CHUGAI
Roche Group

[Translation: Please note that the following purports to be a translation from the Japanese original Notice of Convocation of the 114th Annual General Meeting of Shareholders for the Business Term Ended December 31, 2024 of Chugai Pharmaceutical Co., Ltd. prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Notice of Convocation of the 114 th Annual General Meeting of Shareholders for the Business Term Ended December 31, 2024

Date and Time

10:00 a.m. on **March 27**, 2025 (Thursday)

Venue

Palace Hotel Tokyo – 2F Aoi
1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Matters for Resolution

First Proposal	Appropriation of Surplus
Second Proposal	Election of Nine (9) Directors
Third Proposal	Election of One (1) Audit & Supervisory Board Member

You are kindly requested to exercise your voting rights in advance.

Deadline for exercising your voting rights in writing or via the Internet

No later than 5:30 p.m. on March 26, 2025 (Wednesday)

Internet Live stream of the Annual General Meeting of Shareholders

The meeting will be delivered on the Internet.

For details, see ▸ page 5.

Deadline for submitting advance questions

March 20, 2025 (Thursday)

Innovation all for the patients

CHUGAI PHARMACEUTICAL CO., LTD.

Securities Code: 4519

To the Shareholders

The Chugai Group's mission is to dedicate ourselves to adding value by creating and delivering innovative medical products and services for the benefit of the medical community and human health around the world. We undertake actions that give the highest priority to patients and consumers.

The world abounds with diseases that currently have no cure. Moreover, there are growing expectations and needs for healthcare due to an increase in the world population and progressive demographic graying in each country. At the same time, the realization of sustainable medical care with limited resources and funds has become a global issue. In such circumstances, we pharmaceutical companies aim to provide treatment and improve QOL for patients through the provision of pharmaceutical products, while facing increasing demands to help solve social issues such as the realization of sustainable medical care.

The Company celebrates the 100th anniversary of its founding this year. Since our founding in 1925, we have consistently carried on the spirit of "creating drugs that benefit the world"." For the next 100 years, based on the philosophy of "Innovation all for the patients," the Chugai Group continues to aim to contribute to the resolution of social issues and the sound development of society by focusing on innovations centered on innovative drug discovery, and providing optimal medical care for each and every patient, while at the same time striving to sustainably increase corporate value. We ask for the further support of our shareholders in our endeavors.

Representative Director
President & CEO

Notice of Convocation of the 114th Annual General Meeting of Shareholders
for the Business Term Ended December 31, 2024

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The paper copy to be sent to shareholders from the Company does not include the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements, or the Audit Report.

Mission Statement

The Chugai Group upholds its Mission Statement—which consists of its Mission, its Core Values and its Envisioned Future—in order to meet a diverse array of stakeholder expectations as it realizes its corporate responsibility to society. It is on the basis of the business philosophy "Innovation all for the patients" that the Chugai Group conducts its business operations.

Mission

Our mission is to dedicate ourselves to adding value by creating and delivering innovative medical products and services for the medical community and human health around the world.

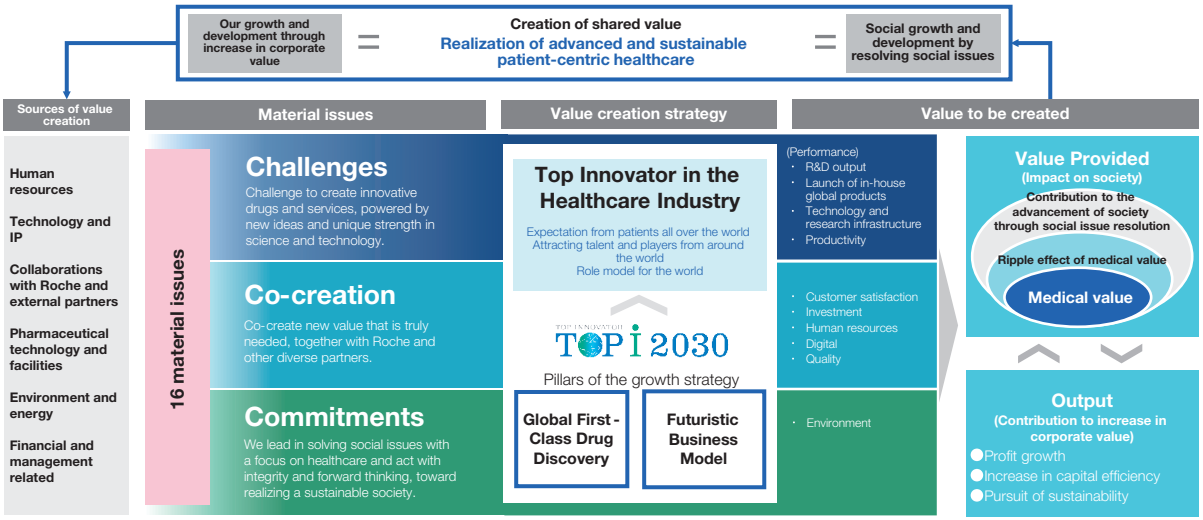
Core Values

1 Patient Centric	Make each patient's wellbeing our highest priority
2 Pioneering Spirit	Pursue innovation by improving ourselves and thinking differently
3 Integrity	Maintain the highest standards in all we do to create shared value with society

Envisioned Future

Become a top innovator to realize advanced and sustainable patient-centric healthcare, powered by our unique strength in science and technology, in collaboration with Roche

Value Creation Model



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Securities Code: 4519
February 27, 2025
(Start date of measures for electronic provision: February 26, 2025)

To the shareholders:

NOTICE OF CONVOCATION OF THE 114th ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE BUSINESS TERM ENDED DECEMBER 31, 2024

Chugai Pharmaceutical Co., Ltd. (the "Company") is pleased to announce that its 114th Annual General Meeting of Shareholders for the Business Term ended December 31, 2024 will be held as described below.

The Company takes the electronic provision measure when convening the meeting, and posts the information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which the electronic provision measure for information is to be taken) on the website shown below.

The Company's website: https://www.chugai-pharm.co.jp/english/ir/share/agm.html

The matters subject to the measures for electronic provision are also posted on the website of the Tokyo Stock Exchange ("TSE"), in addition to the website above. Accordingly, please confirm details by accessing the TSE's website (Listed Company Search) below, conducting a search with the issue name (company name) or the securities code, and selecting "Basic information" and "Documents for public inspection/PR information."

TSE's website (Listed Company Search)
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

In addition to attending the meeting, you can exercise your voting rights via the Internet or in writing. Please review the reference documents concerning the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. on March 26, 2025 (Wednesday) upon referring to the Guide on How to Exercise Your Voting Rights below.

Osamu Okuda
Representative Director,President & CEO
CHUGAI PHARMACEUTICAL CO., LTD.

1. Date and Time	10:00 a.m. on March 27, 2025 (Thursday)
2. Venue	Palace Hotel Tokyo - 2F Aoi 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
3. Purpose	**Matters for Report** The Business Report for the Business Term (January 1, 2024 to December 31, 2024), Non-Consolidated Financial Statements for the Business Term, Consolidated Financial Statements for the Business Term, and the Report on the Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board **Matters for Resolution** First Proposal: Appropriation of Surplus Second Proposal: Election of Nine (9) Directors Third Proposal: Election of One (1) Audit & Supervisory Board Member

– End –

Notes
- Among the matters subject to electronic provision, the following matters are not provided in the paper based documents delivered to shareholders who have requested the delivery of such documents, in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation. The Audit & Supervisory Board members (kansayaku) and the Accounting Auditors have audited the documents subject to audit, including the following matters.
  - Company's Stock Acquisition Rights, etc., Accounting Auditor and Framework to Ensure Operational Adequacy in the Business Report
  - Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
  - Non-Consolidated Statement of Changes in Shareholders' Equity and Notes to the Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements
- In cases where the matters subject to the measures for electronic provision are amended, the Company will post the amendments on the respective websites on which such matters are posted.

Handling of voting rights exercised multiple times:

If you exercised your voting right both in writing and via the Internet, the voting right exercised via the Internet shall be treated as the valid vote.

If you exercised your voting right for multiple times via the Internet, the last vote shall be treated as the valid vote.

[Only available in Japanese]

Internet Live stream of the Annual General Meeting of Shareholders and Acceptance of Advance Questions

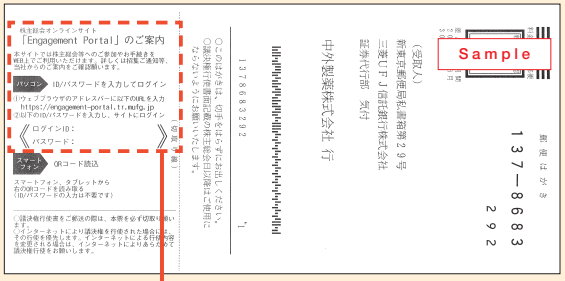
The Company will **live stream** the Annual General Meeting of Shareholders on the Engagement Portal, a website exclusively for shareholders, so that you will be able to view the meeting at home or another remote location of your convenience. The Company also accepts **advance questions** from shareholders.
Please note that you cannot exercise your voting rights on this portal site. We ask you to exercise your voting rights as early as possible.

How to log in to the "Engagement Portal," a website exclusively for shareholders

Please scan the login QR code with your smartphone, etc., or access the following URL and enter your login ID and password in case of using your laptop.

[URL for the online site for the Annual General Meeting of Shareholders]
https://engagement-portal.tr.mufg.jp/

If you use a smartphone, etc., you can login the site by only scanning the QR code appeared on the form specified above without entering the login ID and password.



① Enter the login ID and password specified in the "'Engagement Portal,' an online site for the Annual General Meeting of Shareholders," provided on the back of the enclosed Voting Rights Exercise Form.
② Check the "Agree to Terms and Conditions" check box after confirming the terms and conditions.
③ Click the "Login" button.

[Only available in Japanese]

Acceptance of advance questions

We accept questions concerning the agenda items for the General Meeting of Shareholders prior to the meeting.
Matters of high interest to shareholders will be addressed at the meeting.
Please note that we will not be able to answer questions individually.

