



Roche Roche Group

Deutsche Bank Conference

CHUGAI PHARMACEUTICAL CO., LTD.
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September 29, 2010

Forward-Looking Statements

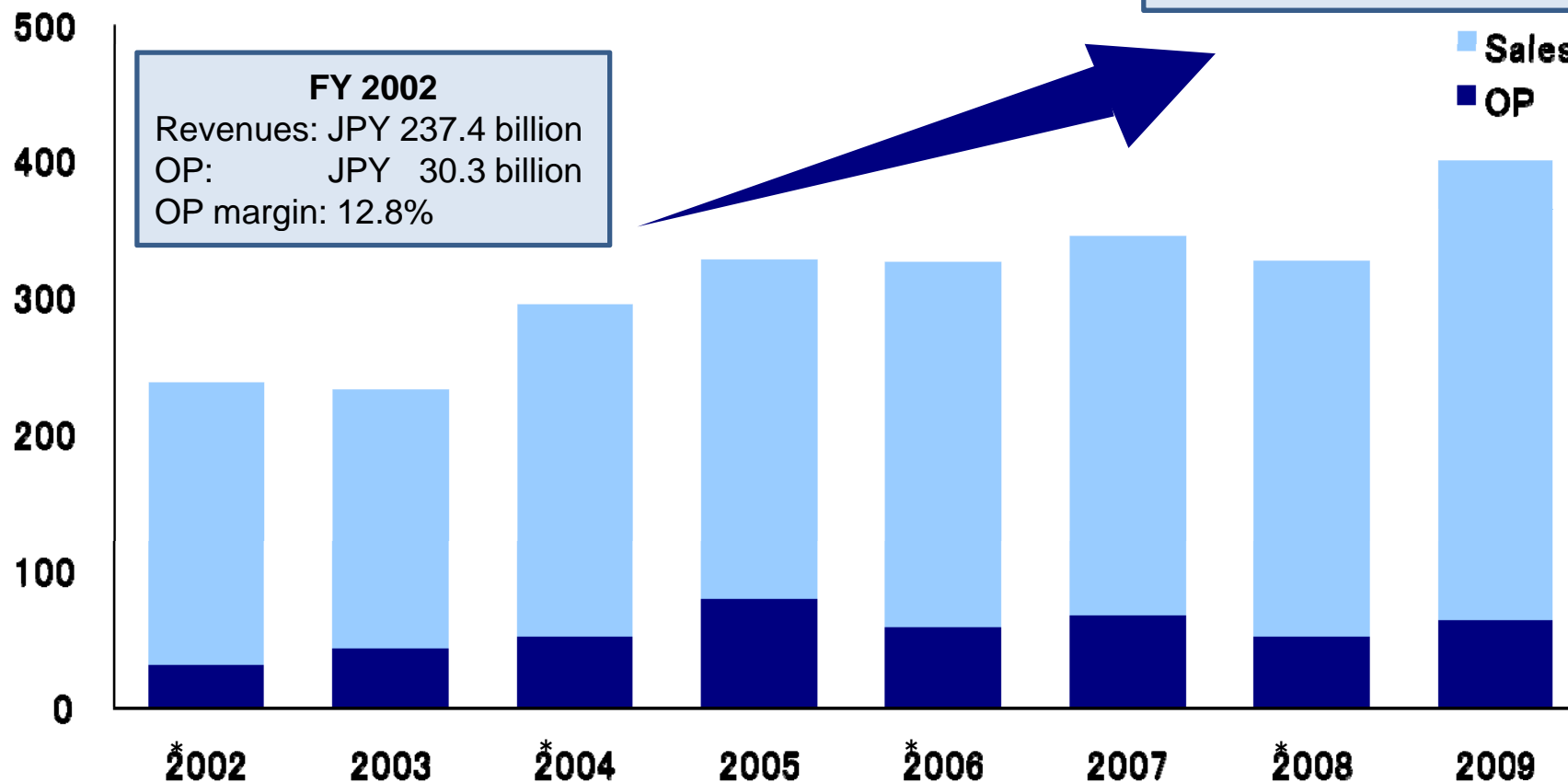
This presentation may include forward-looking statements pertaining to the business and prospects of Chugai Pharmaceutical Co., Ltd. (the “Company”). These statements reflect the Company’s current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company’s businesses.

