper advantage or bribery.

(5) The results of the Donations and sponsorships shall be reported to the ESG Dept.

Date of the latest revision: March 29, 2024

21. Reporting on breaches (DJSI 1.5.5, DJSI 3.1.3)

1. Chugai did not incur any fines or settlements related to anti-competitive practices in the past four fiscal years and we are not involved in any ongoing investigations related to anti-competitive practices.
2. Chugai did not have confirmed cases of corruption and bribery during the past four fiscal years and we are not currently involved in any ongoing corruption and bribery cases.
3. Chugai group have a contact point (called CCC Hotline) where all employees (including contract employees and temporary employees) can consult regarding the Code of Conduct including discrimination and harassment, and whistle-blow violations or suspected violations of the Code of Conduct. Issues reported are investigated impartially and with strict confidentiality to find a solution while respecting the opinion of the person who made the report. In the event of a violation of the Disciplinary

Rules, remediation, disciplinary actions, dismissal, or legal actions shall be considered as necessary. Company rules prohibit retaliation or any other disadvantageous treatment of employees who seek consultation or make reports via the hotline.

The following is the domestic status of consultations/whistle-blowing and responses regarding Code of Conduct in 2024.

- No. of reports/consultations：96
- Types of reports/consultations： power harassment, discrimination, environment of work place, sexual harassment, internal policies and rules, personnel system, others
- Status of response： Of the consultations and reports received, we properly investigate the cases that we find necessary to investigate, and respond appropriately to cases in which violations were found. The number of cases investigated regarding discrimination and harassment was 0 for discrimination and 27 for harassment. As a result of the investigation in 2024, 5 disciplinary actions related to harassment were imposed.

We report on following areas:

Reporting areas	Number of breaches in FY 2024
Corruption or Bribery	0
Discrimination or Harassment	5
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider trading	0

We report on corruptions and bribery cases in 2024

Amount of fines (JPY)	0
Amount of convictions (cases)	0

22. Contributions and Other Spending (DJSI 1.6.1)

	FY2020	FY2021	FY2022	FY2023	FY2024
Lobbying, interest representation or similar	15,700,000 JPY	15,600,000 JPY	15,500,000 JPY	14,600,000 JPY	12,700,000 JPY
Local, regional or national political campaigns / organizations / candidates	12,700,000 JPY	12,100,000 JPY	13,800,000 JPY	16,000,000 JPY	11,900,000 JPY
Trade associations or tax-exempt groups	148,900,000 JPY	89,600,000 JPY	142,000,000 JPY	167,800,000 JPY	159,400,000 JPY
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0	0
Total contributions and other spending	**177,300,000 JPY**	**117,300,000 JPY**	**171,300,000 JPY**	**198,400,000 JPY**	**184,000,000 JPY**
Data coverage (as % of Revenues)	99%	99%	99%	99%	99%

(Note) "Lobbying, interest representation or similar" includes tax exempt groups that make policy recommendations related to all industries.
The data includes Donations and Membership fees. Values are rounded to the nearest "0.1 million yen."
Only costs of Chugai Pharmaceutical Co., Ltd. are included. Chugai accounts for the majority of the Chugai Group's Revenues, and the percentage in fiscal year 2024 was 99%.

23. Largest Contributions & Expenditures (DJSI 1.6.2)

Contributing to the improvement of public health:

- According to the estimate, 9,700,000 yen was used in FY2024.

Issues in business community:

- The membership fee for the business subcommittee we are proposing to the government was 1,800,000 yen in FY2024.

Other Large Expenditures:

- KEIDANREN (Japan Business Federation): Total amount paid in FY 2024 was 1,800,000 yen
- The Federation of Pharmaceutical Manufactures' Association of Japan (also known as the FPMAJ): Total amount paid in FY2024 was 1,400,000 yen

- The Pharmaceutical Manufactures' Association of Tokyo: Total amount paid in FY2024 was 1,100,000 yen

24. Lobbying and Trade Associations - Climate Alignment (DJSI 1.6.3)

We have been reporting to CDP our company positions on public policies related to climate change that are consistent with the Paris Agreement, our direct climate-related lobbying activities, and our climate policy positions and the activities of industry groups. Below are screenshots of the CDP website pages where responses for CDP2024 C4(4.10), (4.11), (4.11.1), and (4.11.2) can be found. We were selected for the CDP's A-List by a global environmental non-profit CDP, being recognized its leadership for transparency and performance in the two categories of climate change and water security.

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:
☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply
☑ Japan Climate Initiative (JCI)
☑ Science-Based Targets Initiative (SBTi)
☑ Task Force on Climate-related Financial Disclosures (TCFD)
☑ UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

*TCFD: The Chugai Group expressed its support for the TCFD recommendations in January 2020*1. Chugai has stated in the "TOP I 2030" (FY2021-FY2030) growth strategy that it will "conduct global environment measures" in the "Foundation for Growth" that is one of the five reforms to realize the top innovator image and is strengthening initiatives to address material issues (materiality) identified based on the impact they have on the Chugai Group's mission, the economy, society and the environment. TCFD made the following recommendations on disclosure concerning climate change risks and opportunities to companies, etc. in its final report. JCI: JCI (Japan Climate Initiative) is a non-profit organization related to the environment in Japan composed private companies, local governments, NGO citizens, etc., it was launched on July 6, 2018 in response to the establishment of the "Paris Agreement" in 2015 with the aim of making a new world promise to prevent global warming. Chugai has been a member of JCI since its inception, and aims to create a decarbonized society that does not rely on fossil fuels.*
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply
☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:
☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply
☑ Paris Agreement
☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

CHUG-JAP-001-OFF Certificate.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:
☑ Yes

Select all that apply
☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:
☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply
☑ Paris Agreement
☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

CHUG-JAP-001-OFF Certificate.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:
☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply
☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Chugai Pharma Europe Ltd.: 03486599 Chugai Pharma U.K. Ltd.: 02814621 Chugai Pharma France SAS: 435 074 422 Chugai Pharma Germany GmBH:

(4.11.6) Types of transparency register your organization is registered on

Select all that apply
☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Chugai Pharma Europe Ltd.: 03486599 Chugai Pharma U.K. Ltd.: 02814621 Chugai Pharma France SAS: 435 074 422 Chugai Pharma Germany GmBH: 7700252032

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

JCI is accelerating energy efficiency and renewable energy utilization to achieve the 1.5 target agreed in the Paris Agreement and deepening cooperation among domestic and overseas companies and organizations to promote initiatives that will contribute to the realization of net-zero emissions by 2050. As part of its commitment to combating climate change, the JCI requires the Japanese government to set new targets for reducing GHGs by an amount equivalent to the Intergovernmental Panel (IPCC) recommendation of reducing GHGs emissions globally by 60% by 2035 compared to 2019. Our company recognizes that protecting the global environment is an important foundation in supporting all of our business activities, and has set challenging mid-term environmental goals for 2030 based on a global environmental consensus. To reduce GHGs, we will aim for a 6075% reduction from 2019, and at the same time we will work to achieve zero fluorocarbon emissions in 2030 and zero CO2 emissions in 2050.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

カーボンニュートラル行動計画

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables
☑ Electricity grid access for renewables

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:
☑ Support with no exceptions

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

東京都条例

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables
☑ Energy efficiency requirements

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific
☑ Other trade association in Asia and Pacific, please specify :The Federation of Pharmaceutical Manufacturers' Associations of Japan (FPMAJ) and Japan Pharmaceutical Manufacturers Association (JPMA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply
☑ Climate change
☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:
☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:
☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

We are members of the boards of directors of the industry associations, the Federation of Pharmaceutical Manufacturers' Association of Japan (FPMAJ) and the Japan Pharmaceutical Manufacturers Association (JPMA). Chugai's CEO serves as vice chairman of the FPMAJ. Chugai is also acting in the Carbon Neutral Working Group as a member of JPMA, encouraging member companies to set visions and goals for carbon neutrality by 2050. If there is a gap between the goals of the FPMAJ and Chugai, it is discussed at the EHS Promotion Committee, and the impact of the gap on our business as a risk is estimated. If this risk is classified as a corporate risk, we will implement measures approved by the Executive Committee and report progress at least once every six months.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

59000000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Since CEO is a member of board of directors in JPMA, we consider that it is high possibility to be reflected our opinion as the trade associations' one. FPMAJ has climate change target that is CO2 emission zero by 2050. Chugai group belong to the Specialized Working Group, thus we would affect it through.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

On the other hand, in the policy speech given by Prime Minister Yoshihide Suga in the extraordinary Diet session on October 26, 2020, the Japanese government declared its aim to realize a carbon-neutral, decarbonized society by 2050. The Chugai Group supports the Japanese government's full-fledged efforts to realize decarbonization. In addition, we support the national government's Act on the Rational Use of Energy and the Act on the Control of Temperature, both of which are laws and regulations related to climate change, and submit a report once a year on energy consumption, the status of achievement of energy conservation targets, and greenhouse gas emissions to the government. We have supported the response to the TCFD and TNFD proposal that the government is also promoting, and we have analyzed scenarios and disclosed information.

25. Supply Chain Management

Advances in technology, changing social structures, rising expectations and requests of pharmaceutical companies, and other trends will make the role of supply chains increasingly important. To maintain quality and stable supplies, Chugai will continue to focus on optimizing purchasing activities and building sound relationships with business partners. In addition, to solve social issues in cooperation with business partners, Chugai is working to improve its supply chain management by conducting comprehensive supplier assessments that include elements such as the natural environment, work environment and human rights.

14-1 Purchasing Policy (an excerpt)

1. Comply with social norms and others as well as the laws and regulations of each country, promoting fair purchasing activities in accordance with the following principles:

    1) Purchaser shall engage in transactions with business partners accredited by the Company.
    2) Purchaser shall select business partners appropriately.
    3) Those authorizing purchases shall verify the validity of orders prior to the orders being placed.

4) Purchaser shall place orders in writing (individual contracts).
5) Purchaser shall make payment after deliverables (goods or services) have been successfully accepted.
6) The Purchasing function shall monitor the above (1) through (5).