Deadline for submitting advance questions **March 20, 2025 (Thursday)**

Internet Live Streaming

The General Meeting of Shareholders will be available on live streaming. Please note the following:

- Starting from the General Meeting of Shareholders, we will provide real-time captioning during the live stream. Because the captions are entered in real time, they will lag behind the audio and may not be completely accurate.
- In consideration of the privacy of the shareholders attending the meeting, filming will be limited to the area around the Chairman and board members' seats. However, there may be cases in which shareholders in attendance are unavoidably filmed.

Date and Time of Delivery **March 27, 2025 (Thursday)**
from 10:00 a.m. until the end of the meeting

* The related website will be accessible at **around 9:30 a.m., 30 minutes before the start time**.
* Please note that there is a possibility that we may not be able to provide the Internet delivery of the meeting due to a natural disaster or other circumstances beyond our reasonable control.

Notes

- ☑ Viewing of the Internet broadcast to participate in the meeting does not constitute attendance at the Annual General Meeting of Shareholders for the purposes of the Companies Act. Therefore, **you will not be able to ask questions, exercise your voting rights or make motions as shareholders are permitted to do at the Annual General Meeting of Shareholders, through Internet participation. Please exercise your voting rights by attending the meeting in person, or by paying attention to the deadline for exercising your voting rights and using the postal voting form or the advance exercise via the Internet, or by attending the meeting by a proxy who has been granted the right of representation by power of attorney or otherwise.**
- ☑ Internet participation of the meeting is limited to shareholders.
- ☑ It is strictly prohibited to film, record, or save the live broadcast, or to publish it on social network or other media.
- ☑ Please note that video and audio may be affected by your computer environment (model, performance, or others) and Internet connection (network conditions, connection speed, or others).
- ☑ Each shareholder is responsible for all communication charges and other costs associated with the viewing of the meeting.

memo

Reference Documents for General Meeting of Shareholders

Proposals and Matters for Reference

First Proposal: Appropriation of Surplus

Taking into account strategic funding needs and earnings prospects, Chugai (the Company) sets a target for consolidated dividend payout ratio of 45% on average in comparison with Core EPS(*) , with an aim to continuously provide a stable allocation of profit to all shareholders.
In the fiscal year ended December 31, 2024, Chugai achieved an increase in core net income for the eighth consecutive fiscal year, which resulted in Core EPS increasing by 19.0% year on year.
Reflecting the favorable results and based on our principles of "a stable allocation of profit" and "aiming for a consolidated dividend payout ratio of 45% on average in comparison with Core EPS," the Company would like to declare appropriation of surplus for the fiscal year under review as described as follows:

(*) Core EPS is diluted earnings per share attributable to the Company's shareholders after deduction of non-Core profit or loss items determined by the Company.

Matters concerning Year-End Dividends

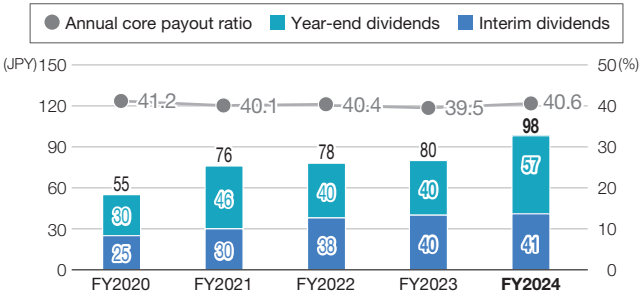
(1) Type of dividend assets:
Cash

(2) Allotment of dividend assets to the shareholders and the amount thereof:
JPY57 per share of common stock of the Company
Total: JPY93,794,970,771

Since the interim dividends of **JPY41** per share were paid, the total dividends for the fiscal year under review are **JPY98** per share, and the Core dividend payout ratio is 40.6% (an average of 40.3% for the past five years).

(3) Date when dividends of surplus become effective:
March 28, 2025

Reference | **Dividends* and Dividend payout ratio**



* Effective July 1, 2020, the Company implemented a three-for-one stock split of its common stock. The dividends are calculated based on the assumption that the stock split was implemented at the beginning of the fiscal year 2019.

Capital allocation policy

Chugai is committed to appropriately allocating capital to provide solutions that create value for patients and deliver stable returns to shareholders. This commitment aligns with its mission: "Dedicate ourselves to adding value by creating and delivering innovative products and services for the medical community and human health around the world."

Capital Allocation for "Value Creation"

1. Investment for Creation and Delivery of Innovative Medicine
We will appropriately allocate capital to create and deliver innovative drugs, by investing in our research and development powered by our unique strength in science and technology, as well as through investments such as in manufacturing facilities for stable supply of high-quality products & investigational drugs.
2. Expanding "Value Creation Engine"
We will pursue opportunities of strategic investments including Open Innovation to strengthen drug discovery platforms.
3. Other Investment Opportunities
We will appropriately evaluate other investment opportunities which support sustainable growth of Chugai and solutions of social issues such as environmental preservation.

Shareholder Returns

Taking into account strategic funding needs and earnings prospects, Chugai sets a target for consolidated dividend payout ratio of 45% on average in comparison with Core EPS, with an aim to continuously provide a stable allocation of profit to all shareholders.

Second Proposal: Election of Nine (9) Directors

The term of office of all eight (8) Directors will expire at the closing of this Annual General Meeting of Shareholders.
Therefore, it is proposed that nine (9) candidates, Osamu Okuda, Iwaaki Taniguchi, Hitoshi Iikura, Mariko Y Momoi, Fumio Tateishi, Hideo Teramoto, Thomas Schinecker, Teresa A. Graham and Boris L. Zaïtra be elected.
The election of candidates for Directors is deliberated at the Appointment Committee, a voluntary advisory board, and determined at the Board of Directors.
The candidates for Directors and the composition of the Board of Directors after the election (planned) are as follows:

Composition of the Board of Directors after the election (planned)

	Candidate No.	Name	Gender	Age*1	Attribute	Current Position and Responsibility	Tenure as Director	Attendance at the Meetings of the Board of Directors
Executive Directors	1	Osamu Okuda	Male	61	Reappointment	Representative Director, President & CEO In charge of Audit Department	5 years	100% (12 out of 12)
	2	Iwaaki Taniguchi	Male	58	Reappointment	Director, Executive Vice President & CFO Head of Finance Supervisory Division	1 year	100% (9 out of 9)*2
	3	Hitoshi Iikura	Male	55	Reappointment	Director, Executive Vice President Head of Translational Research Division	1 year	100% (9 out of 9)*2
Non-Executive Directors	4	Mariko Y Momoi	Female	77	Reappointment Outside Independent	Outside Director	5 years	100% (12 out of 12)
	5	Fumio Tateishi	Male	75	Reappointment Outside Independent	Outside Director	2 years	100% (12 out of 12)
	6	Hideo Teramoto	Male	64	Reappointment Outside Independent	Outside Director	2 years	100% (12 out of 12)
	7	Thomas Schinecker	Male	49	New appointment	—	—	—
	8	Teresa A. Graham	Female	51	Reappointment	Director	2 years	100% (12 out of 12)
	9	Boris L. Zaïtra	Male	52	New appointment	—	—	—

Reappointment Candidate for reappointment as Director New appointment Candidate for new appointment as Director
Outside Candidate for Outside Director Independent Independent officer who has been registered with Tokyo Stock Exchange, Inc.

*1 The ages of the candidates are as of this Annual General Meeting of Shareholders.

*2 The number of meetings attended by Directors Mr. Iwaaki Taniguchi and Dr. Hitoshi Iikura stated above refers to the number of the Board of Directors meetings they attended after their assumption of office on March 28, 2024.

Reference | **Expertise and experience expected of Directors and Audit & Supervisory Board Members after the approval of the Second Proposal and the Third Proposal are as follows:**

	Positions at the Company (Including planned positions)	Name	Expertise and experience expected of the Company's Directors and Audit & Supervisory Board Members						
			Corporate management	R&D	Sales, Marketing	Finance, Accounting, Tax affairs	Legal affairs, Intellectual property, Risk management	Medical science, Pharma-ceutical science	International experience
Executive Directors	Representative Director, President & CEO	Osamu Okuda	●	●	●			●	●
	Director, Executive Vice President & CFO	Iwaaki Taniguchi	●			●	●		●
	Director, Executive Vice President	Hitoshi Iikura	●	●				●	●
Non-Executive Directors	Outside Director Independent	Mariko Y Momoi						●	●
	Outside Director Independent	Fumio Tateishi	●		●		●		●
	Outside Director Independent	Hideo Teramoto	●		●	●	●		
	Director	Thomas Schinecker	●	●	●				●
	Director	Teresa A. Graham	●	●	●				●
	Director	Boris L. Zaïtra	●			●			●
Audit & Supervisory Board Members	Full-time Audit & Supervisory Board Member	Shigehiro Yamada		●			●		●
	Full-time Audit & Supervisory Board Member	Masayoshi Higuchi		●			●	●	●
	Outside Audit & Supervisory Board Member Independent	Kenichi Masuda					●		●
	Outside Audit & Supervisory Board Member Independent	Yumiko Waseda					●		
	Outside Audit & Supervisory Board Member Independent	Mami Yunoki				●			●

Independent Independent officer who has been registered with Tokyo Stock Exchange.

Osamu Okuda

Date of birth: April 5, 1963 (61 years old)

Shares of the Company owned: 191,468 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 5 years

Attendance at the meetings of the Board of Directors: 100% (12 out of 12)

Reasons for nominating the candidate for Director
Dr. Osamu Okuda has served as Executive Vice President from 2017, as Representative Director, President & COO from 2020, and as Representative Director, President & CEO from 2021, after having worked mainly in the Development Division, Marketing & Sales Division and Corporate Planning Division. He has been engaged in the Company's overall management as well as management and supervision of the Company's global business. Furthermore, he has demonstrated strong leadership in formulating and promoting the growth strategy 'TOP I 2030' aimed at achieving the vision of becoming a top innovator by 2030. The Company is of the judgment that he will be able to continue to perform his roles and duties as Director appropriately, based on his abundant knowledge and experience in management decision-making and business execution.