Revenues and Operating Income

Revenues : 1.8 times OP : 2.7 times

FY 2009
 Revenues: JPY 428.9 billion
 OP: JPY 82.6 billion
 OP margin: 19.3%

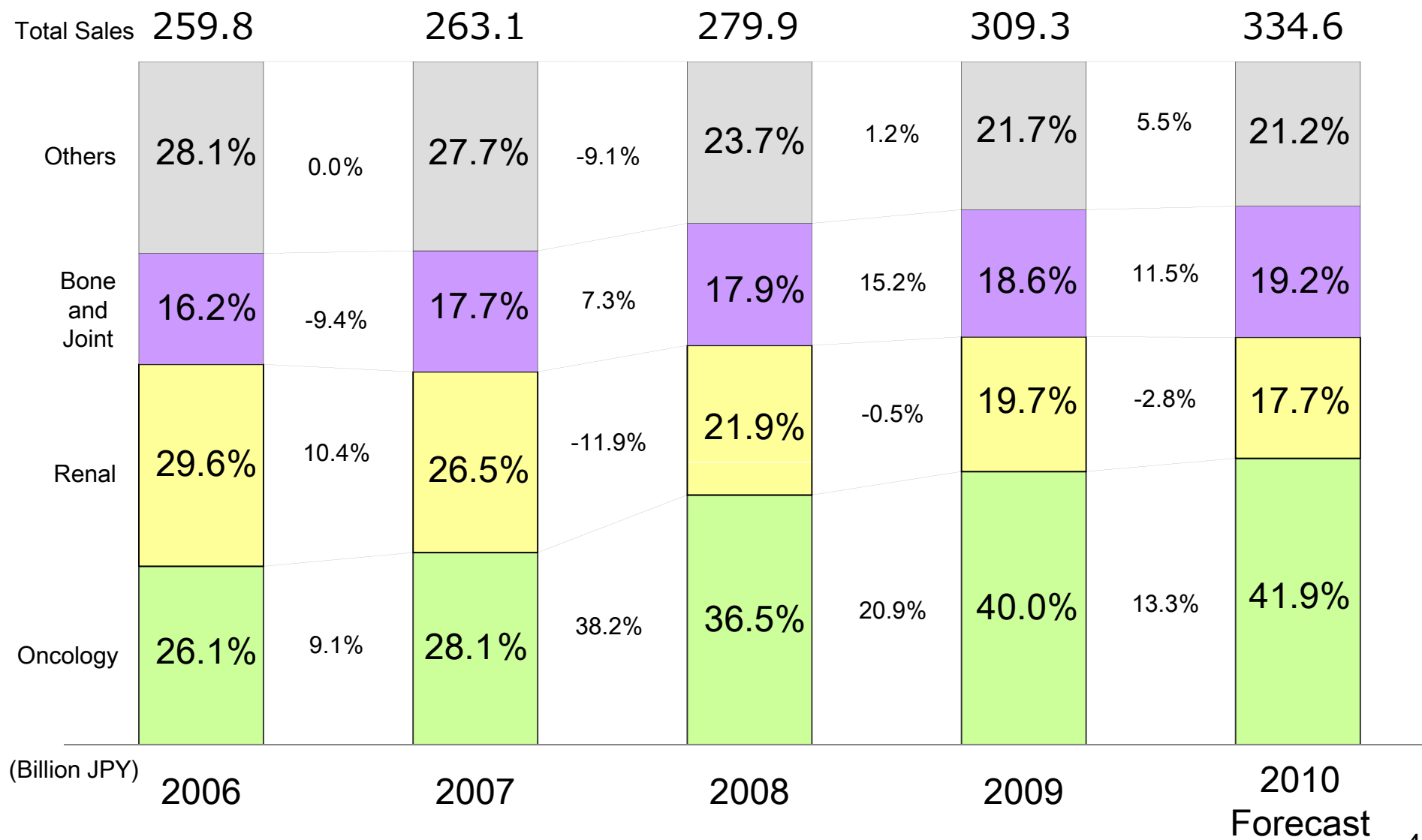
(Billion JPY)



(FY 2003.12 : Apr. - Dec. 2003)

