

April 24, 2009

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
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Chugai to Absorb Wholly-Owned Subsidiary

April 24, 2009 (Tokyo) - Chugai Pharmaceutical Co., Ltd. ("Chugai") [Head Office: Chuo-ku, Tokyo, President: Osamu Nagayama], announced that its Board of Directors meeting held today has decided Chugai will absorb Eiko Chemicals Co., Ltd. ("Eiko") [Head Office: Chuo-ku, Tokyo, President: Toru Endo], a wholly-owned subsidiary of Chugai.

As this is a merger of a wholly-owned subsidiary, certain disclosure items have been omitted according to the guidelines of the Tokyo Securities and Exchange Commission.

1. Purpose of Merger

Eiko's principal lines of business were the manufacturing and sales of pesticides and agrichemicals. However, under the strategic decision of Chugai Group to focus its resources on prescription drugs, these lines of business have been gradually divested.

As a result, Eiko has ceased its practical operations and the decision was made to merge its asset with Chugai to further improve the Group's overall efficiency.

2. Details of the Merger

(1) Merger Schedule

Board of Directors Meeting to vote on merger April 24, 2009

Signing of the Merger Agreement April 24, 2009

Effective Date of Merger July 1, 2009

(Note: The merger will be conducted through the simplified procedures provided under the Company Law of Japan, by which resolutions of the shareholders' meeting of Chugai and Eiko will not be made.)

(2) Method of Merger

Chugai as the continuing company will absorb Eiko, which will be subsequently dissolved.

(3) Merger Ratio and Cash Payment

Due to the fact that Eiko is a wholly-owned subsidiary of Chugai, there shall be no issuance of new shares or cash payment upon this merger.

(4) Treatment of Stock Acquisition Rights and Convertible Bonds of the Expiring Company

There are no stock acquisition rights or convertible bonds issued by Eiko.

3. Basic Information of Chugai and Eiko (as of Dec. 31, 2008)

Trade Name	Chugai Pharmaceutical Co., Ltd. (company to absorb)	Eiko Chemical Co., Ltd. (company to be absorbed)
Principal Lines of Business	Manufacturing, sales, import and export of pharmaceuticals	Manufacturing and sales of pesticides and agrichemicals
Date of Incorporation	March 8, 1933	October 18, 1967
Principal Office	5-5-1 Ukima, Kita-ku, Tokyo, Japan	2-1-1 Nihonbashi-muromachi, Tokyo, Japan
Representative	Osamu Nagayama, President & CEO	Toru Endo, President
Capital Stock (million yen)	72,966	50
Shares Issued	559,685,889	68,000
Shareholders' Equity (million yen)	397,066	179
Total Assets (million yen)	478,517	197
Financial Closing Date	December 31	December 31
Major Shareholders and Shareholdings	Roche Holding Ltd (2 others) 59.9%	Chugai 100%

4. Effects of the Merger

(1) Trade Name, Principal Lines of Business, Principal Office, Representative, Capital Stock, Financial Closing Date

No change shall be made by the merger.

(2) Effect on Financial Outlook

There shall be no change in the consolidated and non-consolidated outlook for fiscal year 2009, ending Dec. 31, 2009.