2. Build fair and equitable business relationships with domestic and overseas business partners.
3. Promote contributions to a sustainable society by advancing green procurement with the cooperation of business partners.
4. Seek high-quality products and services with the cooperation of business partners.
5. Advance lower costs by procurement at a fair price.
6. Faithfully fulfill obligations under contracts with business partners, establish equally cooperative relationships and aim for mutual growth.
7. Protect confidential information learned through business transactions and establish relationships of mutual trust with business partners.

Date of the latest revision: January 1, 2020

14-2 General supply chain strategy

Reliably delivering products to patients is one of Chugai's most important missions. In order to achieve our mission, based on our purchasing policy, we specify five priority items in supply chain strategy; quality, stable supply, delivering timing, cost, and incidental information (Financial, Contract, Intellectual property, Security). While we focus on proper purchasing activities and maintain sound relationship with our business partners, we also carry out comprehensive supplier assessment to reduce risk and make continuous improvement.
We analyze product-based supply risk for direct materials. In the short term, we increase inventory and store them in a distributed manner, and we promote stable product supply measures that combine multiple manufacturing bases in the medium to long term.
In recent unstable world situation, we strengthen communication with purchasing, manufacturing, and shipping suppliers/vendors to maintain sound relationship. We also promote activities to allow multiple selection of suppliers/vendors.

26. Sustainable supply chain strategy

Cooperation with suppliers is becoming imperative for companies in their efforts to solve social issues such as increasing poverty and inequality, environmental problems, and deteriorating labor conditions.
In this context, Chugai reexamined how it should cooperate with suppliers to respond to the changes and needs of society, and is working to build a system for comprehensive assessment of suppliers.

We joined the PSCI (Pharmaceutical Supply Chain Initiative) in 2018 and enacted Supplier Code of Conduct that we request our suppliers to comply with. In addition, we formulated a guideline to evaluate suppliers in terms of ethics, labor, safety and health, and management systems in 2020.

We have added the categories of environment, health and safety (EHS) and compliance (including corporate ethics and human rights) to our assessment criteria for suppliers in addition to the five categories that we previously assessed – financial condition, supply, quality, contracts, and intellectual property and security – to establish a more comprehensive assessment system.

16-1　Integration of ESG objectives in supply chain strategy

We have selected supply chain management as one of Key issues in TOP I 2030 as a new growth strategy for achieving our vision of the top innovator we aim to become in 2030. We aim to contribute to the resolution of social issues through our business in cooperation with suppliers. We get the agreement to follow the Chugai Supplier Code of Conduct ("SCC") from all suppliers as minimum quantitative/qualitative threshold required before we can do business with them.

The Key ESG Objectives of our supply chain management are as follows:

	Description of ESG objective	Link to overall supply chain strategy
Key ESG Objectives 1	Key ESG Objective 1 is to continuously conduct comprehensive supplier evaluation for critical tier 1 suppliers, that covers EHS(environment/health/safety) and compliance including corporate ethics and human rights in addition to five items of finance, supply, quality, contracts and Intellectual property security, in the PSCI framework. ➢ To promote sustainable business, we continuously acquire consent from suppliers to SCC, a code of conduct that requires compliance with ethics, labor, safety, and	If business partners do not take care of EHS and human rights related issues, it may lead to serious situations such as outflow of personnel, fallen credibility, and suspension of their business, which will result in disruption of supply. To establish and maintain a stable supply chain system for pharmaceutical products, it is important to evaluate risk on EHS and human rights. Comprehensive evaluation of suppliers based on PSCI framework and improvement activities contribute to establishing stable and solid supply chain system, by minimizing business risk of suppliers.

	environmental initiatives. ➢ For critical tier 1 suppliers, we carry out written evaluation and site audit in PSCI framework.	
Key ESG Objectives 2	Key ESG Objective 2 is to evaluate critical tier 2 suppliers on EHS(environment/health/safety) and compliance (including corporate ethics and human rights) with respect to promoting sustainable business. ➢ Based on PSCI principles, critical Tier 2 suppliers are identified and assessed using SAQs with the help of primary suppliers.	To promote sustainable business of critical tier 2 suppliers, evaluation on EHS and compliance (including corporate ethics and human rights) can reduce supply chain risk of primary suppliers, which will eventually minimize the supply chain risk of Chugai group, contributing to establishing stable supply chain system.

16-2　Critical Supplier Identification (DJSI 1.7.3, DJSI 1.7.5)

“Critical Suppliers” reflects the suppliers that apply to one of the following criteria.

- Essential business to implement our mission*
  * Mission: Dedicate ourselves to adding value by creating and delivering innovative products and services for the medical community and human health around the world
- Possibility to cause major impacts in terms of ethics, human rights, labor, safety and environment
- ESG risks in the country where the supplier is located and risks specific to the industry of the supplier
- Non-substitutable suppliers
- High-volume suppliers
- Produce and supply critical component
- Supply exclusively for Chugai, using Chugai know-how or processes

・ In the process of developing innovative medicines, pharmaceutical companies use harmful chemicals or synthesize compounds with unknown harmful properties. Therefore, exposure to or leakage of chemical substances may have a negative impact not only on our employees but also on all right holders in the supply chain and on the global environment. We sometimes contract out the manufacturing of drugs to contract manufacturing organizations (CMOs). It is difficult to find an alternative CMO, it is expensive to outsource manufacturing to CMOs, and CMOs use our company's know-how and processes. CMOs are essential suppliers for delivering innovative medicines to patients. CMOs also

consume the largest amount of energy among our suppliers and require a large number of workers. For these reasons, we have defined all CMOs as Critical Suppliers (% of total spend on significant suppliers in Tier-1: 16.8%) regardless of the level of national risk.

- To achieve our mission, we depend upon information exchange with medical community as a whole, including researchers, physicians, nurses, and patients. Integrity is indispensable in this interaction. In terms of interactions with Healthcare Professionals / Patients Organizations / Wholesalers of Ethical Drugs, we promote highly ethical corporate activities in accordance with industry codes.

The number of Critical Suppliers

Critical tier 1 Suppliers	44
Critical non tier 1 Suppliers	25

16-3 Supply chain spend analysis

Regarding manufacturing contractors and suppliers of raw materials that we need to focus on EHS/compliance performance, we conducted geographical risk analysis based on the payment amount from our company. Approximately over half of the total spend was with suppliers in Japan. We request manufacturing contractors in all regions, one of our most important business partners, to understand and comply with Chugai Group Supplier Code of Conduct. We evaluate EHS/compliance risk not only for our Japanese suppliers, but also for those outside Japan in the same way.

Ratio of raw material costs and manufacturing consignment costs by region

Region	JPY	2024
APAC (except for Japan)	6,408,947,167	11%
EU	8,549,502,435	14%
JP	36,344,046,323	61%
US	7,900,010,043	13%
Total	59,202,505,968	100%

* Items excluded from the above calculation

・Raw materials, APIs, and formulations from Roche Group (Roche, Genentech)

・Items other than raw materials, materials, containers and packaging materials used for direct manufacturing (Example of excluded items;　Reagents, instruments, consumables used in laboratories, office supplies)

17.　Supply Chain Risk Exposure & Risk Management Measures

17-1　Supply chain risk identification process (DJSI 1.7.2, 1.7.4, 1.7.6)

- We ask our all suppliers to adhere to Chugai Group Supplier Code of Conduct (SCC), which contains principles on Human Rights, including ethics, human rights, safety & health, environment, and governance and management systems in line with principles of PSCI.
- We conduct due diligence (desk or on-site) by PSCI Self-Assessment Questionnaire (SAQ) for a supplier with potential EHS / compliance risk and the difficulty of selecting

alternatives based on Guideline for EHS/Compliance Risk Evaluation of Suppliers.

- For critical suppliers, we conduct suppliers PSCI on-site audits in order to support our suppliers and foster the mutual relationship, and advance supplier performance over time.
- We request suppliers to make corrective action plans for findings from due diligence and monitor them.
- We will preferentially select suppliers with better ESG performance. As a result of the audit or written evaluation of suppliers, the risk is evaluated in three categories (satisfactory, not fully satisfactory and not satisfactory), and if not satisfactory, the supplier is not selected. Also, even if we start a transaction, we will not continue the contract if suppliers fail to meet our minimum requirements within a certain period of time.
- Departments engaging with a supplier shall re-evaluate the EHS and compliance risk of suppliers basically once every three years.
- If a supplier, who agrees to our supplier code of conduct, denies correcting their critical findings and minimum requirements, we will not conduct business with them.
- We assess bribery risk by filling in anti-bribery questionnaires for suppliers in relation to pharmaceutical business in countries that have a low rating in the Transparency International Corruption Index.
- We assess our suppliers by using the result of Corporate Credit Research reported from a credit research firm.
- In order to implement purchasing strategies based on our ESG strategies, we are working to promote the concept of supply chain risk identification process including obtaining SCC consent, both internally and at our domestic and overseas affiliates.

17-2 The result of supplier EHS/compliance risk evaluation (DJSI 1.7.2, 1.7.6)

	2023	2024
Number of suppliers which have agreed with SCC	131	211
Number of suppliers evaluated for EHS/Compliance risks	28	34
- Number of suppliers evaluated by SAQ only	19	20
- Number of suppliers evaluated by SAQ and site audit	9	14
Number of Suppliers discontinued based on audit results	0	0

Performance and issues of EHS/compliance risk assessment to management are regularly reported to one of the members of board of directors, who is in charge of supplier risk compliance.

17-3 Supply Chain Risk Management Measures (DJSI 1.7.4, 1.7.6)

Numbers of findings given after the supplier EHS/compliance risk evaluation and the percentages of the corrective actions implemented by assessment issues

- As a result of the supplier EHS/compliance risk evaluation in 2024, no critical[*1] findings were found. We supported suppliers on implementation of corrective or improvement actions plan based on our activities.

・ We re-evaluate the EHS and compliance risk of suppliers once every three years basically .

*1: Critical Findings: Are very high risk findings that require immediate action to protect human life, the health of employees or the environment; May result in loss of license to operate or serious damage to reputation; Require immediate corrective action by the supplier; Need to be communicated to the audit sponsor prior to audit report finalization.

