



Translation

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Revision of Financial Outlook for Fiscal Year 2008 (January 1 – December 31, 2008)

Chugai Pharmaceutical Co., Ltd. announced today that the company revises the interim and full year financial outlook for fiscal year 2008 (January - December, 2008), originally released on January 30, 2008.

(Millions of yen)

1. The revision of the financial outlook

(1) The revision of the interim financial outlook for fiscal year 2008 (January ~ June, 2008)

	Revenues	Operating Income	Recurring Profit	Net Income	Net Income per Share
Original outlook (A) (Released January 30, 2008)	148,200	12,500	12,700	7,100	¥13.03
Revised outlook (B)	150,000	19,000	19,000	15,500	¥28.45
Variance (B-A)	1,800	6,500	6,300	8,400	
(% Change)	1.2	52.0	49.6	118.3	
Half Year ended June 30, 2007	170,877	35,779	36,750	21,109	¥38.43

(2) The revision of the full year financial outlook for fiscal year 2008 (January ~ December, 2008)

	Revenues	Operating Income	Recurring Profit	Net Income	Net Income per Share
Original outlook (A) (Released January 30, 2008)	327,000	31,500	31,200	17,000	¥31.20
Revised outlook (B)	335,000	43,000	42,200	29,000	¥53.23
Variance (B-A)	8,000	11,500	11,000	12,000	
(% Change)	2.4	36.5	35.3	70.6	
Full Year ended December 31, 2007	344,808	66,702	67,687	40,060	¥73.23

* The outlook for cost of sales for the full year is revised to ¥138.0 billion (originally ¥141.5 billion), while selling & administrative expenses and research & development expenses remain unchanged from the original outlook at ¥96.5 billion and ¥57.5 billion, respectively.

2. The reason for the revisions

The average company impact of the National Health Insurance (NHI) price cut resulted to be in the lower part of 4%, which was below the industry average and also substantially lower than our initial estimate at the higher part of 6% (excluding the impact of the recombinant human erythropoietin, Epogin), which we thought to be at a similar level as last time, slightly higher than the industry average. This was mainly because the industry average which resulted to be 5.2% was lower than our estimate, and also because the anti-tumor agent Herceptin, an anti-HER2 monoclonal antibody, was not subject to recalculation. Additionally, we have modified the purchasing price of products purchased from F. Hoffmann-La Roche Ltd. (hereafter “Roche”) [Head Office: Basel, Switzerland. CEO: Severin Schwan], in light of the NHI price cut and the recent foreign currency exchange rate. Moreover, we will recognize an income in 2nd quarter as a non-operating item (Settlement of Co-development costs) resulting from a new agreement with Roche related to the sharing of co-development costs of the humanized anti-human IL-6 receptor monoclonal antibody Actemra.

**3. The revision of the interim and full year sales outlook by products for fiscal year 2008
(January ~ December, 2008)**

(Billions of Yen)*1

		Interim			Full Year		
		Original outlook	Revised outlook	Change (%)	Original outlook	Revised outlook	Change (%)
Epogin		22.3	22.5	0.9	47.0	48.0	2.1
Neutrogin		18.6	19.0	2.2	38.2	38.0	(0.5)
	Domestic	5.6	5.7	1.8	12.0	12.0	0.0
Herceptin		9.7	10.9	12.4	21.6	23.7	9.7
Rituxan		8.4	9.0	7.1	17.7	18.7	5.6
Sigmart		8.0	8.5	6.3	16.6	17.5	5.4
	Domestic	6.8	7.3	7.4	14.4	15.2	5.6
Avastin		8.3	8.0	(3.6)	23.1	23.1	0.0
Evista		8.6	8.1	(5.8)	18.3	17.8	(2.7)
Alfarol		6.6	6.8	3.0	14.1	14.4	2.1
Kytril		5.6	5.7	1.8	11.8	11.6	(1.7)
Pegasys		6.5	5.7	(12.3)	14.1	14.1	0.0
Suvenyl		5.2	5.5	5.8	10.9	11.1	1.8
Oxarol		3.8	4.3	13.2	8.0	8.9	11.3
Rocephin		2.9	2.9	0.0	6.0	6.1	1.7
Renagel		2.4	2.9	20.8	5.2	6.0	15.4
Tamiflu		4.9	1.5	(69.4)	7.3	5.1	(30.1)
Copegus		3.2	2.6	(18.8)	7.2	7.2	0.0
Xeloda		2.3	2.0	(13.0)	5.1	5.2	2.0
Cellcept		1.7	1.8	5.9	3.6	3.7	2.8
Tarceva		0.8	1.2	50.0	2.2	2.6	18.2
Femara		0.8	0.7	(12.5)	1.6	1.6	0.0
Actemra		0.5	0.6	20.0	4.8	4.8	0.0
	Domestic	0.5	0.6	20.0	2.7	2.7	0.0
Other *2		17.1	19.8	15.8	42.6	45.8	7.5
Total		148.2	150.0	1.2	327.0	335.0	2.4
	Domestic	132.9	134.4	1.1	292.8	300.3	2.6
	Overseas	15.3	15.6	2.0	34.2	34.7	1.5

Notes: 1. Figures are rounded to the nearest billion. The percentages are calculated based on the rounded numbers.

2. Figures include royalties and other operating income.

* The Company bases its forecasts on assumptions that are believed to be reasonable under information available at the time of the forecasts. Actual results may materially differ from these forecasts due to potential risks and uncertainties.