Sumitomo Dainippon Pharma

News Release

May 12, 2021

Sumitomo Dainippon Pharma Co., Ltd.

Sumitomo Dainippon Pharma Announces Revised Mid-term Business Plan 2022 (FY2018–FY2022)

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, First Section of TSE) today announced a revised version of its Mid-term Business Plan 2022 (FY2018–FY2022), which was originally announced in April 2019.

1. Background to the Revision

Guided by the Mid-term Business Plan 2022, Sumitomo Dainippon Pharma set Psychiatry & Neurology, Oncology, and Regenerative Medicine/Cell Therapy as its three focus areas. Focusing on these areas, the Company aspires to establish a position as a “Global Specialized Player” in 2033, with a view to the growth of healthcare areas other than pharmaceutical products as well. At the same time, it will also be working to rebuild its business foundation through the establishment of a growth engine and the building of a flexible and efficient organization.

Preparing for the post-LATUDA era (after the loss of exclusivity in the U.S. regarding the atypical antipsychotic drug), we formed a strategic alliance with Roivant Sciences in December 2019. This alliance has allowed us to acquire a number of pipelines expected to become growth drivers, including relugolix and vibegron, as well as DrugOME and Digital Innovation, healthcare technology platforms that will accelerate the Company’s digital innovation, and the related talent. On the other hand, in March 2021, we discontinued the development of napabucasin, on which we had placed high hopes as a post-LATUDA growth driver.

We expect that the impact of this discontinuation, which will result in decreased revenue, will be compensated for by increases in sales of new products from Sumitovant Biopharma. We also expect that our core operating profit will decrease as a result of posting sales, general and administrative expenses, as well as amortization of patent rights for new Sumitovant products. In view of these developments, we revised the FY2022 business goals set forth in the Mid-term Business Plan 2022.

2. Financial Goals

(1) FY2022 Business Goals

	Previous goals	Revised goals
Revenue	￥600 billion	￥600 billion

Core operating profit	￥120 billion	￥60 billion
ROIC[1]	10%	3%
ROE[2]	12%	3%

1. ROIC = (core operating profit – income tax) ÷ (total capital + interest- bearing liabilities)
2. ROE = profit attributable to owners of the parent ÷ equity attributable to owners of the parent

(2) Dividend Policy (Unchanged from the previous version)

- Maintain a consistent payment policy but also consider reflecting any improvement in the Company's performance in the dividend payment
- 5-year average payout ratio of 20% or higher

3. Major Initiatives

While pursuing the maximization of the product value of relugolix and vibegron, we will be fully committed to developing products that are expected to become growth drivers in the areas of Psychiatry & Neurology, Oncology, and Regenerative Medicine/Cell Therapy for our medium-to-long-term business expansion. We will also promote developing frontier businesses. In business operations, we will continue to strengthen our management structure such as the reinforcement of the foundation of each business unit and region. Furthermore, we will work to improve productivity through digital innovation, foster a corporate culture that accelerates change, and develop talent.

We aim to achieve an ROE of 10% or higher in the second half of the 2020s through sustained growth.

Note: For more details, please refer to the attached presentation material (excerpted version of FY2020 financial results and revision of Mid-term Business Plan 2022 presentation materials).

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Excerpted version of FY2020 financial results and revision of Mid-term Business Plan 2022 presentation materials

Revision of Mid-term Business Plan 2022

Background of Revision of Mid-term Business Plan 2022

- April 2019: Publication of Mid-term Business Plan 2022
  - ✓ Reshape business foundation through the “establishment of a growth engine” and the “building of a flexible and efficient organization,” preparing for the “Time for Change” and post-LATUDA revenue replacement

- We decided to form the Strategic Alliance with Roivant due to a significant change in the medium- to long-term business outlook after the events such as discontinuation of development of napabucasin for pancreatic cancer which was expected as a revenue driver in post-LATUDA
  - ✓ Acquired relugolix and vibegron, which are expected to be the immediate revenues base

Revision of Mid-term Business Plan 2022

- **Currently working on (1) maximizing the product value of relugolix and vibegron and products that are expected to contribute to latest revenues, (2) advancing R&D activities for medium- to long-term growth, (3) advancing the reinforcement of business infrastructure to strengthen the company**

Corporate Mission and CSR-Based Management

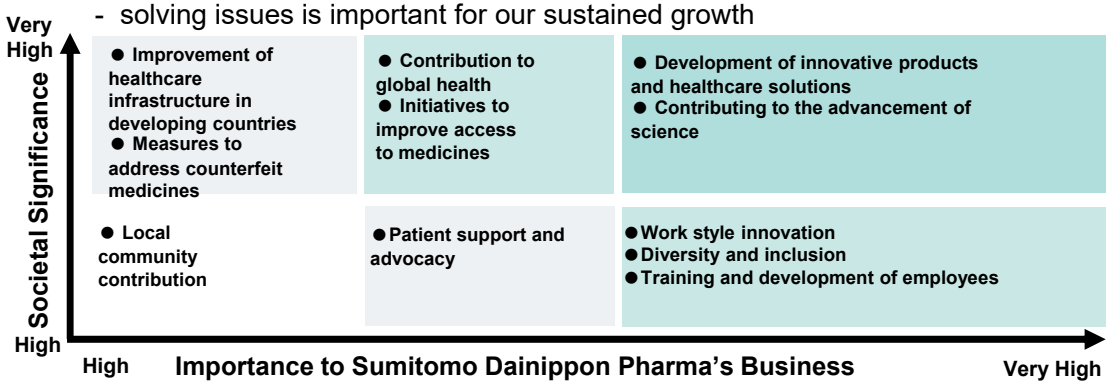
Corporate Mission

To broadly contribute to society through value creation based on innovative research and development activities for the betterment of healthcare and fuller lives of people worldwide

- ❑ Define implementation of corporate mission as “CSR-based management” and set material issues of CSR-based management (Materiality)
- ❑ Address material issues, aimed at solving social challenges and enhancing corporate value through our core competencies

Material issues linked to value creation

- solving issues is important for our sustained growth



Material issues that forms the foundation for business continuity

- solving issues is essential for our sustained growth

- ● Respecting human rights
- ● Corporate governance
- ● Compliance
- ● Risk management
- ● Fair and transparent corporate activities
- ● Corporate regulatory compliance, quality assurance and stable supply
- ● CSR procurement
- ● Health, safety, and welfare of employees
- ● Environmental initiatives

Contribute to improved quality of life (QOL) for patients and their families

Improve and sustain corporate value

- ●Returns to shareholders (stable dividends, increases in dividends linked to improvements in performance)
- ●Strategic investment aimed at sustained growth (includes research and development investment)

Also contributing to achieving the Sustainable Development Goals (SDGs)

