

February 3, 2022

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
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Notice of Distribution of Retained Earnings

Chugai Pharmaceutical Co., Ltd. announced today that the Company resolved at the meeting of its Board of Directors held today to distribute retained earnings with the record date being December 31, 2021, as described below. This matter will be submitted to the 111th Annual General Meeting of Shareholders scheduled to be held on March 29, 2022.

1. Contents of Dividends

	Amount decided	Latest forecast for dividend (October 22, 2021)	Actual in the previous fiscal year (ended Dec. 31, 2020)
Record date	December 31, 2021	December 31, 2021	December 31, 2020
Dividends per share	JPY46.00	Undecided	JPY30.00
Total dividends	JPY75,639 million	—	JPY49,316 million
Effective date	March 30, 2022	—	March 24, 2021
Dividend resource	Accumulated profit	—	Accumulated profit

2. Reasons

Taking into account strategic funding needs and earnings prospects, Chugai sets a target for consolidated dividend payout ratio of 45% on average in comparison with Core EPS, with an aim to continuously provide a stable allocation of profit to all shareholders. In addition, internal reserves will be used to increase corporate value through investments to attain further growth in existing strategic domains and to identify future business opportunities.

In the fiscal year ended December 31, 2021, Chugai achieved the highest results in the past, which resulted in Core EPS increasing by 42.0% year on year.

Reflecting the favorable results and based on our principles of “a stable allocation of profit” and “aiming for a consolidated dividend payout ratio of 45% on average in comparison with Core EPS,” year-end dividends for the fiscal year ended December 31, 2021 are planned to be ¥46 per share. As a result, total dividends will be ¥76 per share, and the Core dividend payout ratio is 40.1% (an average of 42.9% for the past five years).

The amount of annual dividend per share for the fiscal year ended December 31, 2022 is forecasted to be ¥76.00, of which ¥38.00 is an interim dividend. As a result, the Core dividend payout ratio will be 40.0% (an average of 41.9% for the past five years).

(For reference) Contents of annual dividends:

	Dividend per share		
	End of second quarter	End of fiscal year	Total
Fiscal year ended Dec. 2021	JPY30.00	JPY46.00	JPY76.00
Fiscal year ended Dec. 2020	JPY75.00	JPY30.00	—

NOTE: Effective July 1, 2020, Chugai implemented a three-for-one stock split of its common stock. The dividend for the second quarter of the fiscal year 2020 presents the amount prior to the stock split. The annual dividends per share for the fiscal year ended December 31, 2020 is not stated because the amounts cannot be simply combined due to the implementation of the stock split. The annual dividend per share is ¥165 when calculated based on the assumption of no stock split, and ¥55 when calculated with the stock split taken into account.

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