The findings issues and corrective actions of critical supplier (CMOs) EHS/compliance risk evaluation

Assessment Issues	Findings (2023)	Corrective actions in place	Corrective actions Completed	Corrective actions In progress
Ethics	0[*1]	100%[*2]	100%	0%
Human Rights and Labor	1(1)[*1]	100%[*2]	100%	0%
Safety and Health	57(43)[*1]	100%[*2]	14%	86%
Environment	34(29)[*1]	100%[*2]	0%	100%
Management System	5(4)[*1]	100%[*2]	0%	100%

Assessment Issues	Findings (2024)	Corrective actions in place	Corrective actions Completed	Corrective actions In progress
Ethics	3(3)[*1]	100%[*2]	100%	0%
Human Rights and Labor	3(3)[*1]	100%[*2]	100%	0%
Safety and Health	99(70)[*1]	100%[*2]	97%	3%
Environment	57(34)[*1]	100%[*2]	100%	0%
Management System	13(10)[*1]	100%[*2]	33%	67%

*1 The numbers of CMOs in parentheses are not asking for corrective actions due to the pre-contract research due diligence.

*2 These corrective actions are in progress. Chugai requires corrective actions to existing CMOs and CMOs that will make contract with Chugai. The reason why the number of findings related Safety and Health is that there are many questions related Safety and Health in the PSCI SAQ. The findings, which are relatively numerous, are as follows. Exposure controls, maintenance of protective equipment, control of hazardous chemicals. We support suppliers on implementation of corrective or improvement actions

18. KPI and Targets in supply chain management strategy

KPI 1	KPI: Percentage of risk assessments of new business partners defined as critical third parties in addition to contract manufacturing organizations (CMOs)	Target: 100%* Target year: 2030
KPI 2	KPI: Percentage of periodical risk monitoring of existing business partners defined as critical third parties	Target: 100% Target year: 2030
KPI 3	KPI: Define critical tier 2 suppliers and develop an evaluation methodology. Then, develop a risk-based evaluation plan.	Target: 100% Target year: 2023

* Since the enforcement of the Guideline for EHS and Compliance Risk Evaluation of Suppliers, for ALL newly trading critical suppliers, we have conducted risk assessment and obtained SCC consent, and we have conducted audits on all Critical Suppliers with potential EHS risk.

19. Declaration of Partnership Building (DJSI 1.7.2)

We are also making a “Declaration of Partnership Building” in order to establish new partnerships, by promoting collaboration and mutual prosperity with all of our supply chain partners and businesses seeking to create value. Please see below for our Declaration of Partnership Building in English. Also, please see the following link for Japanese original version. https://www.biz-partnership.jp/declaration/18152-05-24-tokyo.pdf

Declaration of Partnership Building

Chugai Pharmaceutical hereby declares that it will focus on the following items in order to build new partnerships by promoting cooperation, coexistence, and co-prosperity with its supply chain partners and value-creating businesses.

1. Coexistence and co-prosperity throughout the supply chain and new cooperation that transcends company size, affiliations, etc.

We will work to add value to the supply chain as a whole by encouraging our direct business partners to work with their business partners (from “Tier N” to “Tier N + 1”), and we will aim to build co-existence and co-prosperity with our business partners through collaboration that transcends existing business relationships, corporate scale, and other factors. In doing so, from the perspective of business continuity in the event of disasters, etc., and workstyle reform, we will also promote support such as advice on the introduction of telework and the formulation of business continuity plans (BCPs) for our business partners.

(Individual items)

Business-to-business collaboration

- We will focus on collaborating with external parties and utilizing external technologies, flexibly incorporating scientific and technological advances to create new innovation opportunities.

Greening efforts

- We will work to protect the environment through business and other activities in cooperation with our suppliers, including conversion to renewable energy electricity and green refrigerants.

2. Compliance with Promotion Standards

We will comply with desirable business practices between parent companies and subcontractors (Promotion Standards based on the Law for the Promotion of Small and Medium-Sized Subcontractors) and actively work to correct business practices and commercial practices that hinder the establishment of partnerships with business partners.

(1) Price determination method

We will not make unreasonable cost reduction requests. In determining the transaction consideration, if a subcontractor requests consultation, we will respond to the request and hold sufficient discussions to include appropriate benefits for the subcontractor, such as taking into account the impact of increased labor costs. In concluding a contract, including the determination of the transaction consideration, the parent company shall clearly indicate and deliver the terms and conditions of the contract in writing.

(2) Cost burden for mold management, etc.

We will promote the disposal of unnecessary molds and will not request subcontractors to store molds free of charge.

(3) Terms of payment for bills, etc.

Subcontract payments will be paid in cash whenever possible. If payment is made in the form of a bill, the subcontractor will not bear any discount charges, etc., and will endeavor to keep the payment site within 60 days.

(4) Intellectual property and know-how

We will not seek disclosure of know-how or free transfer of intellectual property rights by taking advantage of our position in a business transaction.

(5) Impact of workstyle reforms, etc.

To ensure that suppliers are also able to respond to changes in workstyles, we will not place

orders to subcontractors for short delivery times or change specifications at short notice without appropriate cost burdens. In the event of a disaster, etc., we will not impose a one-sided burden on subcontractors in terms of business transactions, and when business resumes, etc., we will take care to continue business relationships, etc., as much as possible.

3. Other (optional)

We aim to establish sound business relationships with our suppliers as well as to optimize our purchasing activities.

October 5, 2022
Chugai Pharmaceutical Co., Ltd.
Representative Director, President and CEO Osamu Okuda

20. Tax Reporting (DJSI 1.8.2)

Unit: Million JPY

Tax Jurisdiction	Income Tax paid (2024)
Japan	100,216
Other geographical areas	255
Total	100,470

21. Product Innovations (Healthcare) (DJSI 1.10.1)

Technological breakthrough - the percentage of our pipeline medical products/drugs with a "novel mechanism of action," which are considered as "first-in-class" in the scientific community (in clinical trial phase III or in regulatory approval process)	63%
Therapeutic potential - the percentage of medical products filings (drugs, diagnostics, medical devices, or vaccines) that have been guaranteed the FDA Priority Review/EMA Accelerated Assessment (or equivalent) during the last 5 years	100%

22. Healthcare Clinical Pipeline (DJSI1.10.2)

Innovation phase	Number of projects
Total	123
Pre-clinical development	51
Clinical trials/pathway to approval	55
- Clinical trials: Phase I	22
- Clinical trials: Phase II	5
- Clinical trials: Phase III	28
Launch	17

23. Product Quality Programs (DJSI 1.11.1)

A) Processes to prevent or address defective products before delivering them to customers to avoid product recalls

Chugai Group has established a Quality Management System based on ICH Q10, Pharmaceutical Quality System (PQS), and is working to strengthen our quality assurance that is consistent from the development stage to the commercial stage at a global level. This Quality Management System includes Quality Risk Management, Change Control, Deviation Management, and CAPA (Corrective Action and Preventive Action) processes, and risk assessment of products and manufacturing processes are conducted, potential quality risks are identified, and risk mitigation measures are implemented. In the product release process, a release decision is made by not only confirming conformance to the product quality specifications by release tests but also comprehensively reviewing manufacturing records and quality control records including deviation records, to prevent delivery of defective products to customers.

B) Internal audits of the quality management system

The Quality Assurance Department of Chugai Pharmaceutical Co., Ltd. periodically conducts internal audits of 3 manufacturing plants at Chugai Pharma Manufacturing Co., Ltd. in addition to Good Manufacturing Practice (GMP) audits of contract manufacturing organizations (CMO), and the effectiveness of Quality Management System of Chugai Pharma Manufacturing Co., Ltd. is reviewed in the internal audits.

C) Independent external verification of the quality management system

The 3 manufacturing plants in Chugai Pharma Manufacturing Co., Ltd. conduct quality assurance in accordance with the GMP standards. The Quality Management System is confirmed during periodical inspections by the regulatory authorities, and all plants have received manufacturing licenses in accordance with the GMP standards from the regulatory authorities.

D) Mechanisms in place for external stakeholders to submit complaints about defective products

In the event that external stakeholders find defective products, there is the web page for inquiries (https://www.chugai-pharm.co.jp/english/rule/contact/index.html)* on the company website as a mechanism to submit complaints about defective products.

* Complaints about defective products can be submitted from “General Inquiries” on the website.

24. Product Recalls (Health Care) (DJSI 1.11.2)

Class I Recalls

	FY2021	FY2022	FY2023	FY2024
Number of Class I recalls	0	0	0	0
Total value of recalled products Unit: USD millions	0	0	0	0

Class II Recalls

	FY2021	FY2022	FY2023	FY2024
Number of Class II recalls	0	1	0	1
Total value of recalled products Unit: USD millions	0	0.99	0	0.34

25. Compliance to Regulatory Standards (DJSI 1.11.3)

Number of the production plant inspections by regulatory authorities was 7 in the last fiscal year.

26. Measure Contribution to Health Outcome（DJSI 3.5.7）

【Key Programs】

・Prevention

Key Programs

Due to utilizing radio programs which are consisted of 32 local radio broad casting and major national stations in Japan, we aggressively continued to raise awareness about preventable cancers and age-related macular degeneration etc, for the purposes of supporting people's daily self-management of their disease awareness. The radio content features medical specialists explaining disease overviews and evidence-based prevention methods in a way understandable to the general public. In addition, we held seminars focusing on the topic of early detection of chronic liver disease (CLD) for healthcare professionals（HCPs） to further accelerate the prevention and early detection of CLD advanced by the Japan Society of Hepatology. Furthermore, for other types of cancer, we have signed agreements with 76 local governments across the country to improve the rate of people taking cancer screenings, and distributed booklets and held public lectures using the website for healthy people.

・Diagnosis

We have been producing short films to raise awareness of the importance of early diagnosis and early treatment in chronic diseases including rheumatoid arthritis (RA). The number of viewers has been increasing every year, and short videos titled “Mother‘s Lipstick” and

“Glasses Magical” have become widely recognized. In spinal muscular atrophy, we have launched a website for patients and their families to raise awareness of the importance of genetic testing for early therapeutic intervention, starting from the newborn stage. We work to promote appropriate cancer genomic diagnosis through "Cancer Genomic Medicine" videos, which allow people to easily learn that genes related to cancer differ from individuals and comprehensive genetic testing of people is important. Thus, we try to improve early diagnosis and understanding of diseases by making proper use of social network systems, not just in limited areas, but across the broad range of diseases that we are involved in.