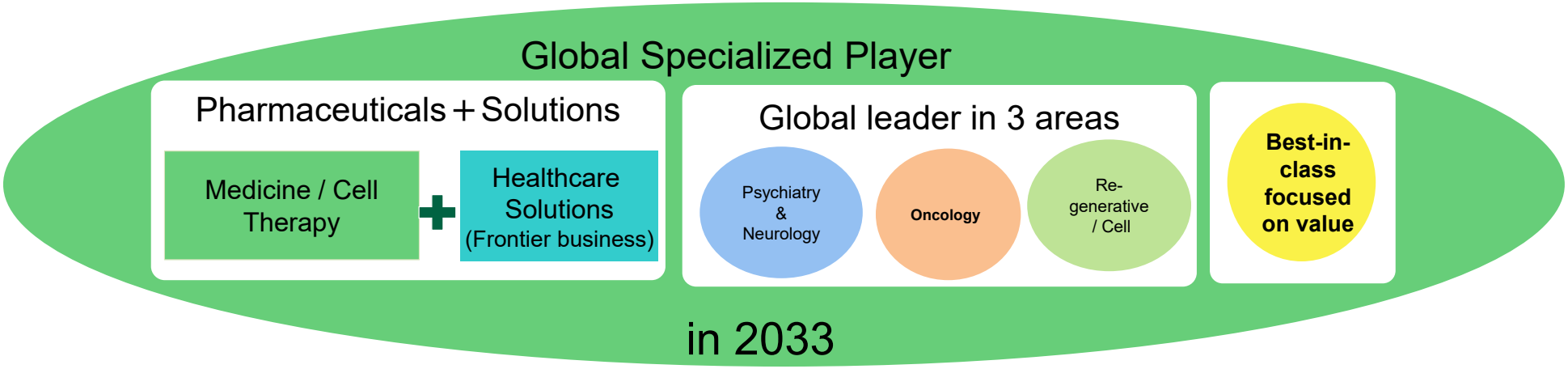
Revision of Mid-term Business Plan 2022

Mid-term Business Plan 2022: Vision and Aim for 2033 (Updated October 2019)

Vision

For Longer and Healthier Lives
We unlock the future with
cutting-edge technology and ideas

Aspire to establish a position as a “Global Specialized Player” with ability to meet increasingly diversified needs for healthcare in 2033



Mid-Term Business Plan 2022: Rebuild Business Foundation

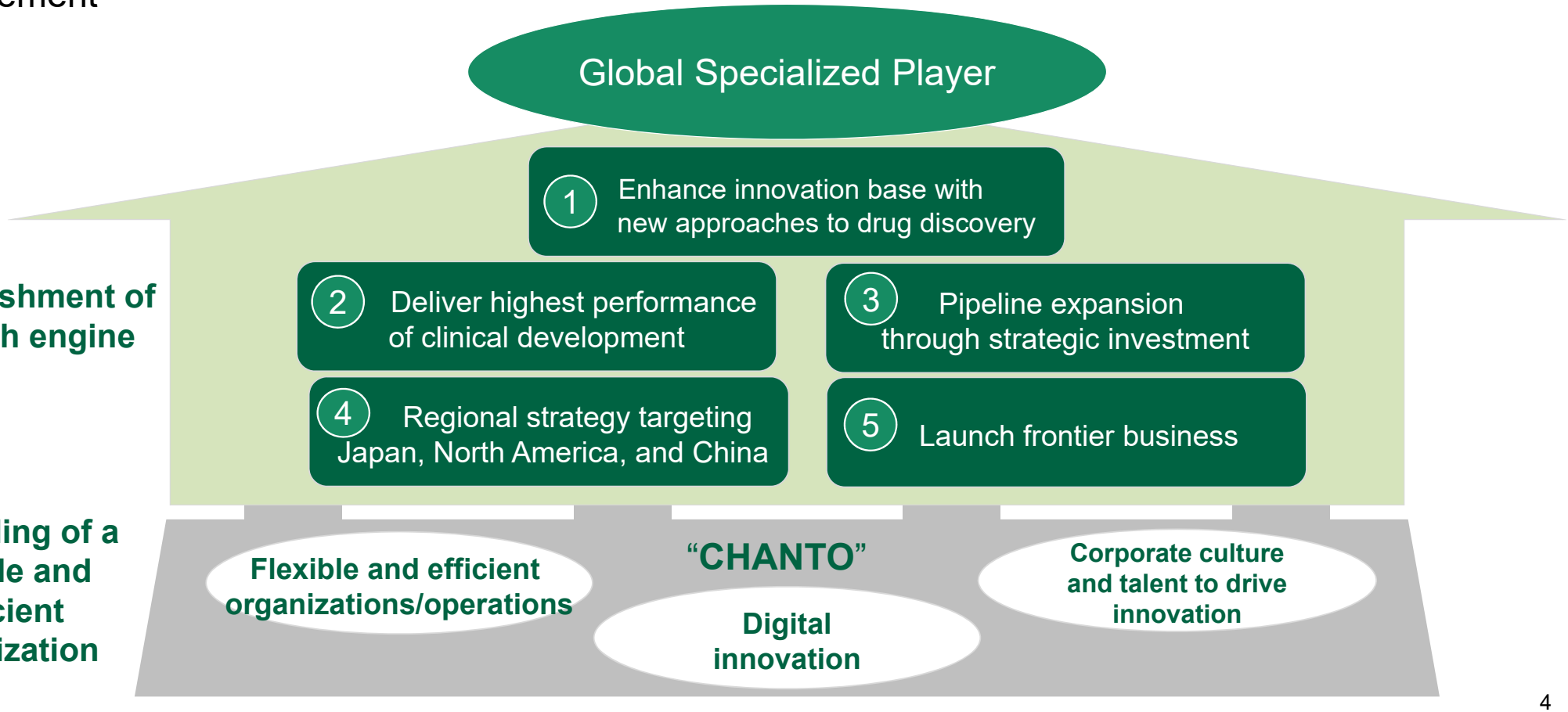
Establishment of growth engine ＋ Building of flexible and efficient organization

Acceleration of our growth by strategic alliance with Roivant

Driver of sustained growth after LATUDA® LOE ＋ Innovative change to new business model based on data technology of DrugOME and Digital Innovation

Mid-term Business Plan 2022: Basic Strategies

Reshape business foundation through the “establishment of a growth engine” and the “building of a flexible and efficient organization,” preparing for the “Time for Change” and post-LATUDA revenue replacement