* NHI drug price revision

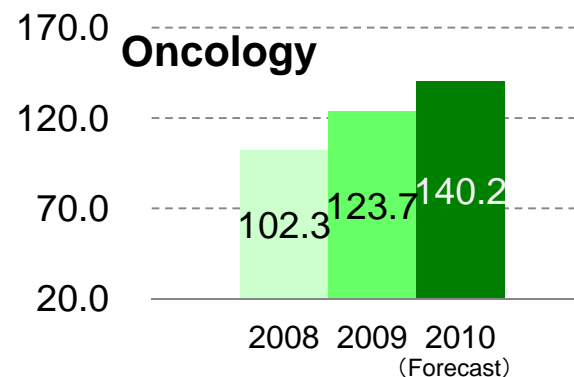
Structure of Domestic Sales (excl. Tamiflu)



Domestic Sales in Strategic Areas

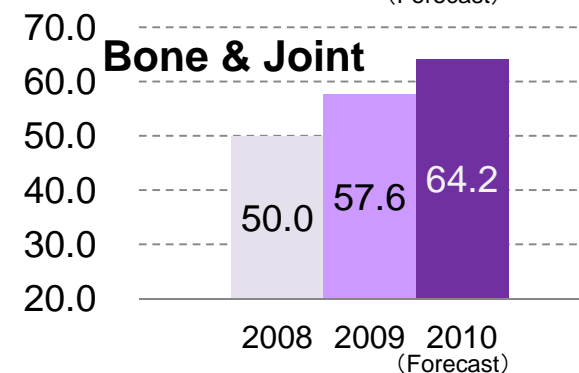
Oncology

Avastin and Xeloda: >50% increase driving overall growth in oncology



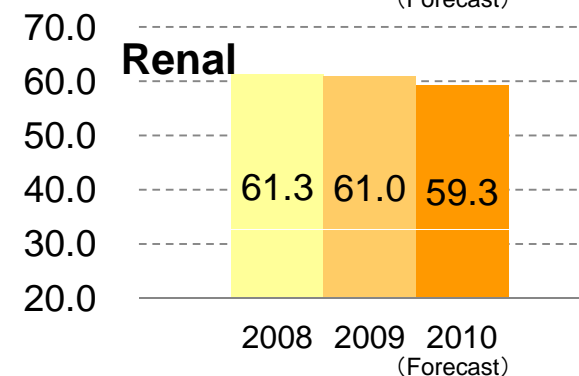
Bone & Joint

Actemra: solid growth towards the 1st choice among biologic agents



Renal

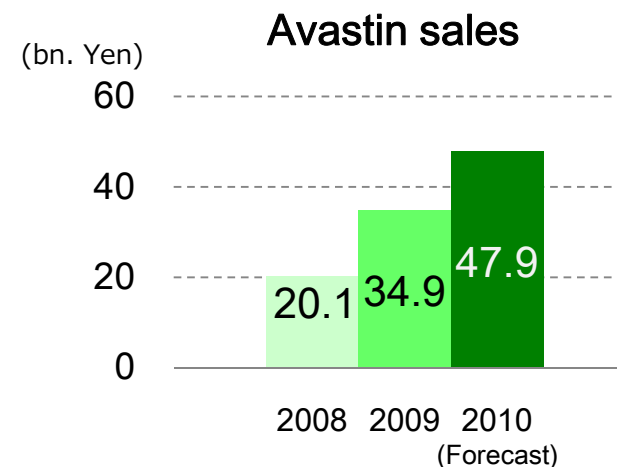
Epogin: steady performance based on the established safety and efficacy profile



Oncology Products Update

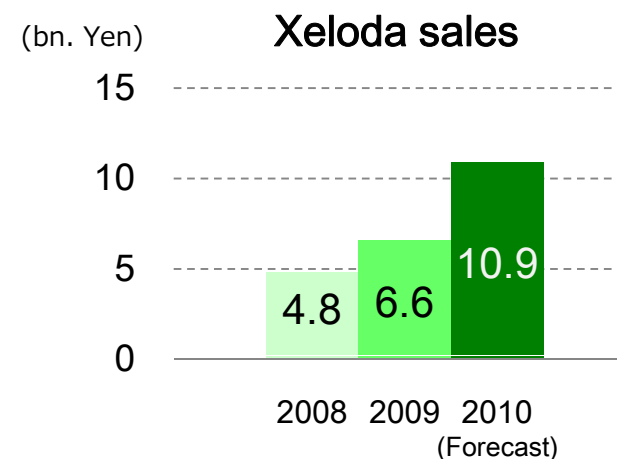
■ Avastin

- Continued smooth penetration : CRC, NSCLC
 - ◆ > 30% YOY sales growth
- Clinical development status
 - ◆ BC : Filed in Oct. 2009
 - ◆ CRC (adj), GC : P3