Mothers Lipstic
https://www.youtube.com/watch?v=TIrCOpJ96CE
This short movie was created to convey Chugai Pharmaceutical's desire to actively support rheumatoid arthritis treatment to fulfill such wishes of patients.

Glasses Magical
https://www.youtube.com/watch?v=CPvWCdFwx_g
This short movie is a disease awareness animation created to promote recognition and deeper understanding of rheumatoid arthritis.

Cancer Genomic diagnosis
https://www.youtube.com/watch?v=c5X5CsFtN4w
This short movie introduces cancer genomic panel testing. It is a test to find personalized treatment tailored to each individual’s cancer.

・Treatment (adherence/ compliance and rehabilitation)
We continue to operate Patient Support Programs (PSPs) in several diseases to help patients continue their treatment. To detect side effects as early as possible, we regularly provide patient education programs (Believe/Circle) to patients with RA and neuromyelitis optica spectrum disorders (NMOSD). Regarding oncology area, we have continued to provide apps that support patients and HCPs for the purpose of encouraging patients to actively participate in treatment and detect side effects earlier. In retinal vitreous diseases, we have provided programs that allow not only patients but also their families to experience visual impairment. We aim to help patients understand the importance of not stopping treatment and to improve the persistent treatment rate. Also, we conducted a survey on registered NMOSD patients regarding changes in their awareness of infection control and persistence and presented these data at a congress meeting in the field of neuroscience, collaborating with HCPs.

・End to End Cycle Solutions / Other Program

We operate “Tell me Things on Cancers" website providing essential information to cancer patients of all ages throughout their cancer journey, from diagnosis to end-of-life care, with resources on daily life, work, and finances for patients and families. We also manage "With Cancer" website offering support information for young cancer patients aged 15-39. In 2024, we distributed 10,500 brochures introducing these websites. Many hospitals and companies are now linking to our Website. Additionally, we distributed 6,300 copies of "Hill of Promise," a picture book helping patients find happiness while living with cancer, and "My Note," a preplanning note allowing patients to express feelings and share them with healthcare professionals and family members to improve treatment and end-of-life experiences. Through these materials and initiatives, we continue providing compassionate support for individuals facing the challenging final stages of their cancer journey.

Additional Comment

【Prevention, Diagnosis and Treatment】

In lymphoma, we have increased awareness of the disease for prevention and promote early diagnosis and treatment for the public through national newspapers (distributed: 3.34 million), open lectures for citizens (audience: 1,710), YouTube (cumulative number of views: 3.68 million), and web advertisements in addition to radio.

In the field of ophthalmology, through a local TV station, we broadcast a question-and-answer style program to promote disease awareness and earlier treatment. The number of views was about 100,000 households for each 5 times. In breast cancer screening, the leaflets named "Let's talk about breast care and breast cancer screening (for prevention and diagnosis)" have been newly created and distributed to medical institutions to support the activities of the national and local governments to promote breast cancer screening (13,276 copies) and to prevent it widely. In addition, we have been continuously disseminating the importance of breast cancer awareness through “Tokyo Girls Collection (TGC) 2024”. The aim of this activity was to encourage young teens and early twenties to persuade their mothers and grandmothers to take the health checkups (The number of viewers was approximately 5,004,300, including participants in 2024, SNS spreading on official TGC X following (420,000 followers), and You Tube following (183,000 followers).

We have contributed to the spread of Cancer Genomic Profiling tests, which enable treatments based on patients' genetic mutation information that could not be detected by conventional tests. The website "Learn About Cancer Genomics" translates difficult information into easy-to-understand explanations for the public. This site was visited by 1.6 million users in 2024, helping to facilitate appropriate diagnosis and create new treatment options. Additionally, in the field of autoimmune diseases, we have developed a diagnostic support application that contributes to improving the quality of diagnosis for 17 diseases, including ANCA-associated vasculitis, giant cell arteritis and so on.

【Treatment】
Among our key therapeutic areas such as rheumatic diseases, lupus nephritis, hemophilia, NMOSD, and retinal vitreous diseases, our Patient Support Program (PSP) "Believe" for RA patients enables infection prediction through pulse oximeters that measure SpO2 at the individual level. As a more advanced development, we are also using them for patients receiving treatment with satralizumab for NMOSD and faricimab for vitreoretinal diseases.
These programs aim to help patients prevent the risk of infection and improve disease understanding and treatment adherence. Regarding the "Circle" program for NMOSD patients, research data based on a questionnaire survey of registered patients was presented at the congress meeting. Through these PSP programs, we are promoting efforts to contribute to treatment with HCPs.

【Improvement for the End-to-end Cycle】
We have contributed to improving the treatment cycle for patients in all disease areas related to our products. For cancer patient supports, we promote “Advanced Care Planning lectures” for HCPs to assist patients in decision-making from treatment stage to end-of-life care stage. Specifically, these programs include workshops aimed at acquiring skills to reduce the psychological burden of being diagnosed with cancer, as well as role-playing sessions to learn how to facilitate discussions with cancer patients.
Under the supervision of psycho-oncologists, we communicated to physicians, nurses, and other HCPs nationwide how to make use of the patient material "My Note," which is based on the well-being concept (living in a happy state), using web media. Through these activities, HCPs have reported that "communication with patients has become easier despite limited time," while patients have responded that "by writing down vague feelings into words, I could realize how I want to live my life,". This activity helps patients discover their true feelings.

In this way, Chugai will continue new social contribution activities, including the creation of educational materials for stakeholders as our business model to cover all areas from prevention of related diseases to the end-of-life care.

27. Accessibility & Transparency of Research (DJSI 3.5.8)
Chugai discloses information about our clinical trials and shares clinical trial data in accordance with the Clinical Trial Data Sharing Policy available in our company website (Link). Information on our policy for listing studies specifically to ClinicalStudyDataRequest.com (CSDR) are available on the website (Link). The specific public domains where the respective items are available are described below.

- Outcomes from clinical research
- Demographic breakdown of clinical research participants

Chugai provides the information to external stakeholders through the website of Japan Registry of Clinical Trials (jRCT) and ClinicalTrials.gov. The relating information are also available in our company

website, “Clinical Trials information”.

<jRCT>
https://jrct.mhlw.go.jp

<ClinicalTrials.gov>
https://clinicaltrials.gov

<Clinical Trials information>
https://www.chugai-pharm.co.jp/english/ptn/trials/index.html

◆ Outcomes from post-launch studies including real-world data analysis

Chugai provides the information to external stakeholders through the website of Japan Registry of Clinical Trials (jRCT) and University Hospital Medical Information Network (UMIN).

<jRCT>
https://jrct.mhlw.go.jp
<UMIN>
https://www.umin.ac.jp

◆ Anonymized patient-level data for researchers or healthcare providers

Chugai provides the information to external stakeholders through the website of CSDR.

<CSDR>
https://www.clinicalstudydatarequest.com

◆ Cost effectiveness analysis and pharmaeconomic/health economics data

Refer to the answer provided for Q3.5.6 with the attachment listed below.
We conducted health economic evaluation studies for several products in collaboration with researchers and physicians. For example, evaluations were conducted for Polivy (previously untreated diffuse large B-cell lymphoma), Foundation Medicine (untreated advanced or recurrent solid cancers), Actemra (rheumatoid arthritis), Herceptin (breast and gastric cancers), Hemlibra (hemophilia A), and Vabysmo (age-related macular degeneration and diabetic macular edema). The results of our health economic evaluation studies are published in academic report databases and made available to the public. The URLs for individual references are available in the attachment for Q3.5.6 (i.e., 2025 Health Economic Evaluation Studies – Company References).

28. IT Security/ Cybersecurity Governance (DJSI 1.9.1)

Executive Vice President Onozawa serves as the chair of the Digital Strategy Committee. The committee conducts deliberations on cybersecurity strategies and oversight, with the Cybersecurity Group regularly providing reports on cybersecurity matters. Additionally, the

committee's deliberations are brought to the Executive Committee, chaired by Representative Director, President & CEO Okuda, for further discussion and reporting as necessary.

29. IT Security/ Cybersecurity Measures (DJSI 1.9.2)

The information security policy is established as follows.

1. Purpose

This Policy shall be established for the purposes of clarifying information security of Chugai Group (Chugai Pharmaceutical Co., Ltd. and its domestic and overseas subsidiary companies), protecting information assets from threat such as destruction, service outage and unauthorized access of information system, data falsification and data leakage, and board members and employees (hereinafter, referred to as "staff") utilizing information appropriately. Information security is to maintain the “confidentiality”, “integrity” and “availability” of information.

2. Basic Principles

This policy applies to board members and employees of the Chugai Pharmaceutical Group.

3. Basic Principles

The Chugai group shall adopt measures / controls for information security from the following four perspectives.

(1) Technical Security Measures
We adopt security measures at the network, server and client level.

(2) Physical Security Measures
We adopt security measures to protect information technology equipment from the risk of natural disasters and sabotage.

(3) Human Security Measures
We develop company regulations to define the usage and management of information technology equipment and information systems, regularly providing staff with information, education and training related.

(4) Organizational Security Measures
We follow the information security management cycle conducting periodic risk assessments on information systems.

4. Promotion System and Roles and Responsibilities for the Policy

(1) Vice President of Chugai Pharmaceutical Co., Ltd. responsible for Digital Transformation shall, as the “Responsible person for supervision of the Policy”, let each company of Chugai Group thoroughly known to the Policy and monitor the status of their adherence, and shall provide instructions for improvement, etc.

(2) President in charge of subsidiary companies and General Manager of Chugai Pharmaceutical Co., Ltd. shall ensure that all members of own company shall implement the framework of monitoring the adherence to the Policy, and shall report to the “Responsible person for supervision of the Policy” regarding the status of observation of the Policy.