Mid-term Business Plan 2022: Progresses and Updates

Significant changes in business outlook after LATUDA® LOE

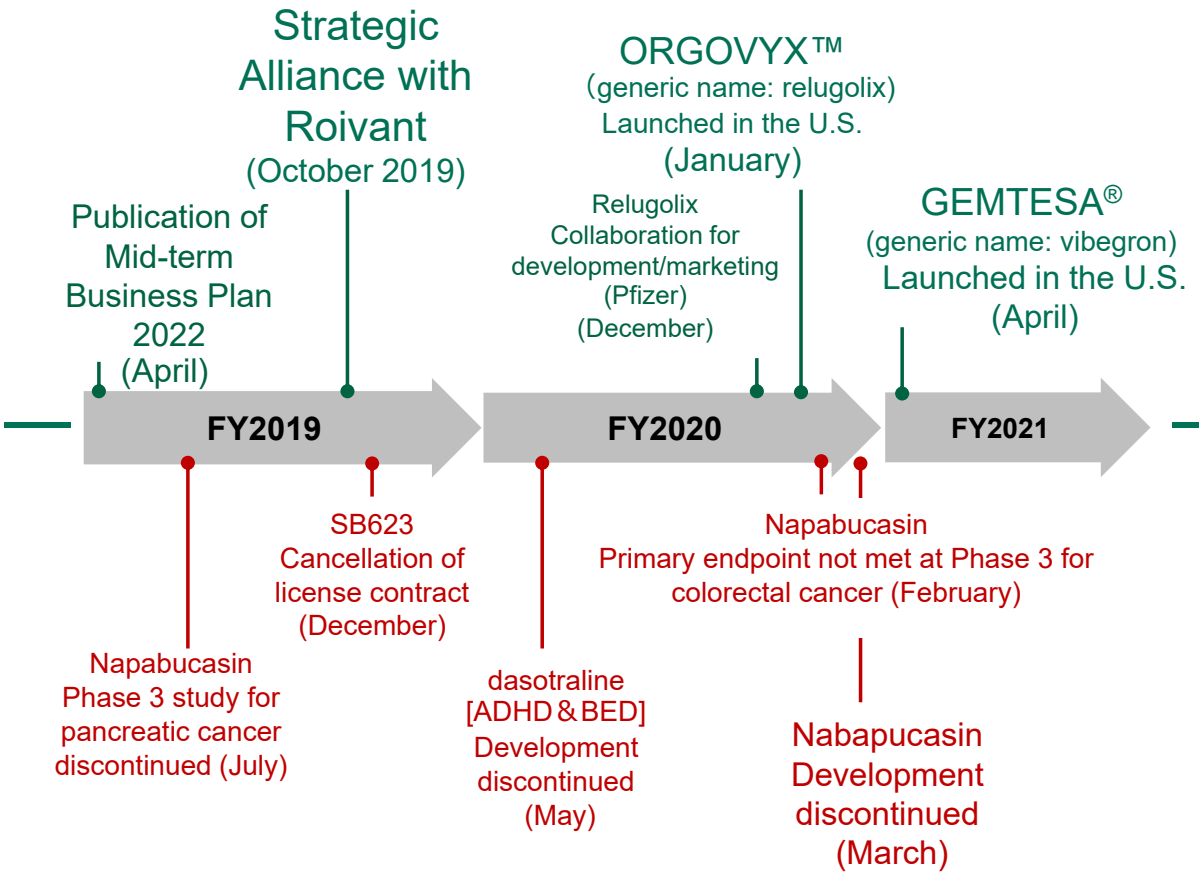
	Positive events	Negative events
North America	■ KYNMOBI™ (PD): Launched ■ ORGOVYX™ (Prostate cancer): Launched ■ GEMTESA® (Overactive bladder) : Launched ■ relugolix combination tablet (Uterine fibroids): NDA submitted ■ SEP-363856 (Schizophrenia): POC obtained (BTD), phase 3 started ■ SEP-4199 (Bipolar depression): Phase 3 in preparation ■ RVT-802 (Pediatric congenital athymia): BLA resubmitted	■ LONHALA® MAGNAIR® (COPD): Downward revision of marketing plan ■ KYNMOBI™ (PD): Delay of approval & downward revision of marketing plan ■ dasotraline (ADHD, BED): Withdrawal of application in U.S. / discontinuation of development ■ SB623 (Chronic stroke): Discontinuation of development / return of rights
North America, Japan	■ DSP-7888 (Glioblastoma): Advanced to phase 3 (In process in Japan)	■ napabucasin (Pancreatic cancer/Colorectal cancer): Discontinuation of development ■ alvocidib (Hematologic malignancies): Discontinuation of in-house development / working on out-licensing ■ amcasertib (Solid tumors): Discontinuation of development
Japan	■ Equa®/EquMet® (Diabetes): Marketing alliance ■ LONASEN® Tapes (Schizophrenia): Launched ■ LATUDA® (Schizophrenia / Bipolar depression): Launched ■ SEP-363856 (Schizophrenia): Phase 2/3 started ■ imeglimin (Diabetes): NDA submitted	■ LONASEN® Tapes (Schizophrenia): Downward revision of marketing plan ■ EPI-743 (Leigh syndrome): Discontinuation of development
China	■ LATUDA® : Launched (Schizophrenia), Phase 3 started (Bipolar depression) ■ SEP-363856 (Schizophrenia): Phase 2/3 started	

■ Psychiatry & Neurology ■ Oncology ■ Regenerative / Cell ■ Other

PD: Parkinson's disease; ADHD: attention-deficit hyperactivity disorder; BED: binge eating disorder;
COPD: chronic obstructive pulmonary disease; POC: proof of concept; BTD: breakthrough therapy designation

Mid-term Business Plan 2022 : Major Changes in Business Conditions after Publication

A Decision on Strategic Alliance with Roivant



B Downward revision of marketing plans of the new products

- LONHALA® MAGNAIR® [COPD]: Marketed in the U.S.
- KYNMOBI™ [PD]: Marketed in the U.S.
- LONASEN® Tape [Schizophrenia]: Marketed in Japan

C Discontinued development of the pipelines

D Acceleration of drug cost reduction measures

- Japan: Initiation of annual NHI drug price revision (FY2021)
- China: Expansion of centralized purchasing system or price bargaining system
- U.S.: Penetration of value-based pricing, possibility of introduction of international reference pricing

ADHD: attention-deficit hyperactivity disorder; BED: binge eating disorder; COPD: chronic obstructive pulmonary disease; PD: Parkinson's disease

Effects of Strategic Alliance with Roivant

- ❑ Acquisition of revenue base in 2023 and beyond
  - ✓ relugolix (Myovant) and vibegron (Urovant)
- ❑ Expansion of pipelines
  - ✓ Acquisition of multiple assets with new modalities and unique characteristics
- ❑ Acquisition of digital technology platforms
  - ✓ DrugOME, Digital Innovation
- ❑ Expansion of global business alliances with acquisition of various talented human resources

Sumitomo Dainippon Pharma ⟷ **Business alliance** ⟷ ROIVANT SCIENCES

Acquired by share acquisition	Technology transfer	Business alliance
Sumitovant Biopharma • **Myovant Sciences** • **Urovant Sciences** • **Enzyvant Therapeutics** • **Altavant Sciences** • **Spirovant Sciences**	**DrugOME technology** Platform to accelerate pipeline acquisition /clinical development by using unique data analyses **Digital Innovation technology** Platform to improve operational efficiency by utilizing healthcare-IT-related technology	**Datavant** Owns platform to promote use of healthcare-related data by connecting plural external healthcare-related data anonymized **Alyvant** Owns platform to increase efficiency of sales operation of pharmaceutical products by using big data analyses

Revision of Mid-term Business Plan 2022 (Effects of Strategic Alliance with Roivant)

Acquisition of Pipelines that may Contribute to Early Revenue Generation and Development of Modalities

