CHUGAI PHARMACEUTICAL CO., LTD.
A member of the Roche group

# CONSOLIDATED FINANCIAL STATEMENTS (Japan GAAP) (Non-audited) (for the second quarter of fiscal year 2010)

Name of Company: **Chugai Pharmaceutical Co., Ltd.** July 22, 2010
Stock Listing: Tokyo Stock Exchange, First Section
Security Code No.: 4519
(URL http://www.chugai-pharm.co.jp/english)
Representative: Mr. Osamu Nagayama, President and CEO, Chairman of the Board of Directors
Contact: Mr. Nobuyuki Chiba, General Manager of Corporate Communications Department
Phone: +81-(0) 3-3273-0881

Date of Submission of Marketable Securities Filings: August 6, 2010
Date on which Dividend Payments to Commence: September 1, 2010
Supplementary materials to the quarterly financial statements have been prepared : Yes
Presentation will be held to explain the quarterly financial statements: Yes

## *1. Consolidated Operating Results for the Second Quarter of FY 2010 (January 1, 2010–June 30, 2010)*

(1) Consolidated Operating Results (cumulative) *Note: Amounts of less than one million yen are omitted.*

| | Revenues | % change | Operating Income | % change | Recurring Profit | % change |
|---|---|---|---|---|---|---|
| First six months of FY 2010 | ¥182,379 million | (4.9) | ¥27,562 million | (25.9) | ¥26,158 million | (39.8) |
| First six months of FY 2009 | ¥191,691 million | — | ¥37,175 million | — | ¥43,454 million | — |

| | Net Income | % change | Net Income per Share (Basic) | Net Income per Share (Fully Diluted) |
|---|---|---|---|---|
| First six months of FY 2010 | ¥16,376 million | (37.7) | ¥30.09 | ¥30.09 |
| First six months of FY 2009 | ¥26,306 million | — | ¥48.29 | ¥48.28 |

*Note: Percentages represent changes compared with the same period of the previous fiscal year.*

(2) Consolidated Financial Condition

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|---|---|---|---|---|
| As of Jun. 30, 2010 | ¥507,164 million | ¥433,870 million | 85.1% | ¥793.50 |
| As of Dec. 31, 2009 | ¥540,549 million | ¥434,686 million | 80.0% | ¥794.51 |

*Reference: Shareholders' equity at June 30, 2010: ¥431,821 million*
*Shareholders' equity at December 31, 2009: ¥432,361 million*

## *2. Dividends*

| | Dividends per Share | | | | |
|---|---|---|---|---|---|
| | End of First Quarter | End of Second Quarter | End of Third Quarter | End of Fiscal Year | Total |
| FY ended Dec. 2009 | — | ¥17.00 | — | ¥23.00 | ¥40.00 |
| FY ending Dec. 2010 | — | ¥17.00 | | | |
| FY ending Dec. 2010 (Forecast) | | | — | ¥17.00 | ¥34.00 |

*Note: Whether the dividend forecast under review has been revised: No*
*Reference: Please note that year-end dividends per share for the fiscal year ended December 31, 2009 include a special dividend of ¥6 per share.*

### *3. Forecast of Consolidated Results for FY 2010 (January 1, 2010–December 31, 2010)*

| | Revenues | % Change | Operating Income | % Change | Recurring Profit | % Change |
|---|---|---|---|---|---|---|
| FY 2010 | ¥418,500 million | (2.4) | ¥70,000 million | (15.3) | ¥70,500 million | (22.0) |

| | Net Income | % Change | Net Income per Share (Basic) |
|---|---|---|---|
| FY 2010 | ¥44,000 million | (22.3) | ¥80.85 |

Notes: *1. % change figures for revenues, operating income, recurring profit, and net income are presented in comparison with the same period of the previous fiscal year.*

*2. Whether the forecasts for consolidated figures under review have been revised: No*

### *4. Others (For details, see the section of "Others" on page 5.)*

(1) Changes in the state of material subsidiaries during the period: None

*Note: Changes in the state of specific subsidiaries during the period attendant with change in scope of consolidation*

(2) Application of simplified accounting methods and/or special accounting method: None

*Note: Application of simplified accounting methods and/or special accounting methods for preparation of the quarterly consolidated financial statements*

(3) Changes in principles, procedures, methods of presentation, etc.

