

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
 President & CEO: Osamu Nagayama
 Inquiries to: Toshiaki Itagaki, General Manager,
 Finance & Accounting Dept.
 Tel: +81-(0)3-3281-6611

Notification Concerning Dividend Distribution

Chugai Pharmaceutical Co., Ltd. (the Company) announced that the Company resolved at the meeting of its Board of Directors held today to pay dividends from earned surplus as of December 31, 2008, as described below.

1. Contents of dividends

| | Decided amount | The latest forecast | Actual of previous year (FY ended Dec.2007) |
|-------------------|-------------------|---------------------|--|
| Date of record | December 31, 2008 | — | December 31, 2007 |
| Per share | ¥19.00 | — | ¥15.00 |
| Total amount | ¥10,351 million | — | ¥8,172 million |
| Effective date | March 26, 2009 | — | March 28, 2008 |
| Dividend resource | Retained earnings | — | Retained earnings |

2. Reason

With regard to income distribution, we aim to stabilize the return of profit for all shareholders. Taking due account of short-term fluctuation in earnings by the effect of an influenza epidemic as well as medium-to-long-term strategic investment funding needs and earnings prospects, we aimed to ensure a consolidated dividend payout ratio of 30% or more on average. To expand the return of profit for all shareholders while bringing our aim into focus, we newly aim to ensure a consolidated dividend payout ratio of around 40% on average.

Based on the above-mentioned principles, year-end dividends for the fiscal year ended December 31, 2008, are ¥19 per share, an increase of ¥4 from the previous fiscal year.

(Reference) Components of annual dividend

| Date of record | Per share (Yen) | | |
|--|--------------------------|-----------------------|--------|
| | End of second quarter | End of fiscal year | Annual |
| Actual of current year | 15.00 | 19.00 | 34.00 |
| Actual of previous year (FY ended Dec.2007) | 15.00 | 15.00 | 30.00 |