- Overactive bladder (marketed / U.S.)
- Overactive bladder with prostatic hyperplasia (Phase 3)

vibegron
"GEMTESA®"

rodatristat ethyl
(Pulmonary arterial hypertension, Phase 2)

relugolix*
"ORGOVYX™"*
"relugolix* combination tablet"

- Prostate cancer (marketed / U.S., submitted / Europe)
- Uterine fibroids (submitted / U.S. and Europe)
- Endometriosis (preparing for submission / U.S. and Europe)

(U.S.: Development / marketing alliance with Pfizer)
(Europe: Development / marketing alliance with Gedeon Richter (Gynecology area))

Non-low-molecular modalities

- Definitive therapy or continued duration of action can be expected
- For patients with any disease for which there is no sufficient treatment

Oligopeptide
MVT-602
(Infertility, Phase 2)

Recombinant protein
ALTA-2530
(Bronchiolitis obliterans syndrome, preclinical)

Tissue-based Medicine
RVT-802
(Pediatric congenital athymia, Refiled)

Gene therapy
SP-101/102
(Cystic fibrosis, preclinical)

Gene therapy
URO-902
(Overactive bladder, Phase 2)

*Owned by Myovant, a publicly traded company in which Sumitovant is a majority shareholder

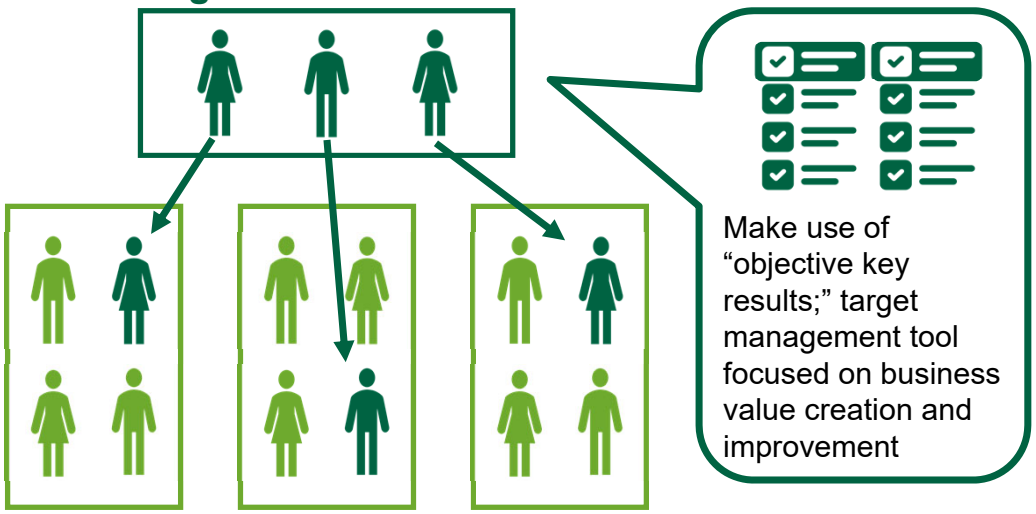
Development of “Digital Innovation” in Our Whole Company Group

Sumitomo Dainippon Pharma

❑ Expect improved probability of success in operations across whole group companies and R&D as well as impact on the return on investment goal

- **Deploy digital innovators to each department/group**
- **Make efforts to solve problems on site and cooperate with each other cross-functionally**

Digital Innovation Team



Each subsidiary/department

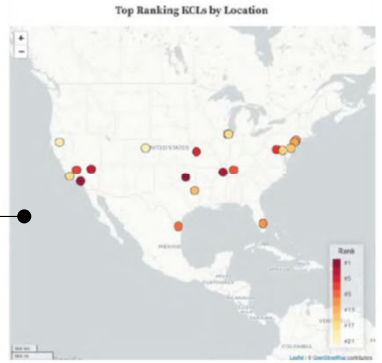
- Create a position of Chief Digital Officer responsible for our whole company group
- Foster citizen data scientists

■ Research for drug discovery
- **Identifying targets of research for new drug discovery based on information analyses utilizing a unique AI algorithm (DrugOME)**

■ Non-clinical study
- **Automated data acquisition utilizing image recognition**

■ Clinical study
- **Optimization of development strategy based on real world data analyses (DrugOME)**

■ Marketing operation
- **Productivity enhancement by effective and timely KOL mapping**



Reference: Sumitovant Meeting（March 23, 2021）

Initiatives for Medium-to-Long-Term Growth

Pursuit of efficiency in management

① **Structural reform to enhance company strength**

a. Initiatives for business promotion

b. Initiatives for business structure

Corporate culture/human resources

② **Nurturing of corporate culture with professional talent that drives innovation**

Establishment of revenue base

① **Initiatives to maximize revenue from key products in the market**

Stepping stone to medium-to-long-term growth

② **Investment in pipelines expected to become major products in global market**

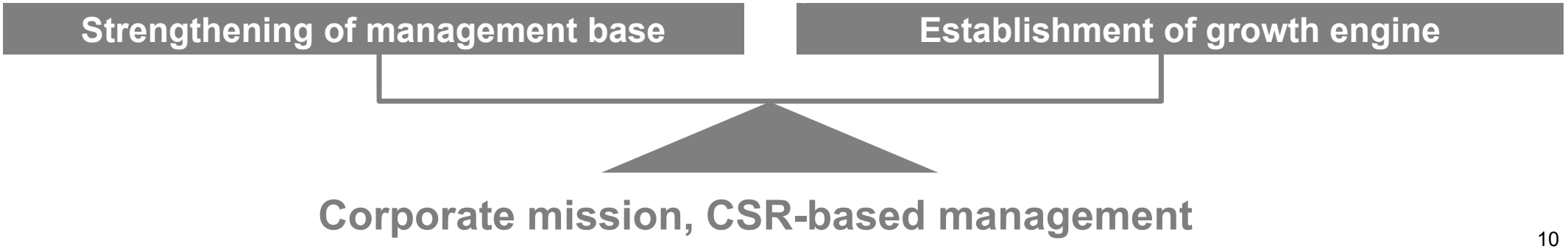
Initiatives to utilize our competitive technology/know-how

③ **Creation of products in Psychiatry & Neurology area on a consecutive basis**

④ **Initiatives and practical application of new therapies by developing modality**

Challenge to start new businesses

⑤ **Acceleration of frontier business development**



① Structural reform to enhance company strength

Launching initiatives to deal with environmental changes in the pharmaceutical industry and uncertainty after LATUDA® LOE

a. Initiatives for business promotion
- Consideration/promotion of partnering on global basis to maximize revenue and cost reduction
- Optimization of investment to R&D pipelines, sales and administrative costs suited to business scale
- Consideration/promotion of selling products that have reached loss of exclusivity (LOE) and R&D assets

b. Initiatives for business structure

North America

- ❑ **Continued initiatives for optimization of infrastructure in North America**
- ❑ **Initiatives for creation of cost synergy by strengthening alliance among subsidiaries**
  - Utilization of marketing platform of Sunovion (distribution or marketing functions, etc.)
  - Strengthening of shared service operations in North America by SDPA*

Europe

- ❑ **Initiatives to optimize the structure to maintain sustainable revenue for business operations in Europe**

Japan

- ❑ **Initiatives to optimize the structure to maintain sustainable revenue for business operations in Japan**
  - Business operation based on the assumption of shrinkage of the size of pharmaceutical market in Japan
  - Review global head office functions for optimization
  - Maximize sales/profits through partnerships with external parties and promotion of internal cost reduction

China / Asia

- ❑ **Maximize sales/profits through partnerships with external parties and promotion of internal cost reduction**
- ❑ **Business expansion to geographical areas likely to contribute to our profits**

*Sumitomo Dainippon Pharma America, Inc.