In addition to the above information security policy, we implement the following measures against IT security and information management risks: establishment of internal rules regarding

information management and cybersecurity, education and training for employees, enhancement of system robustness and availability, construction of monitoring (SOC) and incident response (CSIRT) systems for cyber attacks and malware infections, and development of early incident response measures (establishment of cyber BCP). Particularly in confidential information management, we have strengthened measures from the IT system perspective and begun operating functions such as access management for each business file, prevention of information leakage due to carelessness or intentional acts, and prevention of information spread after leakage. In personal information management, we are advancing the construction of a global privacy governance system to respond to increasingly active cross-border data transfers. We have established the "Chugai Pharmaceutical Group Privacy Statement" to promote lawful compliance based on global standards while supporting data utilization from a compliance perspective. Furthermore, we have constructed a security governance system to evaluate and strengthen these countermeasure situations across the group, and we strive for continuous risk reduction. Note that employees who violate internal rules regarding information management and cybersecurity shall be subject to disciplinary action in accordance with disciplinary regulations.

30. IT Security/ Cybersecurity Process & Infrastructure (DJSI 1.9.3)

(1) Operations regarding information system vulnerabilities

Based on internal regulations, we regularly conduct vulnerability analysis of information systems (including vulnerability assessments by external organizations) and implement necessary countermeasures against detected vulnerabilities.

(2) Reporting and consultation system for IT security incidents (including suspicious events)

We have established consultation desks available to board members and employees of the Chugai Group, with dedicated personnel assigned to handle these consultations. We accept general consultations regarding information security (including personal information), and have established a system where consultations that cannot be handled by the aforementioned personnel are escalated to the necessary departments or personnel in charge. Additionally, this consultation desk is publicized through information security training conducted annually.

(3) Number of cyber incident accidents

	FY 2022	FY 2023	FY 2024
number of incidents	0	0	0

31. Whistleblowing Mechanism（DSJI 1.5.4）

(1) Creating Workplaces free from Harassment and other Noncompliance

The Chugai Group strives to foster respect for diverse personalities and values, to create workplaces where employees can work with enthusiasm and peace of mind. Accordingly, to prevent power harassment (abuse of power) and sexual harassment in the workplace, we continuously take various measures to educate employees and raise their awareness about these issues. Further, the Chugai Group has put in place employment regulations and harassment prevention rules as part of efforts to address harassment of those who take

maternity, childbirth, child or family care leave. Unfavorable treatment of employees for their use of these programs, as well as behavior that creates a hostile work environment for such employees, are prohibited.

We have established the CCC* hotline and the Chugai Speak-Up Line, which are operated by Chugai's Risk and Compliance Dept., enabling all Chugai Group employees to report/consult their concerns freely. Moreover, we have assigned area counselors at each regional management office, plant, and research laboratory, providing employees with familiar individuals they can consult with. Harassment consultation training by outside instructors and CCC Hotline personnel is provided regularly for these area counselors and human resource managers to reinforce the knowledge and skills necessary to respond to calls. In addition, for the concerns raised Chugai Group employees in Japan, an external reception desk, independent from executive officers, has been established, which allows the Audit & Supervisory Board to directly handle the concerns if necessary. Upon establishing the external reception desk, Risk and Compliance Dept. announced to the Chugai Group employees in Japan the purpose, reporting method and the process that follows after concerns are reported. The information for CCC hotline as well as the external reception desks is posted in Chugai internal website which are acceptable to all Chugai Group employees in Japan. We also share the above information with the newcomers at the time of joining Chugai Group in Japan.

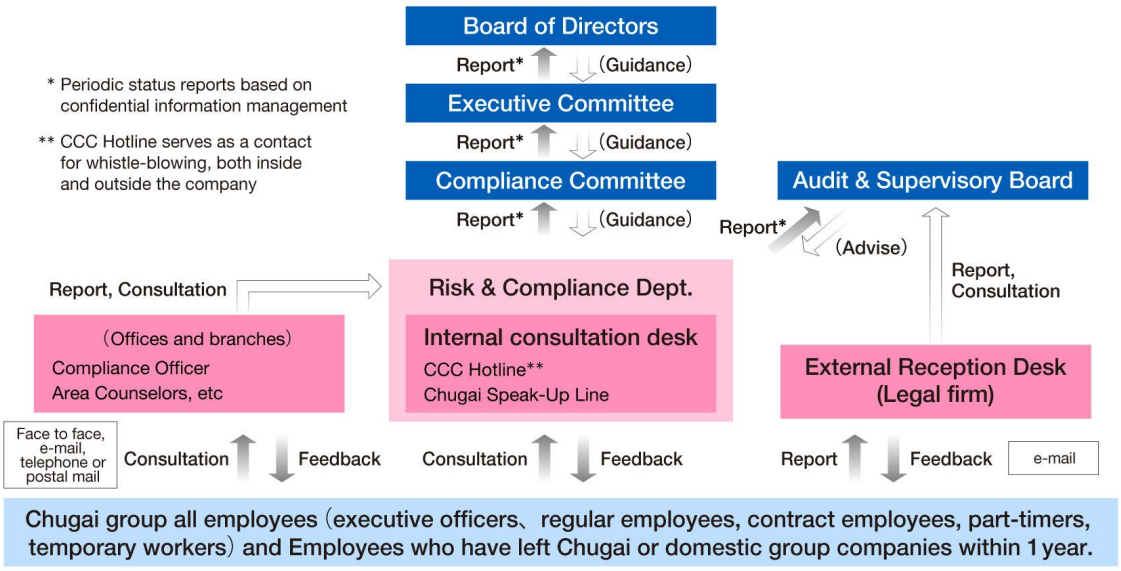
Issues consulted/reported are investigated impartially and with strict confidentiality to find a solution while respecting the opinion of the person who sought the consultation or made the report. Anonymity can be maintained for consultations and reports.

The Group-wide internal rules on whistleblowing specify rules, as follows:
(a) Employees who have acquired information related to issues consulted/reported shall not disclose the information to any third parties in the absence of reasonable grounds.
(b) The Chugai Group strictly prohibits the disadvantageous treatment of employees who seek consultation or make reports and will impose disciplinary sanctions against any employees violating such obligation.
(c) Upon receipt of a consultation request, in the absence of reasonable grounds, the Chugai's Risk and Compliance Dept. or the external reception desk shall strive to notify the reporter of the receipt within five (5) business days of the initial reception.
(d) The Risk and Compliance Dept. or the Audit & Supervisory Board shall handle the investigation, depends on the nature of the subject case.
(e) If, through investigations, a compliance violation becomes evident, appropriate disciplinary sanctions shall be imposed against the offending employee in accordance with the relevant internal regulations. The department in which a compliance violation has occurred, and the department that is responsible for the development of systems and environments for compliance shall take appropriate measures to correct the compliance violation and prevent further occurrences.

(f) The Chugai's Risk and Compliance Dept. or Audit & Supervisory Board shall notify the reporter as appropriate of the results of investigations into the subject case and details of corrective actions and preventive actions, while taking into consideration the credibility, reputation, and privacy of those related to the subject case.
(g) The Chugai's Risk & Compliance Dept. or Audit & Supervisory Board shall keep records of the responses to the subject cases of which they have taken charge and shall maintain the records for an appropriate period in accordance with the relevant internal regulations.

Furthermore, in accordance with the revised Whistleblower Protection Act, we have established "Regulations on the Protection of Public Benefit Reporters" and a system to receive consultations and reports from those who have left Chugai or domestic group companies within 1 year.

【Consultation flow on whistle-blowing】



* the "CCC" means "Chugai Group Code of Conduct".

(2) Welfare

Programs: home loan, personal loan, zaikei (asset-formation) savings plan, employee stock ownership (a monthly contribution start from 1,000 yen for all employees (excluding contract employees and part-time employees), which covers the vast majority of our total workforce including contract employees, company will subsidize employee contributions), Well Net Club (mutual benefit association). Facilities: Singles dormitory, company-owned housing, tennis court, sports ground, contracts with resort facilities in various parts of Japan

(3) Improving Working Conditions

In addition to introducing flexible work systems Chugai has created an environment to support the balance between work and major life events for Chugai Group all employees. The table below shows examples for employees in Japan. In other countries, we introduce more flexible systems adapted to the situations in various countries around the world. In our overseas locations, we have implemented flexible systems tailored to each country's specific circumstances. For instance, remote work and flexible working hours are commonly adopted across many countries. We also widely offer group insurance for employees and their families, health screenings, and paid sick and family leave. Furthermore, we strive to enhance employee welfare and improve the work environment through initiatives such as anniversary and long-service award systems, seasonal gift-giving, and organizing events to foster employee relationships. Through these efforts, we aim to support our employees' work-life balance and health on a global scale.

Work-related system	**Regular employees**	**Senior employees**	**Contract employees**	**Part-timers**
・Telework system (working from home and using satellite offices)	○	○	○	＊Partially not applicable
・Half-day and hourly paid leave system	○	○	○	○
・Professional type Discretionary Labor System (Researcher)	○	○	×	×
・Super-flextime system (no core time) (including for MRs and other remote workers)	○	○	○	×
・Short-time work system for childcare (flextime work)	○	○	○	○
・Tardiness for childcare・Leaving early for childcare (employees on fixed work schedule)	○	○	○	○
・Short-time work system for nursing care (flextime work)	○	○	○	○
・Use of business vehicle to take children to, or pick them up from childcare centers	○	○	○	○
・Commuting by Shinkansen due to marriage, spouse’s transfer or nursing care	○	○	○	○
Leave	**Regular employees**	**Senior employees**	**Contract employees**	**Part-timers**

・Long-term Absence from Work for Childcare System (first 14 consecutive days are paid leave)	○	○	○	○
・Paternity leave	○	○	○	○
・Sick child leave	○	○	○	○
・Family Care Leave・Long-term Absence from Work for Family Care	○	○	○	○
Support for expenses/tools	**Regular employees**	**Senior employees**	**Contract employees**	**Part-timers**
・Company PCs rental service for employees taking maternity leave, childcare leave or nursing care leave	○	○	○	○
・Subsidies for non-registered daycare facility expenses after returning from maternity leave or long-term childcare leave	○	○	○	○
・Subsidies for babysitting expenses (All Japan Childcare Services Association)	○	○	○	○
・Introducing a nursery school hunting concierge (Support for early return by supporting the set-up of childcare environment)	○	○	○	○
Information provided via websites	**Regular employees**	**Senior employees**	**Contract employees**	**Part-timers**
・Suku-Suku Square: website to support raising the next generation (information site for programs and services related to childbirth and childcare)	○	○	○	○
・Suku-Suku Square: website to support raising the next generation (information site for programs and services related to childbirth and childcare)	○	○	○	○

Other support	Regular employees	Senior employees	Contract employees	Part-timers
・Support plan for MRs to live with their spouses	○	○	○	○
・Alumni system (reemployment registration system for the employees who retire due to marriage, spouse transfer, childcare, nursing care, going on to higher education, job change, etc.)	○	○	○	○
・Kids' Square Nihonbashi Muromachi, a consortium-managed childcare center	○	○	○	○

(4) Internal Audits

The Audit Department, with a staff that includes certified internal auditors and certified fraud examiners, conducts audit engagements in accordance with the annual audit plan developed through risk assessment covering all Chugai Group operations. The Audit Department audits business activities of the Chugai Group, including subsidiaries, from the perspective of effectiveness, efficiency as well as compliance including ethics, prevention of corruption, and bribery, and reports and proposes recommendations to the Executive Committee and reports to the Board of Directors and the Audit & Supervisory Board. In addition, Audit Department staff serve as Audit & Supervisory members at subsidiaries.