(a) Changes accompanying revisions in accounting principles: None

(b) Changes other than those in (a) above: None

*Note: Changes in principles, procedures, methods of presentation, etc., related to "material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements"*

(4) Number of shares issued (common stock):

| | | | | |
|---|---|---|---|---|
| (a) Number of shares at the end of the period (including treasury stock) | Second quarter of FY 2010 | 559,685,889 shares | FY 2009 | 559,685,889 shares |
| (b) Number of treasury stock at the end of the period | Second quarter of FY 2010 | 15,488,095 shares | FY 2009 | 15,497,079 shares |
| (c) Average number of shares issued during the period (six months) | Second quarter of FY 2010 | 544,191,490 shares | Second quarter of FY 2009 | 544,811,746 shares |

*Note: Items related to the status of the implementation of quarterly reviews.*

*At the time of disclosure of these quarterly consolidated financial statements, review procedures were in progress for the quarterly financial statements based on the Financial Instruments and Exchange Act.*

*Note: Explanation of the appropriate use of performance forecasts and other related items*

*Portions of this report that refer to performance forecasts or any other future events are believed to be reasonable under information available at the time of the forecasts. Actual financial results may materially differ from these forecasts due to potential risks and uncertainties.*

*For the specifics of the above forecasts, please refer to the item "(3) Qualitative Information Regarding the Forecast for Consolidated Performance" in the section of "Qualitative Information" on page 5.*

# 1. Qualitative Information

## (1) Qualitative Information Regarding Operating Results (Consolidated)

(Billions of Yen)

| | First six months of FY 2009.12 (Jan. 1, 2009–Jun. 30, 2009) | First six months of FY 2010.12 (Jan. 1, 2010–Jun. 30, 2010) | % Change |
|---|---|---|---|
| Revenues | 191.7 | 182.4 | (4.9) |
| Sales (excluding Tamiflu) | 160.6 | 168.6 | +5.0 |
| Cost of sales | 83.9 | 80.5 | (4.1) |
| Gross profit | 107.8 | 101.8 | (5.6) |
| SG&A (excl. R&D) expenses | 46.1 | 47.7 | +3.5 |
| R&D expenses | 24.5 | 26.6 | +8.6 |
| Operating income | 37.2 | 27.6 | (25.8) |
| Recurring profit | 43.5 | 26.2 | (39.8) |
| Net income | 26.3 | 16.4 | (37.6) |

Consolidated revenues through the second quarter under review were ¥182.4 billion (a decrease of 4.9% year on year).

Sales of the anti-influenza agent Tamiflu, which vary widely from year to year, amounted to ¥12.0 billion (a decline of 52.8% year on year). Excluding sales of Tamiflu and other operating revenues, which amounted to ¥1.7 billion (a decrease of 70.2% year on year), sales amounted to ¥168.6 billion (an increase of 5.0% year on year).

**Domestic Sales (Excluding Tamiflu)**

In the oncology field, sales amounted to ¥64.6 billion (an increase of 11.8% year on year). This gain in sales was due to steadily increasing market penetration of new products and products with additional indications. These included Avastin (an anti-vascular endothelial growth factor (VEGF) receptor humanized monoclonal antibody anti-cancer agent), which received approval for the additional indication of non-small cell lung cancer in November 2009, and Xeloda (a 5-FU derivative anti-cancer agent), which received approval for the additional indication of colorectal cancer in combination with oxaliplatin in September 2009.

In the bone and joint diseases field, sales were ¥28.6 billion (an increase of 6.3% year on year). This increase was due to steady expansion in sales of Actemra (a humanized anti-human IL-6 receptor monoclonal antibody).

On the other hand, in the renal disease field, sales amounted to ¥27.2 billion (a decrease of 5.6% year on year). This decline was due to lower sales of Epogin (a recombinant human erythropoietin) as a result of a National Health Insurance reimbursement price revision and more-intense competition.

In the transplant, immunology, and infectious disease field (excluding Tamiflu), sales were ¥11.9 billion (a decrease of 7.0% year on year). Although Pegasys (a peginterferon-α-2a) and Copegus (an anti-viral agent used for the treatment of chronic hepatitis C in combination with Pegasys) came into wider use and steadily gained market share, this was outweighed by the impact of an overall decline in the market.