② Nurturing of corporate culture with professional talent that drives innovation

- **Penetration/practice of "CHANTO"**
  - ☛ Deliver highest performance ("CHANTO") to achieve the goals, while responding to environmental changes
  - ☛ The Conduct Guidelines are to be observed by each of our employees to establish our position as a global specialized player by 2033
  - ☛ Promote a company-wide project, aiming at understanding/penetration and practice/habituation of the Guidelines at each workplace, which was verbalized by our executive officers

- **Foster an organizational culture characterized by agility (quick and flexible) and unrelenting efforts instead of satisfaction with the status-quo**

- **Develop next-generation leaders by strategic personnel distribution and education/training program for selected employees**

"CHANTO" concept and key visual

CHANTO

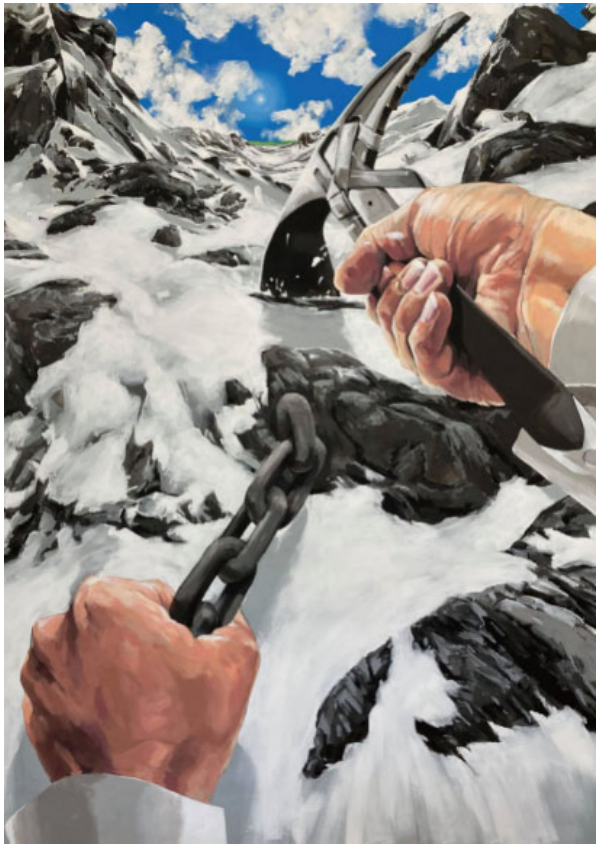
The era in which we cannot survive without each person's challenge

Drive in an anchor
Pave the way for ourselves

Supporting and encouraging each other,
Aim for the summit together

All leading roles, all supporting roles

Climb with our own strength
to realize the future we envision



Establishment of Growth Engine: Establishment of Revenue Base

1 Initiatives to maximize revenue from key products in the market

- **ORGOVYX™*/ relugolix* combination tablet** (to be launched in 2021)
  - ☛ Maximize sales through alliance with Pfizer
  - ☛ Pursue synergies in costs by utilizing Sunovion's commercial capabilities (distribution)
- **GEMTESA®**
  - ☛ Pursue synergies in costs by utilizing Sunovion's commercial capabilities (marketing, distribution)
  - ☛ Maximize revenue outside of North America: partnership with external parties
- **LATUDA®**
  - ☛ North America: Leverage digital transformation for effective marketing operations that impact earnings
  - ☛ Maximize sales by expanding to Japan, China, and Asia
- **KYNMOBI™**
  - ☛ Concentrate on start-up in the U.S.
  - ☛ Maximize revenue outside of North America: partnership with external parties
- **Antidiabetics in Japan**
  - ☛ Maximize launched products and imeglimin by utilizing the infrastructure of the top sales company in the Japanese antidiabetic market

*Owned by Myovant, a publicly traded company in which Sumitovant is a majority shareholder

Realization of Product Value Maximization of Relugolix (North America)

Sumitomo Dainippon Pharma

❑ Achieve smooth market penetration and maximize product value by utilizing infrastructure and expertise of Pfizer under co-promotion agreement

Educate prescribers

- **Foster their intention to prescribe ORGOVYX™**
- **Promote introduction of electronic medical records**
  - **Already included in NCCN[1] guidelines (February)**

Establish broad access

- **Aiming at wide-range insurance redemption at private and public insurances**

ORGOVYX™ (relugolix) 120mg tablets

Engage patients

- **Deliver information through product website**
  - The number of visits on launch was over 4 times the benchmark[5]

Characteristics of ORGOVYX™ (Prostate cancer)

- Oral drug
- No occurrence of sharp increase of hormone transient
- Continuous and rapid decrease of PSA[2]
  Rapid recovery of teststerone[3]

Characteristics of relugolix combination tablet (for gynecological diseases)

- Single dosage and administration
  Oral drug, one tablet once daily
- Favorable safety profile (incidence of hot flash: 5.6-13.6%[4])

(1) NCCN, National Comprehensive Cancer Network
(2) PSA levels were monitored in the clinical study. The levels declined throughout the treatment period of 48 weeks: 65% decline in average after 2 weeks from initiation of ORGOVYX™, 83% after 4 weeks, and 92% after 3 months.
(3) On day 90 after termination of ORGOVYX™ administration, 55% of patients attained a testosterone level of the lower limit (≥280ng/dL) or over the baseline.
Source: Shore ND, Saad F, Cookson MS, et al. Oral relugolix for androgen-deprivation therapy in advanced prostate cancer. New England Journal of Medicine. 2020 June 4. DOI: 10.1056/NEJMoa2004325
(4) SPIRIT1 1 TLR: 2020/6/23 Webcast, SPIRIT 2 TLR: 2020/4/22 Webcast, LIBERTY 1/2: N Engl J Med 2021; 384:630-42
(5) DTC benchmark of cancer therapeutic drugs＝The product website is visited 175 times/day
ORGOVYX™ prescribing information is available from www.myovant.com/orgovyx-prescribing-information.pdf.