● Summary of career and positions at the Company

Apr. 1987	Joined the Company
Oct. 2008	General Manager of Lifecycle Management Dept. II of the Company
Jun. 2009	General Manager of Lifecycle Management Dept. II and Head of Lifecycle of the Company
Apr. 2011	President of Roche Products (Ireland) Limited
Oct. 2013	General Manager of Oncology Unit, Marketing & Sales Division of the Company
Jan. 2014	Vice President, General Manager of Oncology Unit, Marketing & Sales Division of the Company
Jan. 2015	Vice President, General Manager of Corporate Planning Department of the Company
Apr. 2017	Executive Vice President, General Manager of Corporate Planning Department of the Company
Apr. 2018	Executive Vice President, Co-Head of Project & Lifecycle Management Unit of the Company
Mar. 2020	Representative Director, President & COO of the Company
Mar. 2021	Representative Director, President & CEO of the Company (to present)

● Responsibilities at the Company

・ CEO, in charge of Audit Department

● Other special notes

・ The Company has no special interests with him.

Iwaaki Taniguchi

Date of birth: December 4, 1966 (58 years old)

Shares of the Company owned: 6,800 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 1 year

Attendance at the meetings of the Board of Directors: 100% (9 out of 9)

Reasons for nominating the candidate for Director
Mr. Iwaaki Taniguchi is familiar with the finance and financial accounting fields and risk management through his extensive work experience in Japan and overseas. He has served as Senior Vice President from 2022, as Director, Executive Vice President & CFO from 2024. He has been engaged in the Company's overall management as well as management and supervision of the Company's global business. The Company is of the judgment that he will be able to continue to perform his roles and duties as Director appropriately, based on his abundant knowledge and experience in management decision-making and business execution.

● Summary of career and positions at the Company

Apr. 1989	Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)
Jan. 2004	Joined Takeda Pharmaceutical Company Limited ("Takeda")
Apr. 2013	General Manager of Corporate Finance Department of Takeda
Apr. 2015	General Manager of Finance Management Department of Takeda
Jan. 2017	Joined Recruit Holdings Co., Ltd. Corporate Executive Officer (Responsible for Finance) of Recruit Holdings Co., Ltd.
Apr. 2018	Corporate Executive Officer (Responsible for Finance), of Recruit Holdings Co., Ltd. and Director of Recruit Co., Ltd.
Aug. 2022	Joined the Company Senior Vice President, Head of Finance & Accounting Department of the Company
Jan. 2023	Senior Vice President Head of Finance Supervisory Div. and Head of Finance & Accounting Department of the Company
Mar. 2024	Director, Executive Vice President & CFO of the Company (to present)

● Responsibilities at the Company

・ CFO, Head of Finance Supervisory Division

● Other special notes

・ The Company has no special interests with him.

3

Reappointment

Hitoshi Iikura

Date of birth: February 26, 1970 (55 years old)

Shares of the Company owned: 7,203 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 1 year

Attendance at the meetings of the Board of Directors: 100% (9 out of 9)

Reasons for nominating the candidate for Director
Dr. Hitoshi Iikura is familiar with all aspects of pharmaceutical research and development through his extensive work experience in Japan and overseas. He has served as Vice President from 2022, as Director, Executive Vice President from 2024. He has been engaged in the Company's overall management as well as management and supervision of the Company's global business. The Company is of the judgment that he will be able to continue to perform his roles and duties as Director appropriately, based on his abundant knowledge and experience in management decision-making and business execution.

● Summary of career and positions at the Company

Aug. 2000	Joined the Company
Apr. 2017	Head of Medicinal Chemistry Research Department of the Company
Jan. 2021	Head of Research Division of the Company
Apr. 2022	Vice President, Head of Research Division of the Company
Jan. 2024	Vice President, Head of Translational Research Division of the Company
Mar. 2024	Director, Executive Vice President of the Company (to present)

● Responsibilities at the Company

- Head of Translational Research Division

● Other special notes

- The Company has no special interests with him.

4

Reappointment

Outside

Independent

Mariko Y Momoi

Date of birth: February 24, 1948 (77 years old)

Shares of the Company owned: 0 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 5 years

Attendance at the meetings of the Board of Directors: 100% (12 out of 12)

Reasons for nominating the candidate for Outside Director and expected roles
Dr. Mariko Y Momoi has no experience in corporate management in the past. However, she has provided appropriate supervision and advice on the management of the Company based on her experience in managing organizations such as universities and hospitals, in addition to her extensive knowledge, experience, etc. as a physician and university professor. As a member of the Appointment Committee, she contributes to ensuring the transparency and objectivity of management by providing opinions and proposals from an independent and objective standpoint. Therefore, the Company nominates her as a candidate for Outside Director based on its expectation that she will continue to perform her roles and duties as Outside Director appropriately in the future as well.

● Summary of career and positions at the Company

Apr. 1994	Head of Department of Pediatrics, Jichi Medical University
Sep. 2006	Director of Jichi Children's Medical Center Tochigi
Apr. 2010	Dean of School of Medicine, Jichi Medical University
Apr. 2012	Visiting Professor of School of Medicine, Shinshu University
Apr. 2013	Professor Emeritus of Jichi Medical University (to present)
	Vice President of International University of Health and Welfare
Jun. 2014	Director of Japanese Medical Specialty Board (part-time)
Apr. 2015	Vice President of International University of Health and Welfare and Head of IUHW Hospital
May 2017	Chief Medical Officer of Ryoumou Seishi Ryogoen, Kiryu Ryoiku Futabakai Social Welfare Corporation
Dec. 2018	Regent of Tokyo Medical University (part-time) (to present)
Mar. 2020	Director of the Company (to present)
Apr. 2024	Invited Professor of School of Medicine, Shinshu University (to present)

● Important concurrent positions

- Professor Emeritus of Jichi Medical University
- Invited Professor of School of Medicine, Shinshu University
- Regent of Tokyo Medical University (part-time)

● Other major positions

- Member of Science Council of Japan (Section II)

● Other special notes

- She satisfies the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc. and Independence Standards established by the Company. The Company has registered her as an independent officer with Tokyo Stock Exchange, Inc. Also, the Independence Standards established by the Company are stated in page 24.
- The Company has no special interests with her.

Fumio Tateishi

Date of birth: July 6,1949 (75 years old)

Shares of the Company owned: 0 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 2 years

Attendance at the meetings of the Board of Directors: 100% (12 out of 12)

Reasons for nominating the candidate for Outside Director and expected roles
Dr. Fumio Tateishi has provided appropriate supervision and advice on the management of the Company, based on his long engagement in global corporate management and a high level of insight into sustainability and ESG. As a Chairperson of the Appointment Committee as well as a member of Compensation Committee and Special Committee, he contributes to ensuring the transparency and objectivity of management by providing opinions and proposals from an independent and objective standpoint. Therefore, the Company nominates him as a candidate for Outside Director based on its expectation that he will continue to perform his roles and duties as Outside Director appropriately in the future as well.

● Summary of career and positions at the Company

Aug. 1975	Joined Tateisi Electronics Co. (currently OMRON Corporation)
Jun. 1997	Director of OMRON Corporation ("OMRON")
Jun. 1999	Managing Executive Officer of OMRON
Jun. 2001	Senior General Manager, Corporate Strategic Planning HQ of OMRON
Jun. 2003	Executive Officer and Executive Vice President of OMRON, President, Industrial Automation Business Company of OMRON
Jun. 2008	Director and Executive Vice Chairman of OMRON
Jun. 2013	Chairman of the Board of OMRON
Mar. 2023	Director of the Company (to present)
Jun. 2023	Honorary Advisor of OMRON (to present)

● Important concurrent positions

- Honorary Advisor of OMRON Corporation

● Other special notes

- He satisfies the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc. and Independence Standards established by the Company. The Company has registered him as an independent officer with Tokyo Stock Exchange, Inc. Also, the Independence Standards established by the Company are stated in page 24.
- The Company has no special interests with him.

Hideo Teramoto

Date of birth: May 20, 1960 (64 years old)

Shares of the Company owned: 0 shares

Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 2 years

Attendance at the meetings of the Board of Directors: 100% (12 out of 12)

Reasons for nominating the candidate for Outside Director and expected roles
Mr. Hideo Teramoto has provided appropriate supervision and advice on the management of the Company based on his extensive experience and knowledge concerning corporate management and a high level of insight into finance and financial accounting, etc. As a Chairperson of the Special Committee and a member of Compensation Committee, he contributes to ensuring the transparency and objectivity of management by providing opinions and proposals from an independent and objective standpoint. Therefore, the Company nominates him as a candidate for Outside Director based on its expectation that he will continue to perform his roles and duties as Outside Director appropriately in the future as well.

● Summary of career and positions at the Company

Apr. 1983	Joined The Dai-ichi Mutual Life Insurance Company
Jun. 2012	Director, Managing Executive Officer, Deputy Chief General Manager of Group Management Headquarters, and General Manager of Corporate Planning Department of The Dai-ichi Life Insurance Company, Limited. ("DLI")
Apr. 2013	Director, Managing Executive Officer, and Deputy Chief General Manager of Group Management Headquarters of DLI
Apr. 2015	Director, Senior Managing Executive Officer, and General Manager of Marketing Promotion of DLI
Oct. 2016	Director, Senior Managing Executive Officer, and General Manager of Marketing Promotion of Dai-ichi Life Holdings, Inc. ("DLH") Director and Senior Managing Executive Officer of DLI
Apr. 2017	Director of DLH Representative Director and Vice Chairman of DLI
Apr. 2020	Director, Vice Chairman, and General Manager of Innovation Strategy Unit of DLH
Apr. 2021	Representative Director, Vice Chairman, and Executive Officer of DLH
Apr. 2022	Director of DLH
Jun. 2022	President of Dai-ichi Life Research Institute, Inc. (to present)
Mar. 2023	Director of the Company (to present)
Jun. 2023	Outside Director of Imperial Hotel, Ltd. (to present)

● Important concurrent positions

- President of Dai-ichi Life Research Institute, Inc.
- Outside Director of Imperial Hotel, Ltd.

● Other special notes

- He satisfies the requirements for an independent officer stipulated by Tokyo Stock Exchange, Inc. and Independence Standards established by the Company. The Company has registered him as an independent officer with Tokyo Stock Exchange, Inc. Also, the Independence Standards established by the Company are stated in page 24.
- The Company has no special interests with him.