**Tamiflu Anti-influenza Agent**

Sales of Tamiflu for ordinary use through the second quarter amounted to ¥1.4 billion (a decline of 87.3% year on year). This drop was due to an early decrease in the number of new influenza cases. Sales to government stockpiles through the second quarter were ¥10.6 billion (a decrease of 26.4% year on year).

**Overseas Sales**

Overseas sales amounted to ¥18.1 billion (an increase of 27.5% year on year). This rise was due to an increase in exports of Actemra to Roche outweighing a decline in sales of Neutrogin, a recombinant human granulocyte colony-stimulating factor (G-CSF), due to the adverse effects of competition from follow-on biologics and currency fluctuations. In the United States, Actemra received approval from the U.S. Food and Drug Administration in January 2010, and the marketing of this drug began the same month. At present, this drug is marketed in more than 50 countries (European product name: RoActemra).

**Profit (Loss) Condition**

As a result of the decline in sales of Tamiflu and the decrease in other operating revenues, due to a decrease in milestone income, gross profit for the quarter amounted to ¥101.8 billion (a decline of 5.6% year on year).

Selling, general and administrative expenses excluding R&D expenses were ¥47.7 billion (an increase of 3.5% year on year), as a result of higher personnel costs and the costs of co-promotion of Actemra in Europe. R&D expenses amounted to ¥26.6 billion (an increase of 8.6% year on year). This increase was due to aggressive investment in drug discovery research and expenditures on early-stage research projects.

As a consequence, operating income was ¥27.6 billion (a decrease of 25.8% year on year). In addition, due to a loss on derivatives arising from forward foreign exchange contracts, concluded to reduce the risk of foreign exchange transactions (compared with a gain on such contracts in the same quarter of the previous fiscal year), recurring profit amounted to ¥26.2 billion (a decline of 39.8% year on year), and net income for the quarter was ¥16.4 billion (a decrease of 37.6% year on year).

Please note that in this item, amounts less than ¥100 million have been rounded off. Figures for changes in amounts and percentage increases and decreases have been calculated using data denominated in ¥100 million units.

**(2) Qualitative Information Regarding Financial Condition (Consolidated)**

**Assets, Liabilities, and Net Assets**

At the end of the second quarter under review, total assets on a consolidated basis amounted to ¥507.2 billion, representing a decline of ¥33.3 billion in comparison with the end of the previous fiscal year. This decrease was mainly due to a decline in cash and deposits of ¥25.7 billion and a decline in trade notes and accounts receivable of ¥22.4 billion, which was partially offset by an increase in merchandise and finished goods of ¥13.7 billion.

Total liabilities on a consolidated basis stood at ¥73.3 billion, representing a decrease of ¥32.6 billion compared with the end of the previous fiscal year. Principal factors accounting for this decline were a decrease in income taxes payable of ¥14.1 billion and a decline in other current liabilities of ¥13.6 billion as a result of declines in accrued expenses. Net working capital (equivalent to current assets minus current liabilities) at the end of the second quarter amounted to ¥314.9 billion.

Total net assets on a consolidated basis were ¥433.9 billion, ¥0.8 billion lower than at the end of the previous fiscal year. The principal factor accounting for this change was a decrease in foreign currency translation adjustments of ¥4.3 billion. Since the Company reported net income for the second quarter of ¥16.4 billion, retained earnings increased ¥3.8 billion following the payment of dividends from retained earnings amounting to ¥12.5 billion.

**Cash Flows**

Cash and cash equivalents at the end of the second quarter under review amounted to ¥69.9 billion (versus ¥80.6 billion at the end of the same quarter of the previous fiscal year).

Net cash provided by operating activities amounted to ¥6.8 billion (compared with ¥33.7 billion for the same quarter of the previous fiscal year). This was due primarily to income before income taxes and minority interests for the quarter of ¥26.1 billion, a decrease in notes and accounts receivable to ¥22.1 billion, an increase in income taxes paid to ¥21.7 billion, and an increase in inventories to ¥19.7 billion.