Realization of Product Value Maximization of GEMTESA® (North America)

Sumitomo Dainippon Pharma

- **Pursue group synergies between Urovant and Sunovion to optimize marketing structures for urology specialists, long-term care facilities, and primary care providers with high frequency of prescription to realize early maximization of the product value**

Brand Vision

Establish GEMTESA® as the best in category treatment option for patients suffering from symptoms of overactive bladder (OAB)

1. **Anchor launch performance through a focus in urology**
2. **Establish leadership for OAB in long-term care**
3. **Broaden uptake in primary care for OAB patients**
4. **Secure and maintain access and affordability for patients and healthcare professionals**
5. **Drive awareness, education and advocacy for OAB patients**

GEMTESA®

Characteristics of GEMTESA®

- ✓ Single dose and administration, crushable tablets
- ✓ Dose adjustment not required[1]
- ✓ Data on frequency of urge to urinate are stated in the package insert
- ✓ No warning for blood pressure increased
- ✓ No warning for drug interactions related to CYP2D6

(1) Treatment with Jemtesa for patients is started with prescription of 75 mg as initial and effective dose.
Source: GEMTESA® U.S. FDA label for the treatment of overactive bladder
GEMTESA® prescribing information is available from www.gemtesa.com.

Establishment of Growth Engine: Stepping Stone to Medium-to-Long-Term Growth

2 Investment in pipelines expected to become major products in global market

- **SEP-363856**
  - ☛ Advance Phase 3 study for schizophrenia
- **SEP-4199**
  - ☛ Initiate Phase 3 study for bipolar I disorder
- **rodatristat ethyl**
  - ☛ Advance Phase 2b study for pulmonary arterial hypertension

Utilization of external resources for maximization of revenue

- Collaboration with business partners to maximize operations is expected
- Out-licensing in geographies outside of North America, Japan and Asia

Advance of global study

- Advance of efficient clinical study and solution of time-lag

SEP-363856

【Indications】 Schizophrenia, symptoms of other psychiatric disorders

【Characteristics】 **Psychotropic drug with new mechanism of action, which does not act on dopamine receptors**
Designated as breakthrough therapy for schizophrenia

【Launch】 U.S.: Targeted for FY2023
Japan/Asia：Targeted for latter half of the 2020s

rodatristat ethyl

【Indications】 Pulmonary arterial hypertension

【Characteristics】 Due to new mechanism, this drug can be concurrently used for pulmonary arterial hypertension (tryptophan hydroxylase inhibitor)

Based on approach, expect to see **disease modifying effects** instead of symptomatic treatment

【Launch】 U.S./Japan/Asia: Targeted for latter half of the 2020s

Establishment of Growth Engine: Initiatives to Utilize Our Competitive Technology/Know-how (1)

Sumitomo Dainippon Pharma

3 Creation of products in Psychiatry & Neurology area on a consecutive basis

- **Enhance probability of success in clinical settings**

  Sumitomo Dainippon 15% (6-8% industry average*)

  ☛ Further improvement by utilization of biomarkers

- **Expand early pipeline**

  12 candidates in the past 3 years

  ☛ Psychiatry (Phase 1; underlined)

  SEP-380135, SEP-378614, DSP-1181, DSP-0038, DSP-2342, DSP-3456

  ☛ Neurology

  DSP-0187, DSP-0378, DSP-0551, DSP-4240, DSP-7970

Extensive experience with clinical studies

- Launched 8 products since 1995

High-tech exploratory/development research aiming at improvement of efficacy in humans

- Utilization of AI
- Analysis of mechanism of action by optogenetics
- Utilization of high predictability biomarkers such as brain waves
- High-tech phenotype drug discovery
- Initiatives for new modalities

Organizational structure to support product creation on a consecutive basis

- Research project system integrated from idea generation to clinical levels
- Virtual one-team system to stimulate cross-sectional collaboration

*Clinical Development Success Rates 2006-2015

Sumitomo Dainippon Pharma

④ Initiatives and practical application of new therapies by developing modality

- **Provide treatment options to patients with a disease that has no sufficient treatment, aiming at radical cure**
  - ☛ **Cellular / tissue / transplanted organ drugs**
  - ☛ **Gene therapy**
  - ☛ **Protein drugs**

Utilizing world-leading capability for regenerative / cellular drugs

- Application of world-leading iPS technology in clinical setting
- Utilization of infrastructure/know-how/human resources of the core technology for practical use (manufacturing)
- Efforts to deregulate regulatory affairs

Utilization of human resources who have knowledge about respective modalities; building of technological base

Allogenic iPS cell-derived drugs (Parkinson's disease)

【Indications】 Parkinson's disease

【Characteristics】 Co-development of **iPS cell-derived drug** with Center for iPS Cell Research and Application, Kyoto University. The drug is expected to recover nerve function.
Designated as Sakigake drug in Japan

【Launch】 Japan: Targeted for FY2023
(Clinical study is to be started in the U.S. in FY2022)

RVT-802

【Indications】 Pediatric congenital athymia

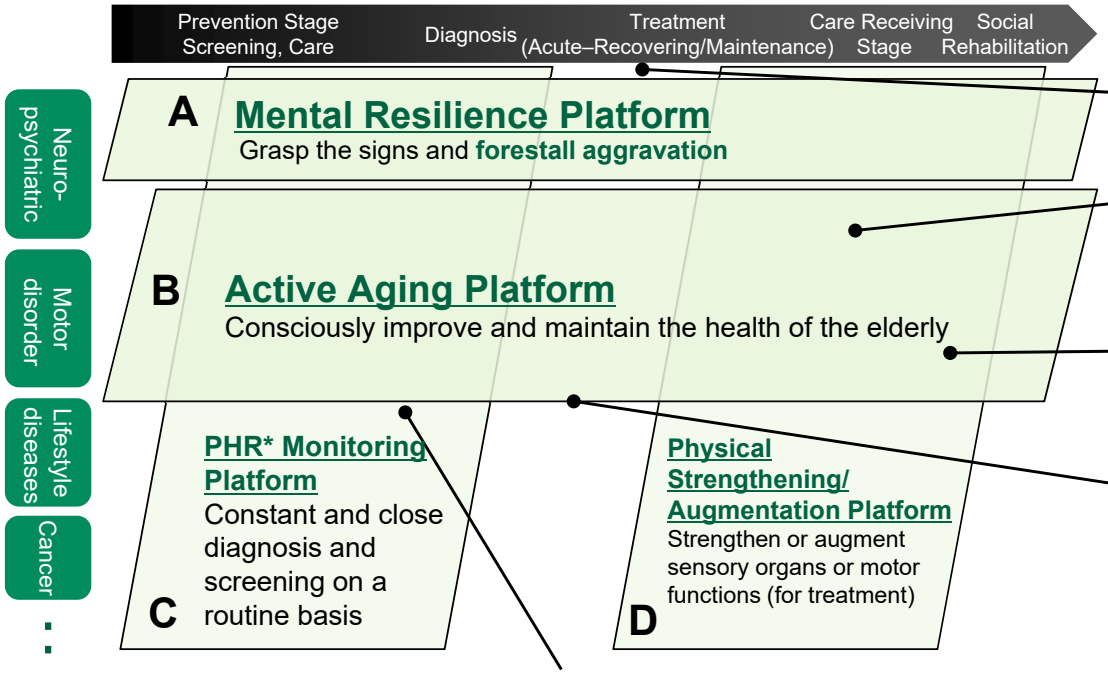
【Characteristics】 **The world's first drug of cultured thymus tissue** for fatal/congenital diseases
Designated as Regenerative Medicine Advanced Therapy designation in the U.S., etc.