Thomas Schinecker

Date of birth: April 23, 1975 (49 years old)
Shares of the Company owned: 0 shares

Reasons for nominating the candidate for Director
The Company recommends Dr. Thomas Schinecker with the belief that he will be able to perform his roles and duties as a Director appropriately through supervising the Company and giving advice about its management and business from a global perspective as a member of the management of Roche.

● Summary of career and positions at the Company

2003	Joined Roche Group
2005	Roche Diagnostics Austria, Head of Marketing and Sales
2008	Roche Diagnostics Sweden, General Manager
2011	Roche Diagnostics, Lifecycle Leader Sequencing Solutions
2013	Roche Diagnostics Germany, General Manager
2018	Roche Diagnostics, Global Head of Roche Diagnostics Centralised and Point of Care Solutions
Aug. 2019	Roche Diagnostics, CEO, Member of the Corporate Executive Committee (to present)
Jan. 2023	Roche Pharma, CEO ad interim
Mar. 2023	Roche Group, CEO

● Important concurrent positions

・ Roche Group, CEO

● Other special notes

・ The relationship between the Company and Roche, where he serves as a member of the Board of Directors, is as stated in "1. Overview of Consolidated Business Activities (10) Parent Company and Principal Subsidiaries" of the Business Report.

Teresa A. Graham

Date of birth: December 30, 1973 (51 years old)
Shares of the Company owned: 0 shares
Tenure as Director (as at the closing of this Annual General Meeting of Shareholders): 2 years
Attendance at the meetings of the Board of Directors: 100% (12 out of 12)

Reasons for nominating the candidate for Director
Ms. Teresa Graham has provided appropriate supervision and advice on the management of the Company from a global perspective as a member of the management of Roche. Therefore, the Company is of the judgment that she will be able to continue to perform her roles and duties as Director appropriately in the future as well.

● Summary of career and positions at the Company

Jan. 2005	Joined Genentech as Product Manager
Feb. 2010	Genentech Sales Manager
Jan. 2011	Genentech Marketing Director
Sep. 2013	Genentech Sr. Dir. Field Reimbursement Management
Mar. 2015	Roche Lifecycle Leader Actemra
May 2017	Genentech Vice-President Rheumatology/Nephrology
Jan. 2018	Genentech Vice President AATE & LGI Sales
May 2019	Roche Pharma Head of Global Product Strategy
Mar. 2023	CEO of Roche Pharmaceuticals, Member of the Roche Corporate Executive Committee (to present)
Mar. 2023	Director of the Company (to present)

● Important concurrent positions

・ CEO of Roche Pharmaceuticals, Member of the Roche Corporate Executive Committee

● Other special notes

・ The relationship between the Company and Roche, where she serves as a member of the Board of Directors, is as stated in "1. Overview of Consolidated Business Activities (10) Parent Company and Principal Subsidiaries" of the Business Report.

Boris L. Zaïtra

Date of birth: April 24, 1972 (52 years old)
Shares of the Company owned: 0 shares

Reasons for nominating the candidate for Director
The Company recommends Mr. Boris L. Zaïtra with the belief that he will be able to perform his roles and duties as a Director appropriately through supervising the Company and giving advice about its management and business from a global perspective as a member of the management of Roche.

● Summary of career and positions at the Company

Sep. 1995	JP Morgan, Mergers & Acquisitions, Associate
Aug. 1999	Duke Street Capital, Partner
Nov. 2005	Airbus Group, Head of Mergers & Acquisitions, Corporate Vice-President
Apr. 2012	Roche, Head of Group Business Development/M&A
Jul. 2024	Roche, Head of Corporate Business Development, Member of the enlarged Corporate Executive Committee (to present)

● Important concurrent positions

・ Roche, Head of Corporate Business Development, Member of the enlarged Corporate Executive Committee

● Other special notes

・ The relationship between the Company and Roche, where she serves as a member of the Board of Directors, is as stated in “1. Overview of Consolidated Business Activities (10) Parent Company and Principal Subsidiaries” of the Business Report.

Notes related to Second Proposal

1. Overview of the contents of a limited liability agreement
   The Company has provided in its Articles of Incorporation that it may enter into a limited liability agreement (the “Agreement”) with a Director (excluding Director serving as Executive Director, etc.),” as provided in Article 423, Paragraph 1 of the Companies Act, and the limit of liability in the Agreement shall be equal to the minimum liability limit stipulated by laws and regulations. The Company has entered into the Agreement with Dr. Mariko Y Momoi, Dr. Fumio Tateishi, Mr. Hideo Teramoto and Ms. Teresa A. Graham, and the Company plans to sustain such Agreement with them if they are elected as Directors. In addition, the Company plans to enter into the Agreement with Dr. Thomas Schinecker and Mr. Boris L. Zaïtra if they are elected as Directors.
2. Overview of the contents of the corporate indemnity agreement
   The Company has entered into a corporate indemnity agreement with each of the Directors and Audit & Supervisory Board Members, as provided for in Article 430-2, Paragraph 1 of the Companies Act, pursuant to the resolution of the Board of Directors meeting. Under such agreement, the Company shall indemnify them for the expenses provided for in Item 1 and the losses provided for in Item 2 of the said Paragraph to the extent prescribed by laws and regulations. Dr. Osamu Okuda, Mr. Iwaaki Taniguchi, Dr. Hitoshi Iikura, Dr. Mariko Y Momoi, Dr. Fumio Tateishi, Mr. Hideo Teramoto, and Ms. Teresa A. Graham have already entered into such agreement, and the Company plans to sustain such agreement with them if they are elected as Directors. In addition, the Company plans to enter into the indemnity agreement with Dr. Thomas Schinecker and Mr. Boris L. Zaïtra if they are elected as Directors.
3. Overview of the contents of the directors’ and officers’ liability insurance
   To secure excellent human resources and to prevent contraction in the execution of duties, the Company has concluded a directors’ and officers’ liability insurance agreement with an insurance company with the following conditions, and plans to renew such agreement in July 2025. If each candidate is reelected or elected, he/she will be covered by this insurance agreement.
   [Overview of the insurance]
   1) The ratio of premiums to be actually borne by the insured individuals
      The premiums, including the portion for riders, will be borne by the Company. There are no actual premiums to be borne by the insured individuals.
   2) Overview of the insurance accidents covered
      The insurance, including riders, covers damage that may be incurred by the insured directors and officers as a result of assuming responsibilities relating to the execution of duties or receiving claims relating to the pursuit of such responsibilities. However, there are certain exemptions such as in cases where violation of laws and regulations were knowingly committed.
4. The number of “Shares of the Company owned” by each candidate shown in the table above includes shares of stock in the Officers Shareholders’ Association of the Company.
5. The ages of the candidates are as of this Annual General Meeting of Shareholders.

Third Proposal: Election of One (1) Audit & Supervisory Board Member

Out of all the five (5) Audit & Supervisory Board Members, the term of office of one (1) Audit & Supervisory Board Member, Yoshiaki Ohashi, will expire at the closing of this Annual General Meeting of Shareholders. Therefore, it is proposed that Masayoshi Higuchi be elected.

The election of candidate for Audit & Supervisory Board Member is determined at the Board of Directors with the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member and the composition of the Audit & Supervisory Board after the election (planned) are as follows:

Composition of the Audit & Supervisory Board after the election (planned)

Candidate	Name	Gender	Age*2	Attribute	Current Position	Tenure as Audit & Supervisory Board Member	Attendance at the meetings of the Board of Directors	Attendance at the Meetings of the Audit & Supervisory Board
—*1	Shigehiro Yamada	Male	60		Full-time Audit & Supervisory Board Member	2 years	100% (12 out of 12)	100% (11 out of 11)
●	Masayoshi Higuchi	Male	55	New appointment	Vice President	—	—	—
—*1	Kenichi Masuda	Male	62	Outside Independent	Outside Audit & Supervisory Board Member	5 years	100% (12 out of 12)	100% (11 out of 11)
—*1	Yumiko Waseda	Female	65	Outside Independent	Outside Audit & Supervisory Board Member	2 years	100% (12 out of 12)	100% (11 out of 11)
—*1	Mami Yunoki*4	Female	61	Outside Independent	Outside Audit & Supervisory Board Member	1 year	100% (9 out of 9)*3	100% (9 out of 9)*3

New appointment Candidate for new appointment as Audit & Supervisory Board Member

Outside Outside Audit & Supervisory Board Members

Independent Independent officer who has been registered with Tokyo Stock Exchange, Inc.

*1 The term of office of Audit & Supervisory Board Members of the Company is four (4) years. Dr. Shigehiro Yamada and Ms. Yumiko Waseda were elected and assumed office as Audit & Supervisory Board Members at the 112th Annual General Meeting of Shareholders held in March 2023. Mr. Kenichi Masuda and Ms. Mami Yunoki were elected and assumed office as Audit & Supervisory Board Members at the 113th Annual General Meeting of Shareholders held in March 2024, respectively.

*2 The ages are as of this Annual General Meeting of Shareholders.

*3 The number of meetings attended by Audit & Supervisory Board Member Ms. Mami Yunoki stated above refers to the number of the meetings of the Board of Directors and the meetings of the Audit & Supervisory Board they attended after their assumption of office on March 28, 2024.

*4 Her name in the family register is Mami Kato.

Masayoshi Higuchi

Date of birth: April 17, 1969 (55 years old)
Shares of the Company owned: 6,400 shares

Reasons for nominating the candidate for Audit & Supervisory Board Member
Mr. Masayoshi Higuchi is familiar with pharmaceutical jurisprudence both in Japan and overseas, as well as operations to ensure the reliability of pharmaceuticals, from his work experience. He also has extensive experience in organizational management as the Head of Unit, and as a member of decision-making bodies. As he has abundant knowledge and experience with the Company to conduct appropriate audits regarding management decision making and status of the business execution, the Company is of the judgment that he will be able to perform his roles and duties as Audit & Supervisory Board Member appropriately.

● Summary of career and positions at the Company

Apr. 1992	Joined the Company
Oct. 2013	Head of Regulatory Affairs Department of the Company
Apr. 2019	Head of Quality & Regulatory Compliance Strategy Department of the Company
Jan. 2021	Head of Quality & Regulatory Compliance Unit of the Company
Jan. 2022	Vice President, Head of Quality & Regulatory Compliance Unit of the Company
Jan. 2023	Vice President, Head of Quality & Regulatory Compliance Unit, In charge of Risk & Compliance Department of the Company
Jan. 2025	Vice President of the Company (to present)

● Other special notes

・ The Company has no special interests with him.