The Audit Department assesses the design and operation of internal controls in accordance with generally accepted standards for internal control to ensure the reliability of financial reporting under the Financial Instruments and Exchange Act. As part of the audit procedures for the entity level controls, the status of design and operation of the compliance systems is also assessed once a year.

(5) CCC and Human Rights Training

Chugai provides an opportunity of e-learning on CCC in general and annual training for a certain theme for all employees (including contract employees and part-time employees) to further understand and comply with the Chugai code of conduct so that the code will take hold across the Chugai group.

In the first half of 2022, the training program focused on business and human rights. It was an opportunity to raise awareness about human rights in the supply chain and the workplace for employees, and to think about the stakeholders involved in our business activities and how we address human rights issues throughout the supply chain.

In the second half of 2022, the training focused on the theme “No harassment, no tolerance”. We learned about social trends, the current status of harassment and its prevention measures, and consultation desks, and enlightened the importance of creating a better work environment in which all employees respect each other.

(6) Continuing Education and Training for Employees

Continuing education and training is vital in the promotion of corporate activities that maintain high ethical standards, including promotional activities. We regularly provide education and training on the “Chugai Code of Practice” in addition to each country’s applicable laws including marketing related regulations and regulations and pharmaceutical manufacturers’ associations codes of practice to ensure effective implementation, not only for the sales department, but also for officers and employees (including employees belonging to affiliated companies in Japan). In addition, based on the incident status, we are enhancing measures to prevent recurrence by providing necessary education and training to relevant departments as appropriate.

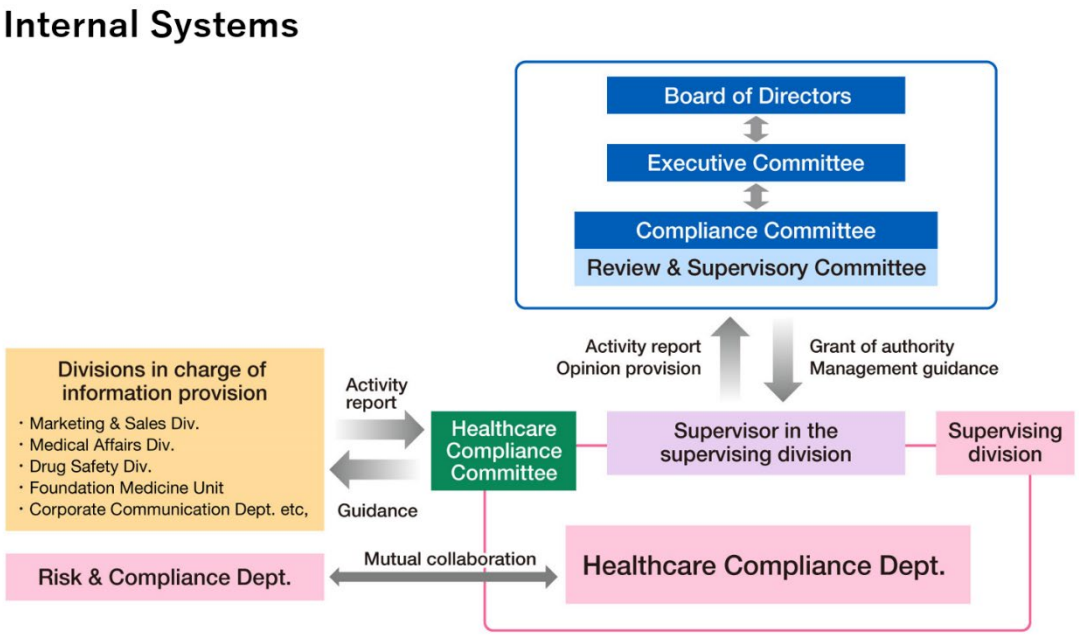
Training organizer	Training theme	Target	Scope of training	Frequency
Healthcare Compliance Dept.	Chugai Code of Practice Guidelines for Provision of Sales Information on Prescription Drugs Fair Competition Code	Management	Knowledge necessary for management	Once a year
		All employees of Chugai Group	Knowledge for appropriate interaction with healthcare professionals, etc. and provision of information	Once a year
		Compliance Officer	Knowledge necessary to promote compliance in each department	Once a year
		Personnel in charge of providing sales information	Training in line with daily activities based on examples	4 times a year
	Guidelines for Preparation of the Outline of Prescription Drug Product Information	Personnel in charge of creating material	Knowledge to prepare materials in accordance with laws and industry standards	3 times a year

(7) Investigation and Corrective Actions in Response to Healthcare Compliance Violations

Based on the “Guidelines for Provision of Sales Information on Prescription Drugs” issued by the Ministry of Health, Labour and Welfare, Chugai has established “Guidelines for Provision of Sales

Information on Prescription Drugs in Chugai." If violations or deviations or spontaneous reports from the "Guidelines for Provision of Sales Information on Prescription Drugs in Chugai" are confirmed, we will respond in accordance with the "Standard operating procedure for complaints and recurrence prevention" and perform appropriate sales information provision activities. In addition, deviation cases related to the "JPMA Code of Practice" or "Fair Competition Code concerning Restriction on Premium Offers in Ethical Pharmaceutical Drugs Marketing Industry" shall be dealt with in the same manner based on the "Chugai Code of Practice."

Chugai has established the supervising division to ensure that its divisions in charge of information provision are appropriately providing information. The supervising division reports activities to the Healthcare Compliance Committee to provide systematic guidance. In addition, the supervisor in the supervising division reports the activities to the Review & Supervisory Committee, which includes a third party. This ensures that the provision of product information is carried out appropriately.



(8) Product Safety and Quality Assurance (DJSI 1.11.1)

We are deeply committed to the reliable production and consistent supply of high-quality pharmaceuticals to our patients. we have established our own standards in compliance with Good Manufacturing Practice (GMP) for pharmaceutical manufacturing processes, and rigorously apply the world-standard quality control throughout the entire process, from procurement of raw materials to storage, manufacturing, and distribution. In addition, we periodically conduct training on the importance of GMP compliance as a manufacturer and on the actions that are appropriate for Mission Statement and Chugai Group Code of Conduct.

Chugai Pharma Manufacturing Co., Ltd. is responsible for manufacturing of pharmaceuticals within the Chugai Group. At Chugai Pharma Manufacturing Co., Ltd., all employees in the manufacturing and quality control departments (including management, contract employees, and part-time

employees) receive annual training on the overview of GMP in various countries, data integrity, and Good Documentation Practice. Furthermore, all employees except management (including contract employees and part-time employees) regularly receive annual training on hygiene management basics, pest and rodent control, ICH guideline overview, and annual reviews of abnormalities/deviations and market complaints. For contractors, GMP education related to quality control, including data integrity, Good Documentation Practice, hygiene management basics, and pest and rodent control, is conducted annually.

Chugai Pharma Manufacturing Co., Ltd. has 3 plants and they have undergone rigorous inspections by regulatory authorities mainly in Japan, the U.S. and EU, and have received approval. In addition, they have also been audited by client companies (22 inspections and audits in total in 2023). In order to further enhance our quality assurance efforts, Chugai Pharma Manufacturing Co., Ltd. evaluates all raw material suppliers, contract manufacturers, and testing contractors we collaborate, conducting periodic quality audits according to the risk and significance level (82 audits (41 overseas and 41 in Japan) conducted in 2023). Chugai Pharma Manufacturing Co., Ltd sets criticality scores based on product quality impact and patient safety for all suppliers and contractors, including secondary suppliers, considering the importance of purchased items, and determine audit methods and frequencies according to these criticality scores. Suppliers and contractors with scores above a certain threshold receive regular audits every 3 to 5 years (58 audits conducted in 2024). Additionally, all suppliers and contractors are annually re-evaluated by identifying major risk incidents (e.g., supplier-caused abnormalities/deviations, supplier-originated complaints, change management, audit results) that occurred during the period. Based on the re-evaluation results, the audit frequency for suppliers and contractors is reviewed according to the calculated risk score (e.g., if the annual evaluation of the highest criticality supplier indicates a need for risk control, the regular audit frequency may be changed from once every 5 years to once every 3 years). For particularly important suppliers, regular quality meetings are held to continuously share Chugai's quality requirements. Governance meetings are held annually with three companies, while manager-level quality discussions are conducted monthly. Education and training are also key components of these audits and include quality control education and training for suppliers and contractors. These activities ensure product safety and quality, as well as the regulatory compliance.