【Launch】 U.S.: Targeted for FY2021

Establishment of Growth Engine: Challenge to Start New Businesses

5 Acceleration of frontier business development

Continue investment in potential technologies and businesses in the areas aiming to contribute through all stages from prevention to social rehabilitation



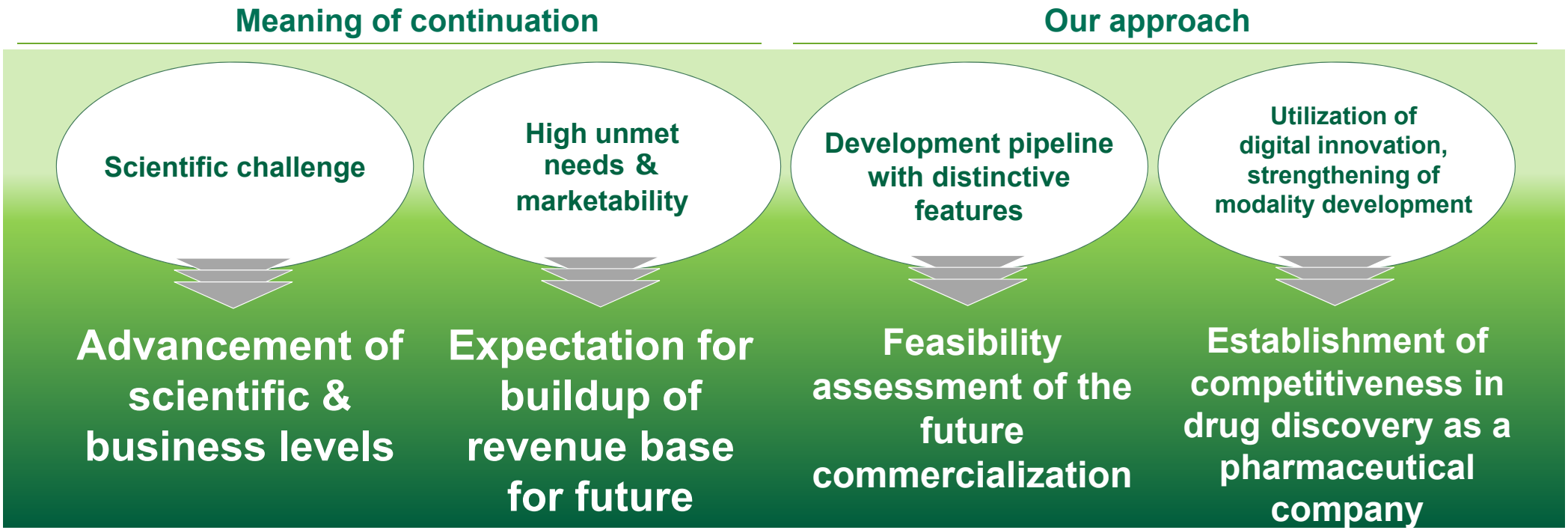
- **Development of virtual reality products for alleviation of social anxiety disorder** (BehaVR)
- **Research/development and commercialization of digital devices for dementia/nursing care** (Sompo Japan Insurance and Aikomi)
- **Development of medical devices utilizing excellent biosignal processing technology and robot technology** (MELTIN MMI)
- **Development of mobile application for management of type II diabetes** (Save Medical)
- **Development of Innovative Blood Sampling Solution for Lifestyle Diseases** (Drawbridge Health Inc.)

*PHR: Personal Health Record

Policy of Approaching Oncology Area

❑ Revisit the R&D policy in oncology and undertake challenges on a continuous basis

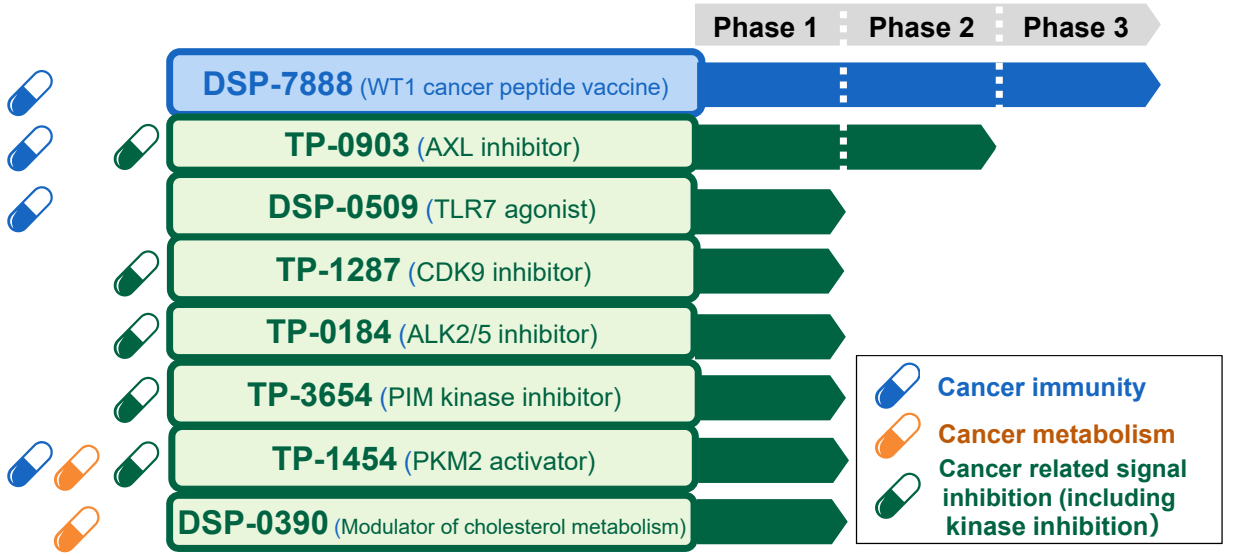
- Development: Initiatives focused on assessment of value of existing pipelines
- Discovery research: Work continuously on drug discovery in pursuit of our competitive edge
- Promote business collaboration/out-licensing operation



Initiatives for Existing Development Pipeline

❑ Aim at early assessment of product value and commercialization

- **Strengthen initiatives to identify the types of cancer/patients optimally through brief and small-scale tests**
  - ☛ Actively utilize adaptive design
  - ☛ Strengthen connection between research and development
    - ✓ Translational research from research to clinical practice
    - ✓ Feedback between clinical data and research
  - ☛ Analyze clinical and research data obtained by our own digital technology



DSP-7888

【Indications】 Glioblastoma, other solid tumors (combined with immune checkpoint inhibitor)

【Characteristics】 The world's first WT1 cancer peptide vaccine for immunotherapy, which activates both helper T cells/cytotoxic T cells

【Launch】 U.S.: Targeted for FY2024（indicated for glioblastoma)

Early assessment of product value

Realization of Pipeline with Competitive Edge

Establishment of competitiveness in drug discovery

Multiple new themes in progress specified by utilizing DrugOME

✓ Selection of target candidates for drug discovery based on literature with natural language processing technology used; exhaustive analyses of database information and trend forecasts