Net cash used in investing activities was ¥16.6 billion (compared with cash used in investing activities of ¥13.3 billion for the same quarter of the previous fiscal year). Principal factors accounting for this were as follows: Net outflow for purchase and sales of marketable and investment securities of ¥8.0 billion, purchases of noncurrent assets of ¥7.5 billion, and net payments into time deposits of ¥1.1 billion.

Net cash used in financing activities amounted to ¥13.2 billion (compared with ¥11.0 billion for the same quarter of the previous fiscal year). This was due to cash dividends paid of ¥12.5 billion, as the Company paid a special dividend of ¥6 per share in addition to the regular dividend for the end of the previous fiscal year of ¥17 per share, bringing the total dividend per share to ¥23.

Please note that in this item, amounts less than ¥100 million have been rounded off. Figures for changes in amounts and percentage increases and decreases have been calculated using data denominated in ¥100 million units.

**(3) Qualitative Information Regarding the Forecast for Consolidated Performance**

The Company has not made any changes in its forecast of consolidated results for fiscal year ending December 2010 since the announcement regarding the forecast issued on February 3, 2010.

## 2. Others

**(1) Changes in the state of material subsidiaries**

None

**(2) Simplified accounting methods and/or special accounting method**

(a) Simplified accounting methods

**(Valuation of inventories)**

In calculating the amount of inventories at the end of the second consolidated quarter, the amount of inventories based on on-site inspections reported at the end of the previous consolidated fiscal year is taken as a base, and the value of inventories is determined according to reasonable methods. In addition, in calculating write-downs in the book value of inventories, only for those inventories whose profitability has clearly declined, the net sale value is estimated, and the method of reducing book value to net sales value is used.

**(Method for calculating depreciation of noncurrent assets)**

For assets that are depreciated using the declining-balance method, the amount of depreciation for each quarter is calculated by dividing the amount of depreciation for the consolidated fiscal year into four equal installments and charging such installments as an expense for each quarter.

**(Calculation of income taxes and deferred tax assets and deferred tax liabilities)**

For certain consolidated subsidiaries, the method of increasing or decreasing material calculation items and material deduction items for income tax purposes is employed in calculating the amount of income taxes payable and in calculating deferred tax assets and deferred tax liabilities.

In making judgments regarding the recoverability of deferred income tax assets, in cases where it is recognized that there have been no major changes in the management environment since the end of the previous consolidated fiscal year and no major temporary differences, the Company applies the method of using the forecast for future performance and tax planning employed at the time of the preparation of the accounts for the end of the previous consolidated fiscal year, and, in cases where it is recognized that there have been major changes in the management environment since the end of the previous consolidated fiscal year and/or major temporary differences, the Company employs the method of taking account of such changes in the forecast for future performance and tax planning.

(b) Special accounting methods for preparation of the quarterly financial statements

None

**(3) Changes in principles, procedures, methods of preparation, etc.**

None

# 3. Financial Statements

## (1) Consolidated Balance Sheets

(Millions of Yen)

| | As of June 30, 2010 | As of December 31, 2009 (Summary) |
|---|---|---|
| **Assets** | | |
| I Current assets: | | |
| Cash and deposits | 81,270 | 106,978 |
| Trade notes and accounts receivable | 99,230 | 121,607 |
| Marketable securities | 61,690 | 52,157 |
| Merchandise and finished goods | 85,365 | 71,699 |
| Work in process | 162 | 10 |
| Raw materials and supplies | 26,179 | 20,932 |
| Deferred tax assets | 20,437 | 21,058 |
| Other | 9,057 | 16,893 |
| Reserve for doubtful accounts | (5) | (35) |
| Total current assets | 383,389 | 411,302 |
| II Noncurrent assets: | | |
| 1. Property, plant and equipment: | | |
| Buildings and structures (net) | 51,541 | 53,428 |
| Other (net) | 38,219 | 40,235 |
| Total property, plant and equipment | 89,761 | 93,663 |
| 2. Intangible assets: | 2,633 | 3,244 |
| 3. Investments and other assets: | | |
| Investment securities | 7,952 | 9,657 |
| Deferred tax assets | 15,348 | 14,593 |
| Other | 8,271 | 8,306 |
| Reserve for doubtful accounts | (191) | (219) |
| Total investments and other assets | 31,380 | 32,338 |
| Total noncurrent assets | 123,775 | 129,246 |
| Total assets | 507,164 | 540,549 |