(9) Overview of Quality Assurance

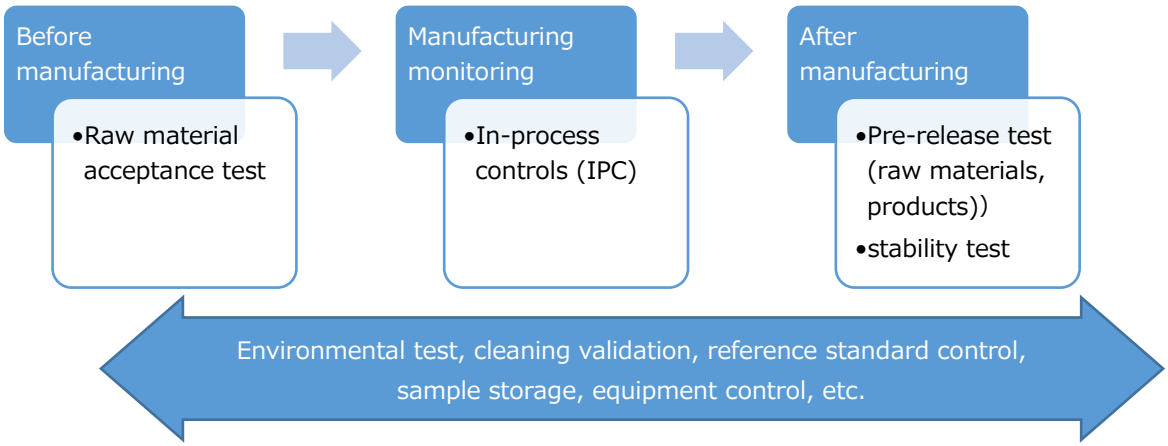
Chugai Pharma Manufacturing Co., Ltd. conducts appropriate quality assurance based on GMP standards for all investigational drugs and products, including raw materials, intermediates, and finished products, as well as manufacturing facilities, cleanliness of the manufacturing room environment, water, and gases used for manufacturing. Quality assurance includes verification of product stability to ensure the proper quality until the delivery to patients.

Chugai Pharma Manufacturing Co., Ltd. thoroughly strives for world-standard quality assurance, including the qualification of analytical instruments used for quality control, verification of the

accuracy and reproducibility of analytical methods in accordance with the intended use, and measures for data integrity to assure the consistency of data and prevent fraud in quality control, as well as training of operators who carry out these measures.

In order to ensure the safe and secure use of pharmaceuticals, Chugai Pharma Manufacturing Co., Ltd.'s quality control not only verifies the quality of our products, but also contributes to the stable supply of high-quality pharmaceuticals through a variety of initiatives from receipt of materials to manufacture and shipment.

Furthermore, at Chugai Pharma Manufacturing Co., Ltd., Annual Product Quality Reviews (APQR) are conducted for each product. In the APQR, annual management reviews are carried out primarily to evaluate compliance with current quality requirements for each item, the validity of product specifications and control procedures, and the adequacy of manufacturing process and product quality control. This is done to confirm whether there are any concerns regarding quality or safety, and to implement necessary measures if concerns are identified. Additionally, regular management reviews are conducted for the quality system to ensure its soundness.



(10) Graduate Traineeship/apprenticeship Program

Chugai conducts a group-wide introductory training program every April for all new graduate employees (graduates of bachelor's, master's, and doctoral programs). The purpose is to learn the basics of being a business professional, build trusting relationships with colleagues, understand the significance of the Chugai Group, take the first step as a member of the organization, foster bonds with colleagues who have diverse values and perspectives, and lay the foundation for innovation creation.

In 2024, we conducted a 10-day program for over 200 graduate employees. The program covers topics related to business and work styles, such as Chugai Group's corporate philosophy and code of conduct, business and value chain, digital technology and D&I, compliance, as well as personal

career development topics like self-improvement. Through a combination of instructor-led inputs and outputs through group and individual work, we build the foundation for becoming business professionals.

We believe that the development of new employees should be done over time, and we provide follow-up for up to three years to develop them as business professionals of the Chugai Group. Specifically, we conduct follow-up training in the second and third years, providing training in business skills and career development.
Furthermore, after being assigned to various divisions and group companies, we conduct specialized training for each workplace, such as training for medical representatives and production engineers (https://cpmc.chugai-pharm.co.jp/recruit/hrd/index.html), as well as orientation training for each division and company.

(11) Partners with Educational Institutions to Develop or Deliver Joint Training Programs for Staff

Chugai conducts annual selective educational programs at each level, targeting next-generation management leaders and core personnel in each department. The internal programs are called LDP (Leadership Development Program), and are implemented at each level in collaboration with external specialist instructors and university professors. Additionally, as external programs, we systematically implement leadership development programs conducted by external educational institutions, training in business skills and management literacy, and dispatch employees to graduate schools for obtaining MBA or doctoral degrees.

In 2024, we implemented the following LDP: for basic organizational leaders: A program to strengthen Decision Making, Stakeholder management, and PMVV (Purpose, Mission, Vision, Values); for group leaders: A Strategic Thinking Program to enhance Strategic Thinking & Proposal to management; for non-managerial positions: Building Futures Program to cultivate leadership identity, Leadership & Innovation Program focusing on business core-skills as leaders

(12) Opportunities of Training and Development for Self-growth

With the aim of supporting self-directed learning and growth, Chugai has introduced “I Learning,” a learning platform in which Chugai group all employees (including contract employees and part-time employees) can engage in learning anytime, anywhere.

(13) Team-based Performance Appraisal

We translate company goals into divisional goals, and then translate divisional goals into Team goals. Finally, we incorporate these goals into the goals of each individual employee. It should be noted that leaders who run teams and some team members are measured not only in the achievement of their individual objectives but also in the achievement of their team objectives. The assessments will be done annually at the end of the period.

(14) Type of Performance Appraisal: Management by Objectives:

We conduct evaluations based on the management by objective (MBO) system for all Chugai group employees. In Japan. The MBO evaluation system is designed to clarify the evaluation criteria by setting two levels of goals: “Commit” (minimum level to be achieved) and “Target” (stretched level), to enhance the evaluators' understanding of the evaluation and to support challenges.

Furthermore, in Chugai, our standards which is expected as our human capital are defined, and it is the way of thinking and the competency of individual. They are also based and used for the individual performance appraisal to measure as to how individual achieved to the own objectives which is designed by the “Commit & Target”. For further details, the competency standards consist of three decision principles as well as the four action principles. The decision criteria measure not only customer-oriented perspective, global thinking, and being trusted by our internal and external stakeholders but also compliance whereas the action principles assess the strategic thinking, influencing and good collaboration, pursuing outcomes, and developing human capital.

The evaluation period is one year. The evaluation is conducted at the end of the year, based on the goals set at the beginning of the year. In addition, a "Quarterly Review" is conducted every quarter to check the progress of performance and the demonstration of competencies between supervisors and subordinates. We expect that the “Quarterly Review” will improve the transparency and acceptability of evaluations, improve communication between supervisors and subordinates, and provide an opportunity for human resource development.

(15) EHS (Environment, Health and Safety) Audit

Since 2017, we have transitioned to an integrated EHS management system that combines environmental conservation and health and safety, and have been promoting EHS activities. We conduct EHS internal audits on a three-year cycle for all domestic sites and overseas research laboratories and plants to evaluate whether the EHS management system is functioning properly by confirming each site's EHS activities, risk reduction measures for environmental pollution and occupational accidents, and residual risks.

Number of audits in 2022: 1 research laboratory, 1 plant, 3 offices
Number of audits in 2023: 2 research laboratories, 1 plant, 2 offices
Number of audits in 2024: 1 research laboratory, 1 plant, 2 offices

(16) Supplier EHS and Compliance Risk Evaluation

In 2024, we conducted audits of 14 contract manufacturers that we consider important suppliers in our EHS and compliance risk evaluation. These audits were based on PSCI Principles and covered ethics, human rights, labor, health and safety, environment, and management systems. When issues were identified, we requested suppliers to develop corrective and preventive action plans, and we are currently monitoring their improvement progress based on these plans. No suppliers were determined to be ineligible for business based on the assessment results.

EHS and Compliance Risk Assessment Items

Ethics	Business Integrity and Fair Competition, Identification of Concerns, Animal Welfare, Privacy
Human Rights and Labor	Freely Chosen Employment, Child Labor and Young Workers, Non-Discrimination, Fair Treatment, Wages, Benefits and Working Hours, Freedom of Association
Health and Safety	Worker Protection from Chemical, Biological and Physical Hazards, Process Safety for Prevention and Mitigation of Chemical Damage, Emergency Preparedness and Response, Hazard Information
Environment	Environmental Authorizations, Proper Handling and Management of Waste, Emissions and Wastewater containing Hazardous Substances, Emergency Preparedness and Response
Management Systems	Commitment and Accountability, Legal and Customer Requirements, Risk Management, Documentation, Training and Competency, Continual Improvement

32. Risk Management Processes (DJSI 1.4.2)

1. Risk Management Process

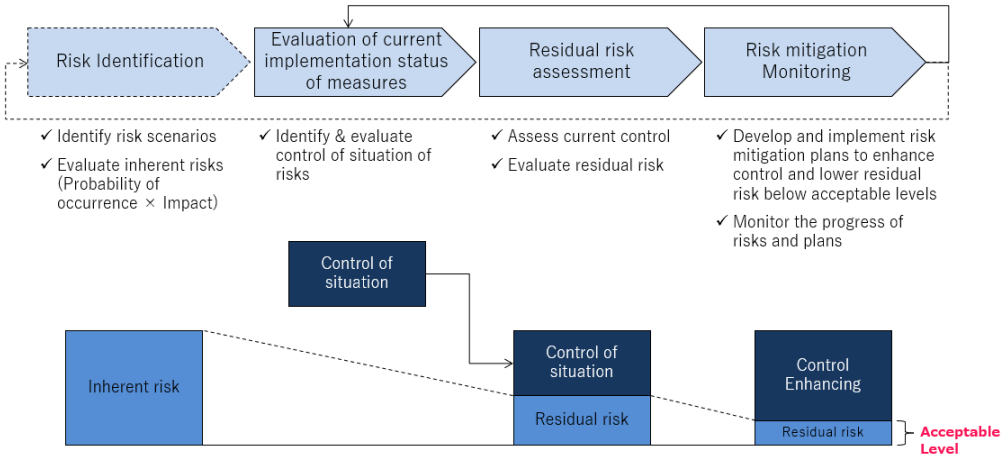
- Each division (headquarters, units, and subsidiaries) identifies its operational risks, compliance risks, GxP risks, external environmental risks, etc., creates a risk map, registers the map in the IT system, and manages it as a database.
- "Risk Scenarios" are registered in the Risk Map for each of the assumed cause and effect events. The degree of impact (financial loss, customer impact, employee impact, regulatory impact, reputation impact, impact on critical business processes) and the probability of occurrence (frequency of occurrence within and outside the company) are each rated on a five-point scale, and a quantitative evaluation of these factors is performed. The resulting overall score is the level of "Inherent Risk."
- Control measures (Classified as: separation of responsibilities, process standardization, documentation, automation, verification, education, training, contractor management, emergency response, material management, access management, and employment practices) are described for the identified risk scenario and its inherent risk assessment. The effectiveness of each control measure is evaluated on a five-point scale, and the overall score is the level of control.
- For each risk scenario, the residual risk is quantitatively evaluated by subtracting the control score from the inherent risk score. For risk scenarios with large residual risk, the Company considers whether the risk can be tolerated or if additional control measures are necessary, considering factors including Chugai's risk appetite policy. If additional measures are judged to be necessary, the Division Risk Compliance Committee (chaired by the general managers of each division/unit or the presidents of subsidiaries and attended by the general managers under them) drafts the necessary measures ("Division Risk Compliance Action Plan"). The annual status of implementation of control measures

is registered in the IT system every three months and monitored by the Division Risk Management Committee Secretariat.