Utilization of our new technology

✓ Drug discovery based on distinctive pharmacological concept
- DSP-7888 (peptide vaccine that enables to activate both helper T cells and cytotoxic T cells)

✓ Initiatives for technology aiming at higher levels of efficacy and safety:
- New concept ADC: AiADC* (Antitumor activity is expected only within the target tumor cells)

Actively seeking of external input

✓ Participate in the planning of Beat AML Study led by LLS**: TP-0903 (indicated for AML)

✓ Searching for indicated type of cancer by joint research: TP-3654 (University of Virginia), TP-0184 (DFCI***)

*Antibody intracellular activated drug conjugate **Leukemia & Lymphoma Society ***Dana-Farber Cancer Institute

Future Outlook

Future Outlook

Review of Financial Goals

Throughout the Mid-term Business Plan 2022

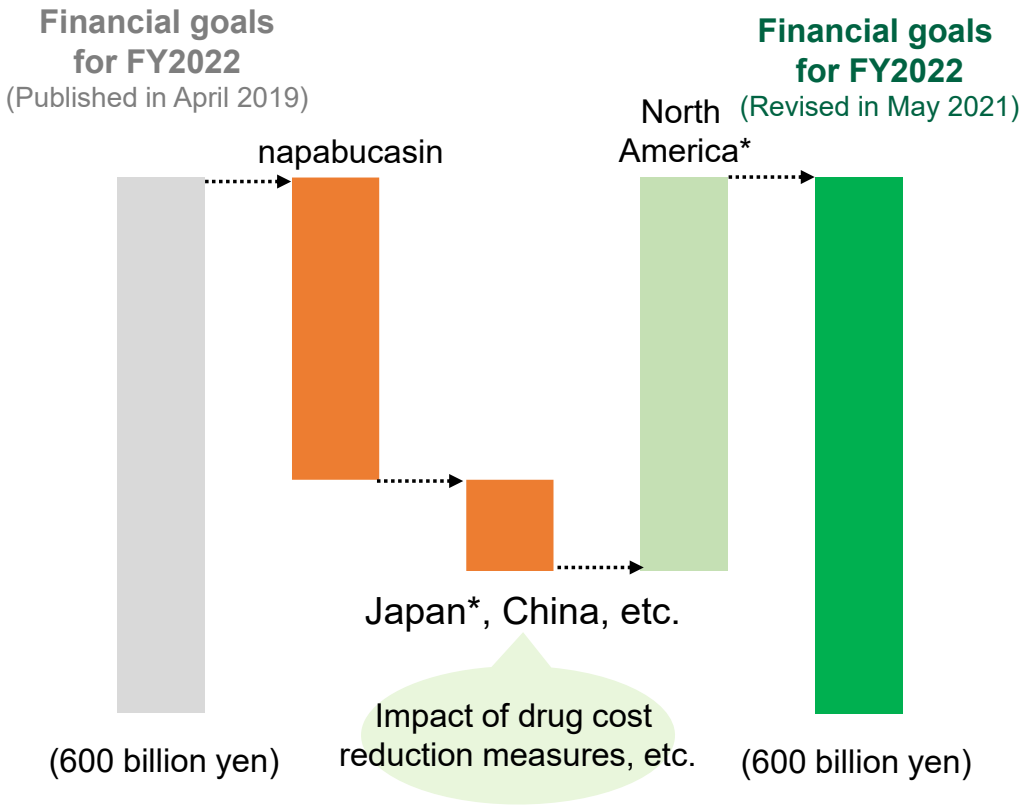
- ❑ Focus on early expansion of new Sumitovant products
- ❑ Continue investment in research and development for medium-to-long-term growth (≥90 billion yen/year)
- ❑ Promote world-wide operational excellence by strengthening the management base and business structure
  - – Optimize the business structure in North America, improve R&D productivity, active collaboration with external parties, etc.

	FY2022 Financial Goals (Published in April 2019)	FY2022 Financial Goals (Revised in May 2021)	Outlook for FY2025
Revenue	600 billion yen	600 billion yen	approx. 750 billion yen
Core operating profit	120 billion yen	60 billion yen	approx. 120 billion yen
ROIC	10 %	3 %	Long-term vision
ROE	12 %	3 %	ROE ≥10% in latter half of the 2020s
5-year average payout percentage	≥20 %	≥20 %	

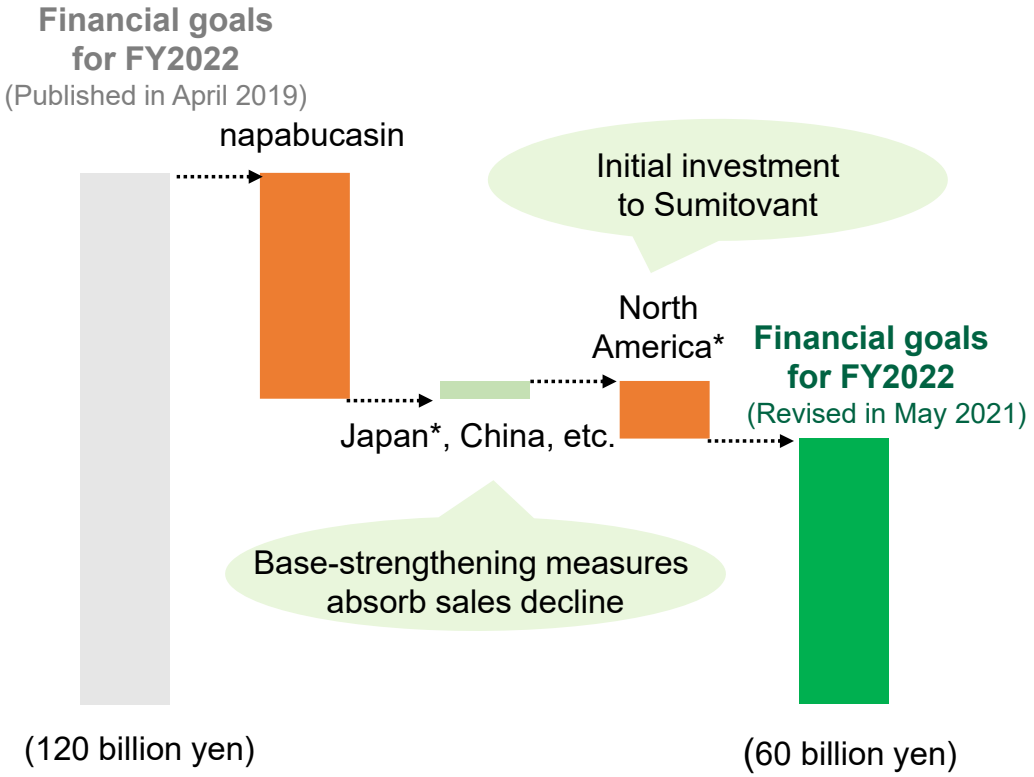
Exchange rate：110 yen to the dollar

Factors to Be Reviewed for Financial Goals for FY2022

Revenue



Core operating profit



(Diagram)

*Exclude napabucasin

Future Outlook

Realization of Long-term Growth with Success of Promising Products