Notes related to Third Proposal

1. Overview of the contents of a limited liability agreement
   The Company has provided in its Articles of Incorporation that it may enter into a limited liability agreement (the "Agreement") with an Audit & Supervisory Board Member, as provided in Article 423, Paragraph 1 of the Japanese Companies Act, and the limit of liability in the Agreement shall be equal to the minimum liability limit stipulated by laws and regulations. The Company plans to enter into the Agreement with Mr. Masayoshi Higuchi if he is elected as an Audit & Supervisory Board Member.
2. Overview of the contents of the corporate indemnity agreement
   The Company has entered into a corporate indemnity agreement with each of the Directors and Audit & Supervisory Board Members, as provided for in Article 430-2, Paragraph 1 of the Companies Act, pursuant to the resolution of the Board of Directors meeting. Under such agreement, the Company shall indemnify them for the expenses provided for in Item 1 and the losses provided for in Item 2 of the said Paragraph to the extent prescribed by laws and regulations. The Company plans to enter into the indemnity agreement with Mr. Masayoshi Higuchi if he is elected as an Audit & Supervisory Board Member.
3. Overview of the contents of the directors' and officers' liability insurance
   To secure excellent human resources and to prevent contraction in the execution of duties, the Company has concluded a directors' and officers' liability insurance agreement with an insurance company with the following conditions and plans to renew such agreement in July 2025. If each candidate is reelected or elected, he/she will be covered by this insurance agreement.
   [Overview of the insurance]
   1) The ratio of premiums to be actually borne by the insured individuals
      The premiums, including the portion for riders, will be borne by the Company. There are no actual premiums to be borne by the insured individuals.
   2) Overview of the insurance accidents covered
      The insurance, including riders, covers damage that may be incurred by the insured directors and officers as a result of assuming responsibilities relating to the execution of duties or receiving claims relating to the pursuit of such responsibilities. However, there are certain exemptions such as in cases where violation of laws and regulations were knowingly committed.
4. The ages of the candidates are as of this Annual General Meeting of Shareholders.

End

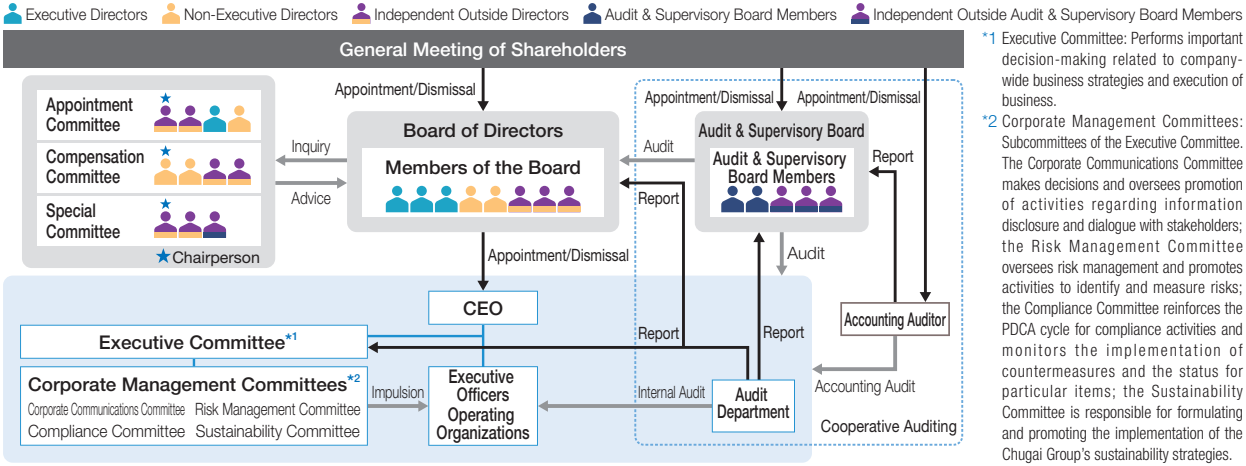
Corporate Governance

In line with its strategic alliance with the world-leading pharmaceutical company Roche, the Company has established "dedicating itself to creating new values through the provision of innovative medical products and services for the benefit of the medical community and human health around the world" as its mission and "becoming a top innovator in the healthcare industry that realizes sophisticated and sustainable patient-centered medical care, powered by our unique strength in science and technology and the alliance with Roche" as its envisioned future. While being a member of the Roche Group, the Company maintains its managerial autonomy and independence as a publicly listed company and constantly strives to perfect its corporate governance as established in the "Chugai Pharmaceutical Co., Ltd. Basic Corporate Governance Policy" in order to fulfil the mandate of its many stakeholders appropriately and fairly for the achievement of its basic management objective.

Organizational Structure

The Company adopted "Company with an Audit & Supervisory Board" as its corporate organizational structure under the Companies Act in order to ensure effective oversight of Directors from an independent and objective standpoint. The Company performs important managerial decision-making and supervises the execution of business through the Board of Directors, and audits the Directors' performance of duties and other matters through the Audit & Supervisory Board and its Members, who are independent of the Board of Directors. In addition, the Company adopted the executive officer system in order to separate managerial decision- making and supervision from the execution of business and work towards swifter executive decision-making. The Board of Directors delegates to the Executive Committee, which is to consist of Executive Directors and Executive Officers, the decision-making and execution of all business not determined by the Board of Directors itself. Furthermore, the Company established the Appointment Committee, the Compensation Committee and the Special Committee as advisory boards to the Board of Directors, so as to secure managerial transparency and fairness.

Chugai's Corporate Governance System (as of January 1, 2025)



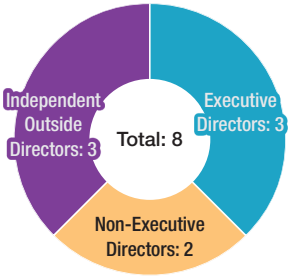
*1 Executive Committee: Performs important decision-making related to company-wide business strategies and execution of business.

*2 Corporate Management Committees: Subcommittees of the Executive Committee. The Corporate Communications Committee makes decisions and oversees promotion of activities regarding information disclosure and dialogue with stakeholders; the Risk Management Committee oversees risk management and promotes activities to identify and measure risks; the Compliance Committee reinforces the PDCA cycle for compliance activities and monitors the implementation of countermeasures and the status for particular items; the Sustainability Committee is responsible for formulating and promoting the implementation of the Chugai Group's sustainability strategies.

Board of Directors

Number of Board of Directors meetings held: 12

Based on fiduciary duties and accountability to shareholders, in order to achieve sustainable growth and increase corporate value over the medium to long term, and to improve profitability and capital efficiency, the Board of Directors makes important decisions on the management of the Company, including management strategies, management plans, and other important matters, establishes an environment that supports appropriate risk taking by Executive Directors, and supervises business execution.
The Board of Directors consists 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, age and size, while the Board of Directors established and disclosed Independence Standards aimed at ensuring effective independence of Independent Directors, taking into consideration the independence criteria set by the Tokyo Stock Exchange, and appoints one-third of the Directors or more as Independent Outside Directors.



* As of the end of December 2024

Appointment and Dismissal of Directors

The Board of Directors selects as Executive Director candidates individuals with the knowledge and experience to manage the Company properly, fairly and efficiently, and sufficient public trust. The Board of Directors selects Non-Executive Director candidates from among the managers of other companies, medical experts and others with academic experience, and similar persons, taking into account experience, knowledge, and expertise, so that the Outside Directors may appropriately carry out the supervisory function and give advice on the management of the Company. If the Board of Directors determines that it is difficult to achieve sustainable growth and the increase of corporate value over the mid- to long-term (such as if the Company continually fails to achieve business plans and performance is not expected to improve, or if material misconduct or a material compliance violation occurs), it will consider dismissing the Executive Directors, including the CEO. The selection of Director candidates and dismissal of Directors will be deliberated by the Appointment Committee and determined at a Board of Directors meeting, and the reasons for the selection or dismissal will be disclosed.

Major matters deliberated in fiscal year 2024

Theme	Matters deliberated
Business strategy and sustainability	● Decision making and monitoring regarding TOP I 2030, business strategies, and business plans (including the refinement of TOP I 2030, a drug discovery strategy, and a human capital strategy) ● Materiality updates ● Introduction of a new personnel system ● Establishment of the Sustainability Committee ● Promotion of global environmental preservation activities and wellbeing, safety, and health activities
Governance	● Discussions regarding the governance system ● Evaluation of the effectiveness of the Board of Directors and report on the results, and the development of measures to enhance the effectiveness of the Board of Directors ● Review of strategic shareholdings ● Report on IR activities
Risk management, internal control and compliance	● Internal control report and internal audit report ● Report on Risk Management Committee (including the further update of the enterprise risk management (ERM), the establishment of supply chain management systems, and the establishment of geopolitical risk management systems) ● Report on Compliance Committee

Advisory boards to the Board of Directors

The Company has established the Appointment Committee, the Compensation Committee, and the Special Committee as voluntary advisory boards to the Board of Directors to ensure managerial transparency and fairness. Each of the Committees elects its Chair from among its members at its meeting held after a General Meeting of Shareholders.

Appointment Committee

Number of committee meetings held: 3

★Chair Fumio Tateishi
Osamu Okuda
Mariko Y Momoi
Teresa A. Graham

The Appointment Committee deliberates on the selection of Director candidates, succession plan for Executive Directors, including the CEO, dismissal of Directors, and other matters.

Major matters deliberated in fiscal year 2024

- The proposal of Director candidates submitted to the General Meeting of Shareholders for resolution
- The proposal of Executive Director candidates and the proposal of a Representative Director candidate
- The proposal of the appointment of Honorary Advisor
- Major Executive Officers list in 2025
- CEO successor candidates

Compensation Committee

Number of committee meetings held: 3

★Chair Teresa A. Graham
Fumio Tateishi
Hideo Teramoto
Christoph Franz

The Compensation Committee deliberates on remuneration policy and the remuneration of individual Directors.