- Division risk maps and plans for implementing control measures are reviewed annually for each division when preparing business plans and budget plans for the next fiscal year. Additional risk scenarios, control measures, and related costs are reflected in plans for the next fiscal year.
- We conduct an internal audit regarding the risk management process and other processes of the Risk and Compliance department annually.

Risk Management - Risk Management in Normal Situations (PDCA) -

PDCA Cycle for Risk Management Division Risk Issues



2. Examples of Risk evaluations and mitigation plans for Critical Risks

Identified Risk	Business interruption due to a large-scale earthquake	Business interruption due to cyber attack
Risk scenarios, Probability, and Impact	• Scenario: A seismic intensity of upper 6 at the plant location • Probability of occurrence: High • Impact level: High (production stops for up to 3 months)	• Scenario: External cyber-attack infects company PCs and systems with malware • Probability of occurrence: High • Impact level: High (14~45 days)
Risk Appetite	• Classified as a risk that impedes the efficacy, safety, quality assurance, and stable supply of products according to the Risk Appetite Statement • Implement measures to avoid and reduce risks related to stable supply of products while considering productivity and economic efficiency	• Classified as a risk that impedes the efficacy, safety, quality assurance, and stable supply of products according to the Risk Appetite Statement • Implement measures to avoid and reduce risks related to the provision of services to customers while considering productivity and economic efficiency
Mitigation	• Enhancements for buildings and	• Implementation of cyber security

Plans	facilities to resist effects of seismic intensity of upper 6 earthquakes • Accumulation and decentralized storage of safety stocks • Dual-site production lines • Earthquake BCP (Emergency response system, safety confirmation system, and emergency communication tools; annual on-site BCP training)	measures (e.g. Error detection/monitoring, data backup, CSIRT installation) • Cyber BCP (Identify critical IT systems, understand business impact, consider alternatives, develop early system recovery plans, conduct annual cyber BCP training)

3. Risk Culture and Promotion Measures [*] [*]

- Inclusion of risk management criteria in the HR review process: Competency evaluation items for manager performance include strategic thinking and integrity, and daily Risk Management and Compliance activities are evaluated in the items. Compliance activities and Risk Management are included in the evaluation of Compliance Officers, Risk Compliance Officers, and risk management personnel.
- Management Training: The General Manager of the Risk & Compliance Department provides education on risk management and compliance to newly appointed board directors and corporate auditors.
- Employee Training: The risk of providing patients with unsafe drugs needs to be avoided. We educate all employees through an e-learning system to promote the principles of reporting side effects. Compliance training on topics such as information management and healthcare compliance are also conducted through the e-learning system. Each division conducts annual training regarding the earthquake Business Continuity Plan (BCP). Training drills to confirm employee safety are also conducted twice per year to promote risk awareness. Training for the cyber-attack BCP is conducted by related departments, including the IT Solution Dept., Legal Dept., Corporate Communications Dept., and the Risk & Compliance Dept.
- Incorporating risk criteria in product and service development: When developing new products or adding new indications, business feasibility is evaluated by multiplying the probability of success against multifaceted risks such as the appearance of competition and the occurrence of serious side effects. The evaluation of business feasibility includes approval process, and its probability of success based on several risks.

33. Emerging Risks（DJSI 1.4.3）

	Emerging Risk 1	Emerging Risk 2
Name of the emerging risk	Fragmentation of International Regulations in Pharmaceutical Sectors Due to Geopolitical Tensions	Compound risks in AI-driven drug discovery
Category	Geopolitical	Technological
Description	Due to heightened geopolitical tensions, international regulatory frameworks in the biotechnology sector are becoming increasingly fragmented. Particularly against the backdrop of US-China confrontation and intensified geo-economic competition following the second Trump administration, there is potential for the advancement of "America First" policies in the US and strengthened data transfer regulations based on China's national security considerations, including data security laws. As a result, not only in the US and China but also in other countries and regions, regulations regarding information sharing and technology transfer in the healthcare and biotechnology industries, as well as confidential information, may evolve independently, potentially leading to the development of non-aligned systems across different countries and regions. Consequently, this could bring confusion to global research and development systems and business operations. Given the requirement for global research and development systems premised on international regulatory frameworks, there are risks of significant impact on development speed and business execution,	Our company actively utilizes generative AI in drug discovery to develop innovative drugs. While recent rapid advancements in AI technology offer various benefits like increased efficiency and value creation in drug discovery, there are significant risks. These include potential infringement of competitors' patents or our own intellectual property rights, leakage of personal data including human-derived information, or its unintended use. We also face emerging security threats from malicious actors who might misuse these technologies or enhance their capabilities to create and deploy biological threats that were previously inconceivable. The risk of industrial espionage is increasing, including technology theft, alongside heightened information leakage risks due to workforce mobility and diversification. For our company, which specializes in antibody and medium-sized molecule therapeutics, these risks of intellectual property infringement, research data leakage, misuse of personal information, and research constraints from strengthened biosecurity regulations could significantly impact our business operations and damage our reputation. Furthermore, there are also risks such as declining competitiveness due to the inability to

	including delays in data sharing and technology transfer with Roche and international partner companies, increased regulatory compliance costs, and the complexity of approval processes. Furthermore, stricter investment screening based on national security reasons in the biotechnology sector, strengthened requirements for domestic pharmaceutical production in the US, and potential tariff increases on imported pharmaceuticals could also significantly impact products' business model changes.	keep pace with these AI advancements.
Impact	Due to the necessity of complying with different regulations across various countries and regions, research and development may become more complex, potentially leading to longer development periods and increased development costs. Our company has a strategic partnership with Roche, and there are concerns about the impact on global collaborative development with Roche and other partners due to restrictions on international joint development, sharing of clinical trial data, and international technology transfer. Such constraints could reduce global research and development efficiency and potentially have broad and strategic impacts on overall business operations, including longer development periods, restructuring of development systems, and adjustments to business portfolios.	For our company, which has strengths in antibody and middle molecule drug technologies, there are risks of IP infringement, leakage of research data and personal information, unintended misuse or abuse, and constraints on research and development due to strengthened biosecurity regulations. These could impact our business, damage our reputation, and lead to loss of social trust. Additionally, failure to appropriately keep pace with AI advancements could result in loss of competitive advantage and falling behind competitors in drug development. For example, if highly confidential technical information such as molecular design data or experimental protocols in our key areas of antibody drugs and middle molecule-related technologies were to be extracted by industrial espionage and repurposed for malicious purposes, we might face potential reconsideration of our partnership with Roche. And, there

	Our company has set the goal of the “annual launch of innovative in-house global products" in our growth strategy "TOP I 2030" toward 2030, but prolonged development timelines could hinder the achievement of this objective. Additionally, if manufacturing within the US is required, this would have a significant impact in terms of products’ business model changes.	is a possibility that the achievement of the goal "annual launch of our own global products" set forth in our growth strategy "TOP I 2030" could be hindered, and we might be forced to reconsider our development strategy for antibody drugs and middle molecule drugs, which are our main areas of focus.
Mitigating actions	Our company is establishing a company-wide risk response system to build a framework that can quickly respond to geopolitical and economic security risks by promptly identifying regulatory trends and international situations in each country. We are strengthening cross-functional intelligence capabilities by continuously obtaining information from external experts, jointly monitoring with relevant departments such as the Risk & Compliance Department, External Affairs Department, and Legal Department, conducting impact analysis on our company, providing timely information to relevant departments, and considering countermeasures. We are also developing business continuity plans (BCP), including for overseas subsidiaries, anticipating geopolitical risks and trends in sudden economic security policies of various countries. In addition, we conduct BCP training involving management, overseas subsidiaries, and relevant departments to prepare	Under the CHUGAI CYBER SECURITY VISION 2030, we are advancing access control incorporating zero-trust concepts and information management based on the principle of least privilege. To strengthen confidential information management, we are considering revisions to regulations regarding company information and are identifying and specifying important information in each department, with a focus on technical information. We have introduced state-of-the-art security software equipped with functions such as access management for each business file, prevention of information leakage due to carelessness or intentional acts, and prevention of dissemination after leakage. We are implementing access restrictions and advancing initiatives such as data exfiltration monitoring. Additionally, while physical security implementation at research facilities has already been carried out, we are also strengthening screening of visitors, including overseas guests. Beyond strengthening security aspects, we are also working to enhance digital

	for actual emergency responses, and verify the effectiveness of the BCP themselves. Furthermore, we implement educational and awareness activities for various departments, including research and development and manufacturing divisions, based on our understanding of regulatory trends and the development of BCP that anticipate them, aiming to strengthen our foundation for regulatory compliance.	compliance and AI governance. To promote active use of AI while controlling AI risks, we are developing internal regulations such as AI guidelines and conducting education. Through this, we are carrying out regular training and awareness activities to improve employees' security consciousness and are also working to strengthen soft aspects. Furthermore, in utilizing AI, we are actively collaborating with AI-related companies, incorporating advanced technologies, and aiming to accelerate drug discovery and development.