NOTICE: For the convenience of capital market participants, Chugai makes efforts to provide English translations of the information disclosed in Japanese, provided that the Japanese original prevails over its English translation in the case of any discrepancy found between documentation.

Translation

July 22, 2008

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
Head office: 1-1, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo
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Flash Report of the Interim Financial Results for the Fiscal Term ended June 30, 2008

On July 21, 2008 (Central European Time), the Roche Group, which incorporates Roche Pharmholding B.V., the parent company of Chugai Pharmaceutical Co., Ltd. ("Chugai"), announced its half year results for fiscal year 2008 based on International Financial Reporting Standards. As some financial information on Chugai is included in the announcement, Chugai hereby announces its flash report of the interim financial results for the fiscal term ending in December 2008 (January 1, 2008 to December 31, 2008) in pursuit of timely and fair disclosure to its shareholders and investors, promptly following the announcement of its parent company.
The announcement of full financial statements is scheduled on July 31, 2008.

1. Interim Financial Results for the fiscal term ended June 2008 (January to June 2008)

(Millions of yen)
(Consolidated) Figures are rounded to the nearest 100 million.

	Revenues	Operating Income	Recurring Profit	Net Income
Results for Jan.－Jun. 2008 (A)	145,900	23,100	24,300	18,900
Results for Jan.－Jun. 2007 (B)	170,900	35,800	36,800	21,100
Difference (A-B)	-25,000	-12,700	-12,500	-2,200
Rate of Change	-14.6 %	-35.5 %	-34.0 %	-10.4 %

(Millions of yen)

(Non-consolidated) Figures are rounded to the nearest 100 million.

	Net Sales	Operating Income	Recurring Profit	Net Income
Results for Jan.－Jun. 2008 (A)	138,300	16,700	17,600	15,000
Results for Jan.－Jun. 2007 (B)	163,200	30,500	32,100	19,600
Difference (A–B)	-24,900	-13,800	-14,500	-4,600
Rate of Change	-15.3 %	-45.2 %	-45.2 %	-23.5 %

(1) Summary of Business Activities

During the period under review, the operating environment surrounding the pharmaceuticals industry in Japan remained extremely challenging as the government continued its policies to reduce medical expenditures through the reduction of NHI reimbursement prices and promote the use of generic medicines.

In this business climate, the Company endeavored to engage in aggressive product research and development (R&D) activities to achieve the continued development and acquisition of innovative new drugs, in addition to implementing marketing campaigns based on sound ethical and scientific principles that promote appropriate drug use as well as consumer confidence.

As a result of the above, the Company's consolidated revenues for the interim period under review amounted to ¥145.9 billion, down 14.6% compared to the same period last year. Reasons for this decline were the drop in sales of anti-influenza agent Tamiflu and the termination of the marketing agreement with sanofi-aventis at the end of last year. However, excluding these special factors, revenues were higher than for the previous interim period. Other factors accounting for the decline in revenues were the change in the price for recombinant human erythropoietin Epogin and the decline in royalties and other operating income (mainly milestone income). On the other hand, sales of our products that are our mid-term sales drivers continued to be favorable. These products included anti-cancer agent Tarceva, a human epidermal growth factor receptor (EGFR) tyrosine kinase inhibitor launched in December 2007, and anti-cancer agent Avastin, an anti-vascular endothelial growth factor (VEGF) humanized monoclonal antibody launched in June 2007. In addition, major increases were reported in sales of anti-viral agent Copegus and peginterferon alfa-2a Pegasys, which are used in combination; Actemra, a humanized anti-human IL-6 receptor monoclonal antibody; anti-cancer agent Herceptin, an anti-HER2 monoclonal antibody; and anti-cancer agent Xeloda.

Overseas revenues totaled ¥15.7 billion, which was down 15.6% compared to the same period last year, mainly reflecting the decline in royalties and other operating income, principally milestone income. Export sales of Actemra are also included in overseas revenues.

(2) Financial Results

Operating income for the interim period under review declined 35.5% from the same period last year, to ¥23.1 billion, mainly as a result of the decline in revenues. Recurring profit was ¥24.3 billion, down 34.0% from the same period last year. Net income amounted to ¥18.9 billion, a decline of 10.4%, and included extraordinary gains of ¥6.3 billion resulting from a new agreement with F. Hoffmann-La Roche Ltd. (Head Office: Switzerland) related to the sharing of co-development costs for Actemra.

2. Consolidated Statements of Revenues for January 1 – June 30, 2008

(Millions of Yen)
Figures are rounded to the nearest 100 million.

	Jan.－Jun. 2007	Jan.－Jun. 2008
Epogin	28,200	21,700
Neutrogin	18,700	18,700
Herceptin	7,900	9,800
Rituxan	8,500	9,500
Sigmart	8,600	8,500
Evista	7,200	7,500
Avastin	300	7,100
Alfarol	6,800	6,700
Suvenyl	5,000	5,600
Kytril	6,300	5,400
Oxarol	3,900	4,700
Pegasys	2,400	4,100
Rocephin	2,700	2,800
Renagel	2,600	2,800
Xeloda	1,300	2,000
Tarceva	－	2,000
Cellcept	1,600	1,900
Copegus	600	1,800
Tamiflu	23,800	1,600
Actemra	200	900
Femara	400	700
Others * 1, 2	33,900	20,100
Total	170,900	145,900

*Notes

1. Sales of the products for which the marketing collaboration in Japan with sanofi-aventis K.K. ended on December 31, 2007, totaled 5,900 million yen and are included in the figure for Jan.-Jun. 2007.
2. Royalties and other operating income are included in the figures (7,500 million yen for Jan.-Jun. 2007; 1,000 million yen for Jan.-Jun. 2008.)