■ Xeloda

- > 60% YOY sales growth driven by the approval of XELOX regimen
- Clinical development status
 - ◆ GC : NDA submitted in Sep. 2010 based on evidence in the public domain



Bone&Joint Disease Products Update

■ Actemra

□ Launched in approx. 50 countries

◆ Full-scale rollout in three major markets

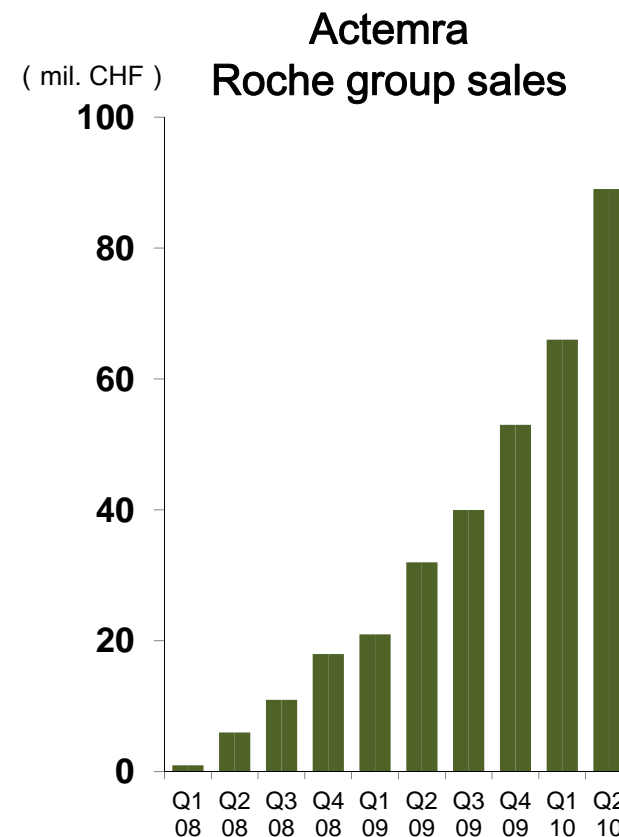
US: > 50% rheumatologists prescribed Actemra
within 5 months on the market

Japan: Used as a 1st line biologic agent by
approx. 40% of Actemra patients
All-patient registration survey lifted
in Aug. 2010

□ Clinical development Status

◆ Subcutaneous injection

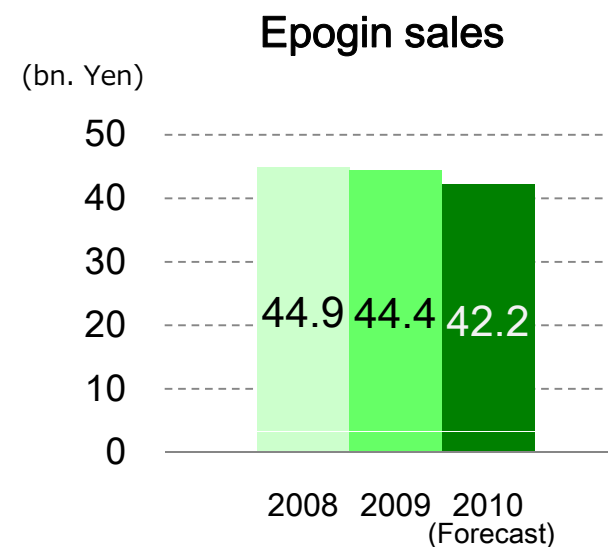
Japan : Started P3 in May. 2010



Renal Disease Products Update

■ Epogin

- Sales in dialysis slightly decreased due to competition and NHI price cut revision



■ RG744

- Filed in Jul. 2009 (expected indication: Renal anemia)
- Maintained stable hemoglobin levels with once-monthly administration, a significant reduction in treatment frequency compared with existing drugs