(Millions of Yen)

| | As of June 30, 2010 | As of December 31, 2009 (Summary) |
|---|---|---|
| **Liabilities** | | |
| I Current liabilities: | | |
| Trade notes and accounts payable | 32,188 | 34,263 |
| Income taxes payable | 8,010 | 22,142 |
| Reserve for bonuses to employees | 4,846 | 5,731 |
| Other reserves | 1,933 | 3,219 |
| Other | 21,486 | 35,125 |
| Total current liabilities | 68,465 | 100,482 |
| II Noncurrent liabilities: | | |
| Reserves | 3,175 | 3,471 |
| Other | 1,653 | 1,908 |
| Total noncurrent liabilities | 4,828 | 5,380 |
| Total liabilities | 73,293 | 105,862 |
| **Net assets** | | |
| I Shareholders' equity: | | |
| 1. Common stock | 72,966 | 72,966 |
| 2. Additional paid-in capital | 92,815 | 92,815 |
| 3. Retained earnings | 311,837 | 307,984 |
| 4. Treasury stock, at cost | (36,251) | (36,274) |
| Total shareholders' equity | 441,367 | 437,492 |
| II Valuation and translation adjustments: | | |
| 1. Net unrealized gain on securities | 1,549 | 1,636 |
| 2. Foreign currency translation adjustments | (11,095) | (6,767) |
| Total valuation and translation adjustments | (9,546) | (5,131) |
| III New share warrants | 631 | 536 |
| IV Minority interests | 1,417 | 1,788 |
| Total net assets | 433,870 | 434,686 |
| Total liabilities and net assets | 507,164 | 540,549 |

### (2) Consolidated Statements of Income

(Millions of Yen)

| | | First six months of FY 2009 (Jan. 1, 2009 – Jun. 30, 2009) | First six months of FY 2010 (Jan. 1, 2010 – Jun. 30, 2010) |
|---|---|---|---|
| I | Revenues: | | |
| | Sales | 185,942 | 180,643 |
| | Other operating revenues | 5,749 | 1,736 |
| | Total revenues | 191,691 | 182,379 |
| II | Cost of sales: | 83,867 | 80,546 |
| | Gross profit | 107,824 | 101,832 |
| III | Selling, general and administrative expenses: | | |
| | Sales promotion expenses | 7,201 | 7,301 |
| | Salaries and benefits | 13,773 | 14,634 |
| | Reserve for bonuses | 2,727 | 2,794 |
| | R&D expenses | 24,507 | 26,563 |
| | Retirement benefit | — | 1,319 |
| | Other | 22,439 | 21,657 |
| | Total selling, general and administrative expenses | 70,649 | 74,270 |
| | Operating income | 37,175 | 27,562 |
| IV | Non-operating income: | | |
| | Interest income | 396 | 163 |
| | Gain on derivatives | 5,516 | — |
| | Gain on foreign exchange | — | 2,063 |
| | Other | 951 | 732 |
| | Total non-operating income | 6,864 | 2,959 |
| V | Non-operating expenses: | | |
| | Interest expenses | 14 | 1 |
| | Loss on derivatives | — | 3,955 |
| | Loss on foreign exchange | 258 | — |
| | Other | 312 | 406 |
| | Total non-operating expenses | 586 | 4,363 |
| | Recurring profit | 43,454 | 26,158 |
| VI | Extraordinary gain: | | |
| | Gain on sales of noncurrent assets | 262 | — |
| | Subsidy | — | 50 |
| | Total extraordinary gain | 262 | 50 |
| VII | Extraordinary loss: | | |
| | Impairment loss | 26 | 2 |
| | Restructuring loss | 25 | 67 |
| | Other | 2 | 4 |
| | Total extraordinary loss | 53 | 75 |
| | Income before income taxes and minority interests | 43,663 | 26,133 |
| | Income taxes current | 15,590 | 9,260 |
| | Income taxes deferred | 957 | (97) |
| | Total income taxes | 16,547 | 9,163 |
| | Minority interests | 809 | 593 |
| | Net income | 26,306 | 16,376 |