Major matters deliberated in fiscal year 2024

- Individual bonus amount for Executive Directors for fiscal year 2023
- The Company's standard of remuneration, proportion of remuneration, and verification of the appropriateness of the remuneration benchmark of a group of companies for fiscal year 2023
- Individual remuneration amount and proportion of remuneration for Directors for fiscal year 2024
- Release rate of the transfer restriction for performance-based restricted stock compensation based on the comparison results of total shareholders returns

Special Committee

Number of committee meetings held: 6

★Chair Hideo Teramoto
Fumio Tateishi
Kenichi Masuda

The Special Committee deliberates and reviews on significant transactions and conducts, etc. that may generate a conflict of interests between Roche and minority shareholders.

Major matters deliberated in fiscal year 2024

- Report on transactions related to Roche for the second half of fiscal year 2023 (continued from the December 2023 Committee meeting)
- Report on measures taken to address the issues raised at the December 2023 Committee meeting
- Pre-Board meeting deliberation on the transactions related to Roche that are subject to resolution by the Board of Directors
- Report on transactions related to Roche for the first half of fiscal year 2024
- Report on transactions related to Roche for the second half of fiscal year 2024

* The members of each of the Committees listed above are those as of the end of December 2024.

Evaluation of Effectiveness of Chugai Board of Directors

The Board of Directors of the Company is subject to the analysis and evaluation of its activities by an external third-party in each financial year, in addition to the self-evaluation of the Directors and Audit & Supervisory Board Members, to secure the effectiveness of its decision-making and supervision, and discloses a summary of the results.
Almost all of the responses with respect to these matters in the self-evaluation questionnaire were "Yes," and the materials examined and the interviews conducted by the outside experts indicated that these responses truly reflect the reality of the Board and its related activities. Thus, the outside experts confirmed that, from the standpoint of all evaluations, the effectiveness of the Board is secured.

Evaluated parties

The Directors and Audit & Supervisory Board Members who were on the Board as of the end of fiscal year 2023

Details of the evaluation

- Conducted in February 2024 a self-evaluation questionnaire on the Directors and Audit & Supervisory Board Members who were on the Board as of the end of fiscal year 2023
- From the standpoint of objectively and rationally verifying whether the results of the self-evaluation questionnaire were valid and truly reflect the reality of the Board and its related activities, the outside experts conducted a two-step process of:
  (1) viewing and carefully examining relevant materials (including the attachment to the Company's notice of convocation of the General Meeting of Shareholders and the Company's securities reports for fiscal year 2023, the minutes and distributed materials for the Board of Directors meetings held between January 2023 and December 2023, the Company's internal regulations such as the rules for the Board of Directors, and Outside Directors and Audit & Supervisory Board Members Information Meeting materials) and
  (2) conducting interviews with a considerable number of Executive Directors, Non-executive Directors, and Audit & Supervisory Board Members out of the Directors and the Audit & Supervisory Board Members who were on the Board as of the end of fiscal year 2023.

Measures implemented in fiscal year 2024 to enhance the effectiveness of the Board of Directors

(1) Identify of the priority theme of the Board of Directors for the next fiscal year

The priority theme of our company Board of Directors for fiscal 2024 is "mid- to long-term strategies." In addition to monitoring the progress of our growth strategy TOP I 2030 and business strategies based on the monitoring, we formulated an annual plan to conduct in-depth discussions on mid- to long-term strategies that involve our pipeline.

(2) Design of focused measures in next fiscal year

Based on the opinions collected through the evaluation of the effectiveness of the Board of Directors and the needs of Outside Directors, we will organize the program through participation in liaison meetings for Outside Directors and internal events, which we are still working on, into a program to secure opportunities to further enhance information provision to Outside Directors and to deepen mutual communication between Directors, and formulated an annual plan.

For corporate governance, please visit here:
https://www.chugai-pharm.co.jp/english/ir/governance/index.html

Measures implemented in 2024

As a measure to enhance the effectiveness of its Board of Directors, the Company systematically organizes and implements events for helping to acquire and enhance the knowledge necessary to fulfill the expected roles and functions of the Company's Directors throughout the year, enhancing understanding of the Company's business, and promoting communication among the Directors and Audit & Supervisory Board Members.

Presentation at the intermediates manufacturing facility (Fujieda Plant)

Visit to the automated storage facility (Fujieda Plant)

In November, when a Board of Directors meeting was held at the Fujieda Plant, the Company implemented a site visit to a manufacturing building for active pharmaceutical ingredients (APIs) of small and mid-size molecule drugs. In November and December, the Company also held an event called "Dialogue Discovery," in which all the Directors and Audit & Supervisory Board Members, including those who live abroad and usually attend Board meetings remotely, came together in person and had dialogue for the purposes of enhancing understanding of the Company's business, having an in-depth discussion on strategies, and promoting communication.

The Company will continue to systematically implement measures that help to enhance the effectiveness of the Board of Directors, by also using other opportunities than Board of Directors meetings.

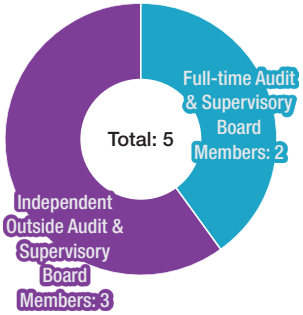
The month of the event	Event	Purposes*3
February	● TOP I Leaders' Meeting*1	A/B/C
May	● Onboarding sessions for newly appointed Audit & Supervisory Board Member held 12 times between May and October	B
	● Outside Directors and Audit & Supervisory Board Members Information Meeting	A/B/C
October	● Executive exchange meeting	B/C
November	● Held a Board of Directors meeting at a different business site and a site visit to the Fujieda Plant (Shizuoka Prefecture)	B/C
	● The 1st Dialogue Discovery	A/B/C
December	● The 2nd Dialogue Discovery	A/B/C
	● Participated in Chugai Marketing & Sales Annual Meeting 2024*2	B

*1 Meeting for the management to share company-wide policies
*2 Initiative of Marketing & Sales Division which is to strengthen, step up and advance the efforts while further promoting a spirit of inquisitiveness towards becoming a top innovator in the healthcare industry with sharing organizational, team and personal efforts implemented in each area in the form of an annual conference.
*3 Purposes
A : To acquire and improve knowledge necessary to fulfill the roles and functions expected of the Company as a Director.
B : To provide information to promote understanding of projects, etc. that contribute to stimulating discussions at the Board of Directors meeting
C : To strengthen mutual cooperation among Outside Officers

Audit & Supervisory Board

Number of Audit & Supervisory Board meetings held: 11

Audit & Supervisory Board Members work with the Board of Directors to play a part in the supervisory function of the Company and, as an independent organization entrusted by shareholders, ensure sound and sustainable growth of the Company and audit the execution of duties by Directors, to secure a high-quality corporate governance system that responds to social trust. The Audit & Supervisory Board receives reports from the Audit & Supervisory Board Members on important matters related to audits and makes consultations or resolutions. The Audit & Supervisory Board consists of members with the necessary knowledge, experience, and specialist skills, and ensures the balance of expertise of that Board as a whole. One of the outside Audit & Supervisory Board Members must possess significant knowledge, experience and expertise in finance and accounting. The Office of Audit & Supervisory Board Members ensures the independence and enhances the auditing functions of Audit & Supervisory Board Members.



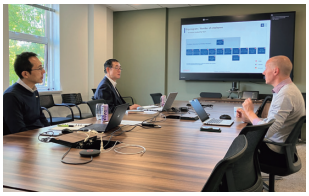
Coordination with Independent Outside Directors

The Company holds regular information-sharing meetings between Independent Outside Directors and Audit & Supervisory Board Members for the purpose of obtaining the information necessary for active discussion at Board of Directors meetings and enhancing mutual coordination. In addition, the Audit & Supervisory Board Members actively exchange opinions with Outside Directors at the Outside Directors and Audit & Supervisory Board Members Information Meeting and Executive exchange meeting as well. Also, Full-time Audit & Supervisory Board Members share information about their audit activities with Outside Directors at the Audit Activity Information-Sharing Meeting.

On-site audit of offices and Group companies

The Audit & Supervisory Board Members conducted on-site audits of 10 bases in Japan and 7 bases overseas, including research laboratories, plants, and regional management offices, which serve as sales offices, as well as overseas development and sales bases, and also interviewed staff members in charge etc. The results of the on-site audits were reported at meetings with Directors and Audit & Supervisory Board meetings.

Visit to Ukima Plant



On-site audit of an overseas subsidiary (UK)

Activities in fiscal year 2024

Matter	Items discussed
Resolution and discussion	● Audit policy, audit plans, and audit report by the Audit & Supervisory Board ● Consent to the proposal of the election of Audit & Supervisory Board Members, and remuneration for Audit & Supervisory Board Members ● Results of the examination of proposals and documents for the General Meeting of Shareholders ● Reelection of the Accounting Auditor, consent to the remuneration for the Accounting Auditor, and procedural regulations for prior consent to non-assurance services by the Accounting Auditor or network firms ● Transfer and performance evaluation of the employees belonging to the Office of Audit & Supervisory Board Members
Reporting and sharing	● Content of discussions at meetings of the Executive Committee, the Corporate Management Committees (Sustainability Committee, Risk Management Committee, Compliance Committee, and Corporate Communications Committee) and other decision-making bodies ● Content of interviews by Audit & Supervisory Board Members ● Content of major news releases related to the Company ● Status of audits of subsidiaries in Japan by subsidiaries' Audit & Supervisory Board Members ● Plan for and results of internal audits by Audit Dept. ● Results of quarterly review by the Accounting Auditor

Independence Standards

The Company will judge outside officers (Outside Directors and Outside Audit & Supervisory Board Members) that do not fall under any of the following to be independent officers (independent Outside Directors and independent Outside Audit & Supervisory Board Members) with no risk of a conflict of interests with the Company's general shareholders:

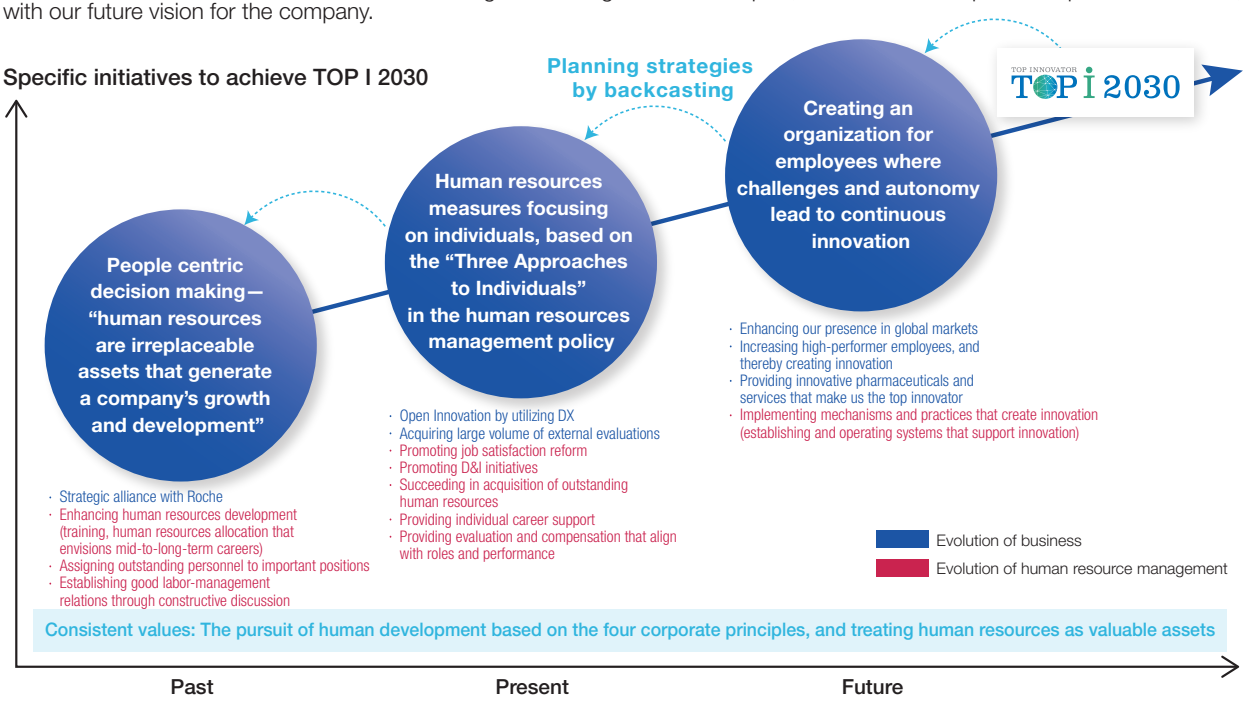
(1) a person who is currently or has been in the past ten years an executive (see note 1) of the Company or any of its subsidiaries (collectively, the "Chugai Group").
(2) a person who is currently or has been in the past five years an executive of the parent company or any sister company of the Company.
(3) a person for whom the Chugai Group is a major business partner (see note 2) or an executive of that person.
(4) a major business partner (see note 2) of the Chugai Group or an executive of that business partner.
(5) a major lender (see note 3) of the Chugai Group or an executive of that lender.
(6) a consultant, accounting professional, or legal professional who receives a large amount of money or other such assets (see note 4) other than officer remuneration from the Chugai Group (including any person belonging to a corporation, partnership, or other such organization that receives such assets).
(7) a major shareholder (see note 5) of the Company or an executive of that shareholder.
(8) an executive of a company for which the Chugai Group is a major shareholder.
(9) an executive of a company that engages a director or Audit & Supervisory Board Member (regardless of whether full or part time) from the Chugai Group or an executive of the parent company or any subsidiary of such company.
(10) a director or other executive of a corporation, partnership, or other such organization that receives contributions or aid exceeding a certain amount (see note 6) from the Chugai Group.
(11) an accounting auditor of the Chugai Group or any person belonging to an auditing corporation that is an accounting auditor of the Chugai Group.
(12) a close relative (see note 7) of any person (limited to those in material positions (see note 8)) who falls under any of (1) through (11) above.

Note 1: "Executive" means an executive director, executive officer, corporate officer, or other such employee or the like.
Note 2: "Major business partner" means a business partner whose transactions with the Chugai Group in any business year within the past five years total 2% or more of the consolidated sales of that business partner or the Chugai Group.
Note 3: "Major lender" means a lender from whom the Chugai Group's borrowings at the end of the business year exceed 2% of the Chugai Group's consolidated total assets at the end of that business year.
Note 4: "Large amount of money or other such assets" means, in any business year within the past five years, money or other such assets in excess of the greater of (a) ten million yen annually or (b) 2% of the total annual income of the person receiving the money or other such assets.
Note 5: "Major shareholder" means a shareholder directly or indirectly holding 10% or more of total voting rights in any business year within the past five years.
Note 6: "Contributions or aid exceeding a certain amount" means, in any business year within the past five years, contributions or aid exceeding the greater of (a) ten million yen annually or (b) 2% of the total annual income of the person receiving the contributions or aid.
Note 7: "Close relative" means a spouse or a relative within the second degree of kinship.
Note 8: "Those in material positions" means directors (excluding outside directors), corporate officers, and executive officers, or any person with authority equivalent to any of these.

Our Sustainability

Positioning of human capital in the value creation model

Traditionally, Chugai has made people central to the way it operates its business, based on the belief that "human resources are irreplaceable assets that generate a company's growth and development. The Company established in 1993 its four principles: "pursuit of social awareness," "pursuit of human development," "pursuit of economic performance" and "pursuit of internationality". Based on these principles, the Company has introduced human resource development and evaluation program to support employees' career development, ensure fair treatment, and help their respective self-realization.
Our strategic alliance in 2002 with Roche, the Company accelerated our initiatives for and investments in our people, encouraged employees to participate in external programs, including study for an MBA, and strengthened its efforts to develop business leaders. The Company pursued human resources allocation that envisions mid-to-long-term career development rather than just securing a workforce for the short-term and has placed highly competent human resources in important positions.
In parallel, as it works to achieve TOP I 2030, the Company views diversity as a key driving force of innovation and has long promoted D&I initiatives. We believe that the more diverse human resources are able to thrive within the company, the more effectively we can collaborate with diverse external stakeholders. As a result of these initiatives, our unique technology and scientific expertise have enabled us to continuously develop innovative pharmaceuticals and has led to a virtuous cycle.
We will continue our efforts to connect the strengths of Chugai's human capital, cultivated in our past and present initiatives, with our future vision for the company.



For our People & Culture Report, please visit here:
https://www.chugai-pharm.co.jp/english/sustainability/diversity/people_and_culture_report.html

In our social contribution activities, we will contribute to the creation of a healthy body and mind for each person and a healthy society that supports them. At the same time, we will expand our initiatives to connect them to the future with society through activities centered on the following five areas.

Support for a remote ophthalmology screening project in Cambodia New Challenges for Prevention of Blindness and Light for Regional Healthcare in Cambodia

- Examination at the local site

Photo: en Vision

Photo: en Vision

Cambodia faces a situation where ophthalmology medical care is concentrated in urban areas and residents in rural areas find it difficult to receive the appropriate care. In particular, cataract is a major cause of vision loss in the country, and it is imperative to detect and treat the disease early. The Company, in collaboration with AMDA Multisectoral & Integrated Development Services (AMDA-MINDS)*1 and en Vision,*2 provided support for a project to make high quality ophthalmic medical care available also to residents in rural areas in the country.

[Background of the project]
The prevalence rate of vision loss in Cambodia is estimated at 0.37% of the general population and 2.5% of the population aged 50 or older. Of the causes of vision loss, 92.2% is avoidable, and 80.9% of that is treatable. However, 60% of the ophthalmologists in Cambodia are concentrated in its capital Phnom Penh, so other areas are seriously short of ophthalmologists. The number of ophthalmologists for every one million people in the country is 5.12, half of the World Health Organization (WHO)'s recommended level of 10. For this reason, there is a special need in Cambodia for ophthalmology examination using remote examination systems.*3

[Details of the project]
The project was implemented at two medical institutions located in Kandal Province of Cambodia from August 6, 2024 to September 4, 2024. A total of 164 local residents, aged 20 or older, participated in the screening, in which a visual acuity test and an anterior segment eye examination were conducted by use of ophthalmology devices connected to smartphones.

[Results of the project]
The project led to an early detection of eye diseases including cataract, and of the patients who were diagnosed as having cataracts, three of them had surgery and successfully regained their vision. Awareness-raising activities were also conducted, which helped deepen an understanding of eye diseases. However, there was another issue: Many local residents hesitate to seek medical attention for financial reasons and only a low percentage of the people who need to consult with doctors have done so.

A remote ophthalmology screening project in Cambodia is a major step forward to improve access to healthcare in rural areas and light of hope for many residents. We will continue to support this effort to further enhance access to ophthalmic medical care.

*1 AMDA Multisectoral & Integrated Development Services (AMDA-MINDS) https://www.amda-minds.org/
*2 en Vision https://www.envision.or.jp/blank-1
*3 JICA remote ophthalmology diagnosis services https://libopac.jica.go.jp/images/report/1000048533.pdf

Supporting the Nippon Foundation's "Third Place for Children" ~ Creating a society where all children can have hope for the future ~

The inside of the facilities of Apple Park Third Place for Children

The Company believe that the healthy growth of children, who are the future of our country, is linked to the healthy development of a future society. Accordingly, our company made a donation to the Nippon Foundation's "Third Place for Children" fund. Through this donation, "Apple Park," the first Third Place for Children in Nasu-gun, Tochigi Prefecture, was newly opened.
"Apple Park" was opened on the grounds of the former Daido Daycare Center, and operated by Apple Base, a general incorporated association that has established a third place for children in Nasushiobara City. The facility, which is equipped with a heated pool, a library, a learning space and other facilities, will be used as a place for elementary school children to learn and experience after school.
We will continue to provide support in cooperation with the government, NPO, and local citizens so that this facility will become a hub for people in the community and a place where children in the community can live their lives in good physical and mental health.

