Nomura Investment Forum 2009

CHUGAI PHARMACEUTICAL CO., LTD.
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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.
Steps Toward Achieving Sunrise 2012 Targets and Further Growth

FY2009
A year to strongly launch toward becoming a top pharmaceutical company

<Plan>
Consolidated sales: JPY 420.0 billion
OP: JPY 67.0 billion
OP/sales ratio: 16.0%

Steadily foster innovative new products and secure future pipeline
- Market penetration of new products
- Defense of EPO Market
- Prompt development

FY2012
Achievement of Sunrise 2012 targets

<Targets>
Consolidated sales: JPY 460.0 billion
OP: JPY 80.0 billion
OP/sales ratio: 17.4%

Achieve Sunrise 2012 targets toward becoming a top pharmaceutical company

Late 2010’s
Top pharmaceutical company

<Targets>
Consolidated sales: JPY 420.0 billion
OP: JPY 67.0 billion
OP/sales ratio: 16.0%

<Quantitative Plan>
- Gain a position among the top 3 major Japanese pharmaceutical companies in terms of:
  - Domestic share
  - Consolidated operating profit margin
  - Consolidated operating profit per employee
  - Domestic sales per MR
- Gain top share in our strategic therapeutic areas in Japan
- Increase overseas sales ratio

<Qualitative Plan>
- A highly reliable company that provides each stakeholder with great satisfaction and receives their support
- Take global-level initiative
Steps Toward Becoming a Top Japanese Pharmaceutical Company
- Achievements in 2009 -

**R&D**

☆ Strengthened R&D foundation
  - Enhanced drug discovery technology
  - Good progress in projects of new development areas (diabetes, CNS)
  ⇒ Enriched pipeline
    - 9 global development projects on-going
    - 4 new projects entered phase I

**Production**

☆ Reestablished development & manufacturing function
  - Established Pharmaceutical Technology Division
  ⇒ A comprehensive structure from development to manufacturing to achieve global level competitiveness (cost, speed and quality)

**Sales & Marketing**

☆ Strengthened marketing structure with further focus on disease areas
  - Establishment of Primary Unit; Two-Unit structure with Oncology Unit
  - Increased number of Oncology MRs (from 500 to 550)
  ⇒ Enhanced operational power in implementing product promotion in each area

**Safety Management**

☆ Strengthened safety management structure
  - Restructured Corporate Regulatory Compliance & Quality Assurance Division and established Regulatory & Quality Management Unit and Drug Safety Division
  ⇒ Enhanced medical evaluation of safety information to support safety when nurturing products

Improvement of operational power of each function
As a leader in Oncology

As a leading company in Oncology*, Chugai continuously provides innovative products with high utility as well as information to help promote standard treatment

★To provide Japanese patients access to treatments of global standard

Oct 1, 2009 Establishment of “Chugai Academy for Advanced Oncology”

To support the establishment of medical foundation and advancement of Japanese oncology, in new ways

Main activities
- Oncology Forum
- Financial contribution for oncology research

★Branding activities

★Website dedicated to oncology for patients
URL: http://gan-guide.jp

★Employee involvement in social activities to help cancer patients

* Chugai has a top market share since 2008
Framework for 2010

Impact to Pharma Industry

- Change of Government
  - Review of allocation of total medical budget
  - Price reduction of long-listed drugs/ new drug price scheme
  - Expectation to life science as a growth strategy
- 2010 drug price revision
- Generic competition (“2010 issue”)

Impact to Chugai positives & negatives

◆ Growth of new products
  - Avastin, Herceptin, Tarceva, Xeloda, Actemra, Pegasys, Copegus
◆ Actemra
  - Growth in overseas market
◆ Enriched pipeline

◆ Tamiflu (stockpile)
◆ A new competitor to Epogen
◆ Additional price cut due to market expansion
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