Financial Overview Jan-Jun

(Billion JPY)	Actual	Forecast (Feb. 3)					2008	2009
	2010 Jan-Jun	2010 Jan-Jun	+/-	Achiev. (%)	2010 Jan-Dec	Prog. (%)	Jan-Jun Full-year prog. (%)	Jan-Jun Full-year prog. (%)
Revenues	182.4	189.1	-6.7	96.5	418.5	43.6	44.6	44.7
Sales	180.6	187.4	-6.8	96.4	414.0	43.6	45.0	44.4
excl. Tamiflu	168.6	170.6	-2.0	98.8	375.3	44.9	45.7	46.8
Tamiflu	12.0	16.8	-4.8	71.4	38.7	31.0	19.0	33.3
Other Operating Revenues	1.7	1.7	+0.0	100.0	4.5	37.8	19.6	58.2
Cost of sales	80.5	-	-	-	184.5	43.6	44.3	43.5
Gross Profit	101.8	-	-	-	234.0	43.5	44.8	45.7
SG&A (excl. R&D) exp.	47.7	-	-	-	105.0	45.4	44.4	46.9
R&D exp.	26.6	-	-	-	59.0	45.1	45.5	44.3
Operating Income	27.6	26.5	+1.1	104.2	70.0	39.4	44.8	45.0
as % of Revenues	15.1	14.0	-	-	16.7	-	-	-
Recurring Profit	26.2	27.0	-0.8	97.0	70.5	37.2	42.4	48.1
Net Income	16.4	16.7	-0.3	98.2	44.0	37.3	48.1	46.5

Dividend Policy

□ Policy

Aiming to ensure stable profit for all shareholders and a consolidated dividend payout ratio of around 40% on average, taking account of strategic funding needs and earnings prospects.

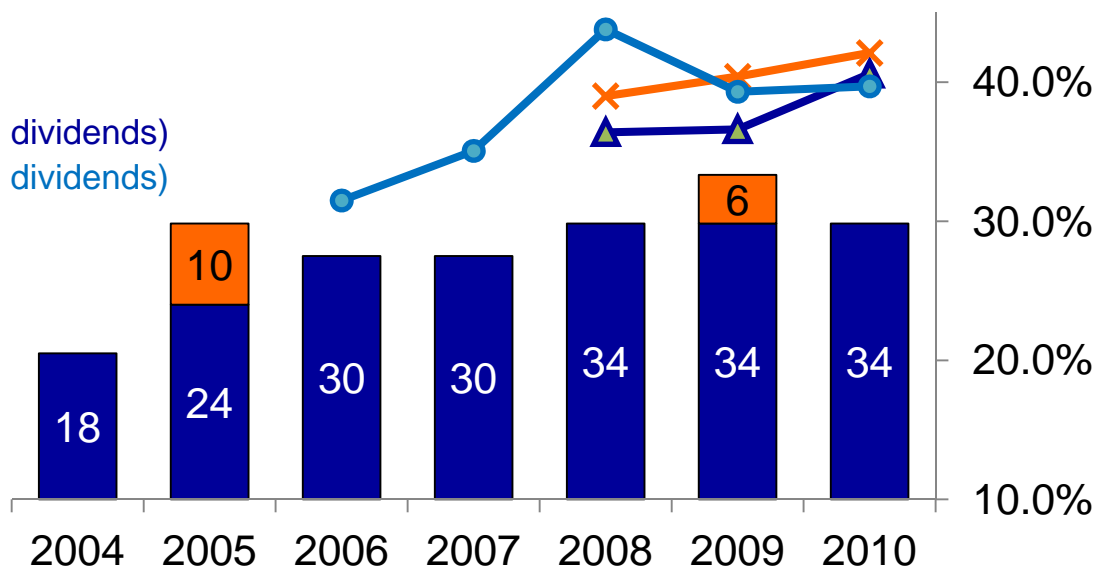
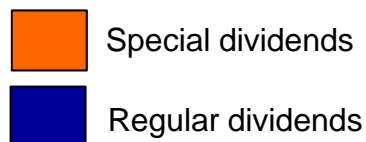
- ◆ Dividends for FY2009 40JPY : 17 + 17 + 6 (Special dividends)
- ◆ Dividends for FY2010 (Forecast) 34JPY : 17 + 17

Dividends payout ratio

× : 5 years average

△ : 5 years average (excl. special dividends)

○ : 3 years average (excl. special dividends)



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