### (3) Consolidated Statements of Cash Flow

(Millions of Yen)

| | | First six months of FY 2009 (Jan. 1, 2009 – Jun. 30, 2009) | First six months of FY 2010 (Jan. 1, 2010 – Jun. 30, 2010) |
|---|---|---|---|
| I | Cash flows from operating activities: | | |
| | Income before income taxes and minority interests | 43,663 | 26,133 |
| | Depreciation and amortization | 8,872 | 8,435 |
| | Impairment loss | 26 | 2 |
| | Interest and dividend income | (452) | (232) |
| | Interest expense | 14 | 1 |
| | Loss on disposal of noncurrent assets | 47 | 68 |
| | (Gain) loss on sales of noncurrent assets | (262) | 0 |
| | Loss on sales and revaluation of investment securities | 1 | 4 |
| | Decrease in notes and accounts receivable | 6,054 | 22,093 |
| | (Increase) in inventories | (14,629) | (19,698) |
| | Increase (decrease) in notes and accounts payable | 8,821 | (1,879) |
| | Other | (7,195) | (6,660) |
| | Subtotal | 44,962 | 28,269 |
| | Interest and dividends received | 456 | 219 |
| | Interest paid | (15) | (4) |
| | Income taxes paid | (11,750) | (21,679) |
| | Net cash provided by operating activities | 33,653 | 6,804 |
| II | Cash flows from investing activities: | | |
| | Payments into time deposits | (9,212) | (12,314) |
| | Proceeds from withdrawal of time deposits | 129 | 11,201 |
| | Purchase of marketable securities | (63,472) | (66,688) |
| | Proceeds from sales of marketable securities | 69,200 | 57,200 |
| | Purchase of investment securities | (628) | (2) |
| | Proceeds from sales of investment securities | — | 1,502 |
| | Purchases of noncurrent assets | (9,726) | (7,549) |
| | Proceeds from sales of noncurrent assets | 360 | 0 |
| | Other | 13 | 9 |
| | Net cash (used in) investing activities | (13,336) | (16,640) |
| III | Cash flows from financing activities: | | |
| | Net (increase) in treasury stock | (7) | (4) |
| | Cash dividends paid | (10,360) | (12,508) |
| | Cash dividends paid to minority interests | (672) | (672) |
| | Other | (0) | (3) |
| | Net cash (used in) financing activities | (11,041) | (13,188) |
| IV | Effect of exchange rate changes on cash and cash equivalents | 638 | (1,510) |
| V | Net increase (decrease) in cash and cash equivalents | 9,914 | (24,534) |
| VI | Cash and cash equivalents at beginning of year | 70,652 | 94,478 |
| VII | Cash and cash equivalents at end of the period | 80,566 | 69,943 |

**(4) Notes Regarding Assumptions as a Going Concern**

None

**(5) Segment Information**

### Business Segments

*For the first six months of FY 2009 (Jan. 1, 2009 – June 30, 2009) and the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

The Company and its consolidated subsidiaries have been comprised of a single business segment, "Pharmaceutical business"; the disclosure of business segment information has been omitted.

### Geographical Segments

*For the first six months of FY 2009 (Jan. 1, 2009 – June 30, 2009) and the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

As revenues of the foreign consolidated subsidiaries were less than 10% of consolidated totals, the disclosure of geographical segment information has been omitted.

### Overseas Revenues

*For the first six months of FY 2009 (Jan. 1, 2009 – June 30, 2009)*

As overseas revenues (¥16,178 million) were less than 10% of consolidated totals, the disclosure of overseas revenues in countries or regions outside Japan has been omitted.

*For the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

(Millions of Yen)

| | Europe | Other Regions | Total |
|---|---|---|---|
| Overseas revenues | ¥18,265 | ¥1,308 | ¥ 19,574 |
| Revenues | | | 182,379 |
| % of revenues | 10.0 | 0.7 | 10.7 |

Notes: 1. Division by country or region is based on geographical proximity.

2. The countries and regions belonging to geographical classifications are as follows:
   (1) Europe: Switzerland, France, the U.K., Germany, etc.
   (2) Other Regions: Republic of Korea, Taiwan, People's Republic of China, the U.S., etc.
3. Overseas revenues are defined as revenues made by the Company and its consolidated subsidiaries in countries or regions outside Japan.

**(6) Notes Regarding Major Changes in Shareholders' Equity**

None