For our social contribution activities, please visit here:
https://www.chugai-pharm.co.jp/english/sustainability/community/index.html

Communication with Shareholders, Investors, and Other Multiple Stakeholders

Directors Teramoto and Tateishi at the IR Day event

To fulfill its basic management policy of creating shared value, the Company believes that dialogue with shareholders, investors, and other stakeholders is essential. As well as promoting active information disclosure and extensive dialogue, we analyze insights emerging from the dialogue and take care to incorporate them in management decision-making and other processes.
At the IR Day event held in October 2024, the Company offered opportunities to have a discussion with two Executive Directors as well as with two Independent Outside Directors. The investors and securities analysts who participated in the event commented that the dialogue with the Independent Outside Directors "was useful because they explained in detail what discussions at a Board of Directors meeting are like, the results of external evaluations, and other matters" and "I heard the Independent Outside Directors' candid opinions about the advantages that the relationship with the parent company Roche offers to Chugai's business and the Company's consideration for minority shareholders, so it was helpful." In addition, Pharmaceutical Function in RED SHIFT Study Meeting led by experts at the Company, and the R&D Meeting, and the New Product Meeting inviting medical doctors as special speakers are also rated highly. In November 2024, the Company held its Sustainability Meeting and made a presentation about the Group's material issues, which it has reviewed individual materiality on that basis under clearly stated this concept of sustainability in our basic management policy and strategy, explaining the content, the background, the redefining process, and specific priority initiatives for the material issues.

* RED SHIFT: RED stands for Research & Early Development, and RED functions correspond to the initial development stages of research, early clinical development, and pharmaceutical technology functions. By focusing resources and expanding investment in RED functions, Chugai aims to enhance capabilities from drug discovery, the source of its value creation, to translational research for acquiring PoC, and to increase R&D outputs.

Sustainability Meeting

For "To shareholders and investors," please visit here:

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

Award for Excellence in Corporate Disclosure by securities analysts

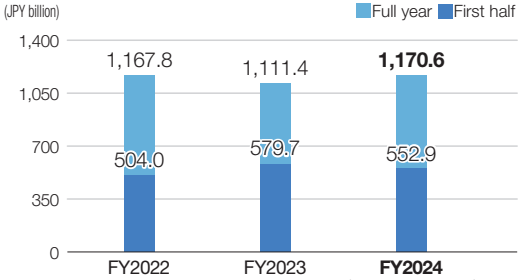
The Company was achieved 1st Place for the first time in the pharmaceuticals industry in the 2024 "Award for Excellence in Corporate Disclosure(Japan)" presented by the Securities Analysts Association of Japan.
The selection for the Award has been conducted every year since fiscal year 1995 for the purpose of improving corporate disclosure. The Corporate Disclosure Study Group, established by the Securities Analysts Association of Japan, has formulated objective evaluation standards for five sets of elements of corporate disclosure: (i) management's investor relations (IR) attitude, functions of IR division, basic stance of IR, (ii) disclosure in briefing sessions, interviews and presentation materials and other media, (iii) fair disclosure, (iv) ESG-related information disclosure, and (v) voluntary information disclosure according to the status of each industry. Based on these standards, it evaluates the quality, quantity, timing, and other aspects of each company's disclosure. The Company was rated particularly highly for its management's IR attitude and its voluntary information disclosure efforts. We will continue to attach high importance to continuous dialogue with a wide range of stakeholders and to strive to generate innovation and solve social issues.

Highlights of Financial Results

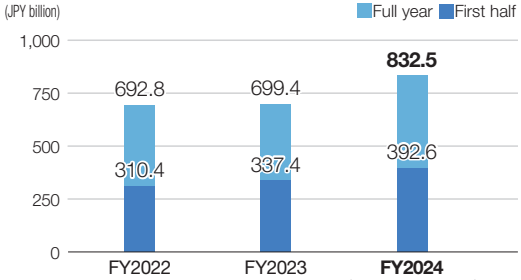
For our IR materials, please visit here:
https://www.chugai-pharm.co.jp/english/ir/reports_downloads/index.html

Highlights of Consolidated Financial Results: Core Results (from January 1, 2024 to December 31, 2024)

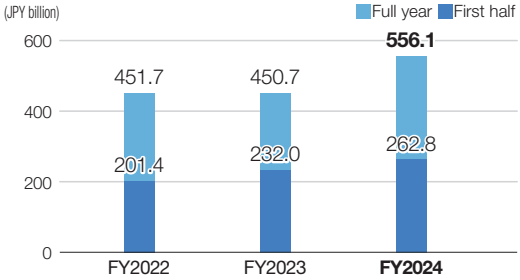
Revenues 1,170.6 billion yen (up 5.3% year on year)



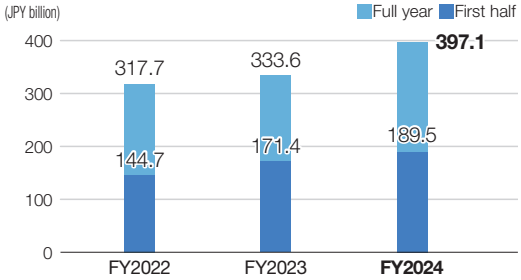
Gross profit 832.5 billion yen (up 19.0% year on year)



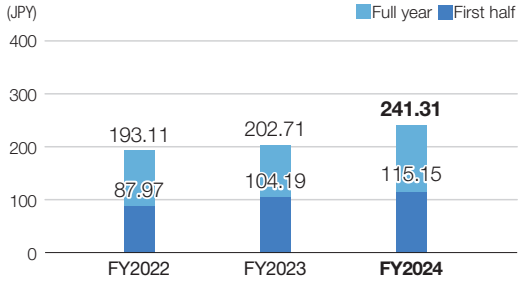
Operating profit 556.1 billion yen (up 23.4% year on year)



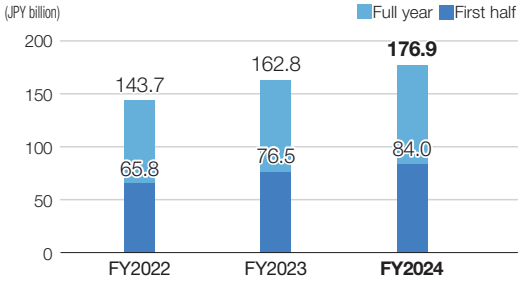
Net income 397.1 billion yen (up 19.0% year on year)



Core EPS 241.31 yen (up 19.0% year on year)



Research and development expenses 176.9 billion yen (up 8.7% year on year)



* Effective fiscal year 2023, the Company has changed its method of presentation to exclude income from disposal of product rights from revenues. Accordingly, the figures for the fiscal year 2022 have been reclassified in the same manner.

100th ANNIVERSARY

100 Years of Chugai's History

1925
Juzo Ueno with the mission of "creating medicines useful to the world" founded Chugai Shinyaku Shokai in 1925 after witnessing the devastation caused by the Great Kanto Earthquake.

In the 1960s
From non-prescription pharmaceuticals to prescription pharmaceuticals

1975
Successfully developed and launched **PICIBANIL®**, an anti-tumor agent and activates the immune system, helping to make the Chugai name famous in immunology.

From the 1980s
The challenge of biotech
Shifting from chemical synthesis to bio-based drug discovery

Chugai Pharmaceutical

Nippon Roche

1912
A pharmacist for Roche becomes the first forerunner of a Japanese proper*

* Proper:
Currently called medical representative (MR)

1932
Nippon Roche was established.

1972
Nippon Roche Research Center Established in Kamakura

From foundation to a strategic alliance

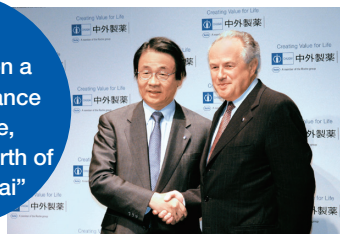
The origin of Chugai dates back to 1925 when, after witnessing the devastation caused by the Great Kanto Earthquake, Juzo Ueno established Chugai Shinyaku Shokai, the base of Chugai, with the mission of "creating medicines useful to the world." Chugai began its operation as a pharmaceutical import agent, and later grew its business through the launch of its Guronsan and Varsan. In the late 1960s, it shifted from non-prescription to prescription pharmaceuticals, and pioneered the immunology field with Picibanil. Furthermore, the Company decided to major change its course to biopharmaceuticals, and in the early 1990s, it launched biopharmaceuticals such as Epogin and Neutrogin, building the foundations of what have become Chugai's strengths.
Roche, recognizing the growth potential of the Japanese market, began exporting products to Japan in 1904, just 10 years after its foundation, and established Nippon Roche in 1932. Nippon Roche operated a vitamin business and contributed to the growth of the vitamin market in Japan. At Nippon Roche Research Center in Kamakura, it also developed innovative drugs such as Furtulon and Xeloda.

1987
Constructed Fuji-Gotemba Research Laboratory

1990
Joint research with a U.S. bio-venture and launch of **EPOGIN®**, our first biopharmaceutical product

1987
From injection to oral formulation. **FURTULON®**, an anticancer drug born f out of a change in thinking

2002
Embarked on a strategic alliance with Roche, marking the birth of "New Chugai"



October 2005
Launch of **ACTEMRA®**, Japan's first antibody drug. It has grown into a product with global reach

2010
Evolution of antibody engineering technologies, that prove Chugai's drug discovery capabilities

March 2018
Launched **HEMLIBRA®**, created with Chugai's proprietary bispecific antibody technologies

April 2023
Chugai Life Science Park Yokohama began operation

Building on the strategic alliance with Roche

Chugai has been implementing a unique business model in which, while being a member of the Roche Group, it maintains its managerial autonomy and independence and focuses on innovation by leveraging its unique technologies and advanced science. Through the strategic alliance with Roche, Chugai gained exclusive right to develop and market Roche products in Japan. At the same time, Chugai gains access to the global market for its in-house products by out-licensing them to Roche's infrastructure. This stable earnings foundation allows Chugai to concentrate investment on highly innovative proprietary technologies and drug discovery . Since the strategic alliance, significant synergies have been generated: over the years, Chugai's sales have grown by 7 times and its operating profit has increased by 20 times more. Roche can market Chugai products – which we create through highly innovative – in the global market. It is a win-win relationship.
Remaining faithful to the founding spirit, building on the merger of Chugai and Nippon Roche and the strategic alliance with Roche, the Company aims to become a top innovator in the healthcare industry that realizes advanced and sustainable patient-centric healthcare.

For the Chugai 100th anniversary, please visit here:
* The website is scheduled to open on March 10, 2025.
https://www.chugai-pharm.co.jp/100th/