



Roche Roche Group

# Deutsche Bank Conference

CHUGAI PHARMACEUTICAL CO.,LTD.  
President and CEO  
Osamu Nagayama

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# Forward-Looking Statements

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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.

# Strategies of Chugai vs Other Companies to Cope with Environmental Changes



## Environmental changes surrounding the industry

- ◆ Y2010 Problem: Significant impact due to patent expiration of current block busters
- ◆ Low R&D efficiency: Skyrocketing R&D costs vs. decreasing research productivity, tighter safety requirements for new drug reviews (late phase suspension, delay of approval)
- ◆ Stagnant market/structural change: Medical cost containments in major markets, expansion of generic market, rapid market growth in emerging countries
- ◆ Influence of stakeholders: diverse needs, demands on rapid supply of information and social responsibilities

## Measures against the changes

- ◆ Enrichment of pipeline and diversification by M&A activities
- ◆ Challenge unmet medical needs such as cancer, acquisition of biologic products/ technologies
- ◆ Transform to a new “sustainable drug discovery” model to address the underlying issue

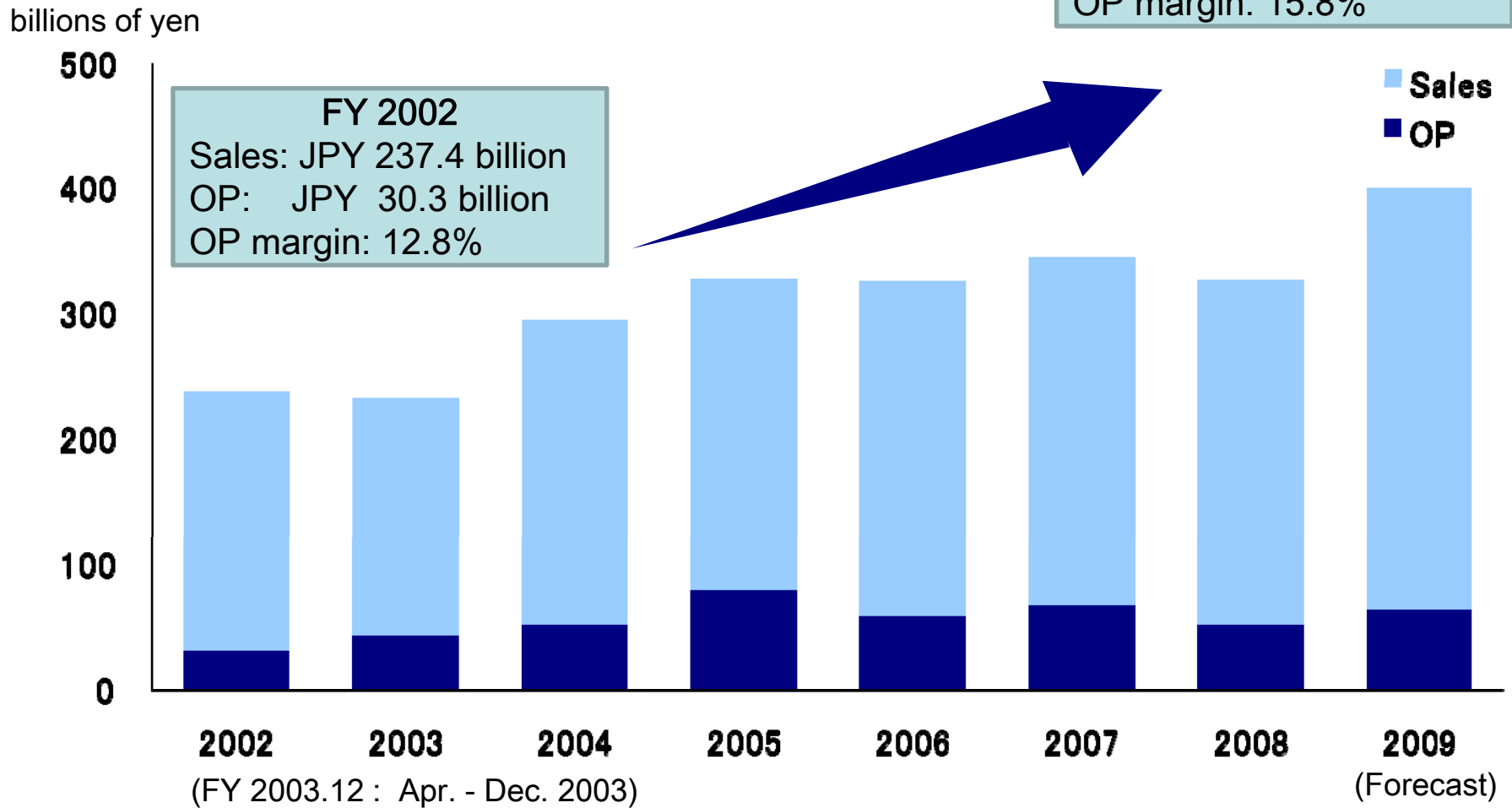
## Chugai's status

- ◆ Accumulation of bio-technologies since 1980's. Global launch of the first Japan-originated antibody drug; Actemra
- ◆ Strengthened franchise such as oncology by the alliance with Roche
- ◆ Establishment of successive drug creation and bio-manufacturing system by utilization of the tripartite center of excellences (COEs) within the Roche Group

# Post Alliance Performance

*Sales : 1,7 times    OP : 2.1 times*

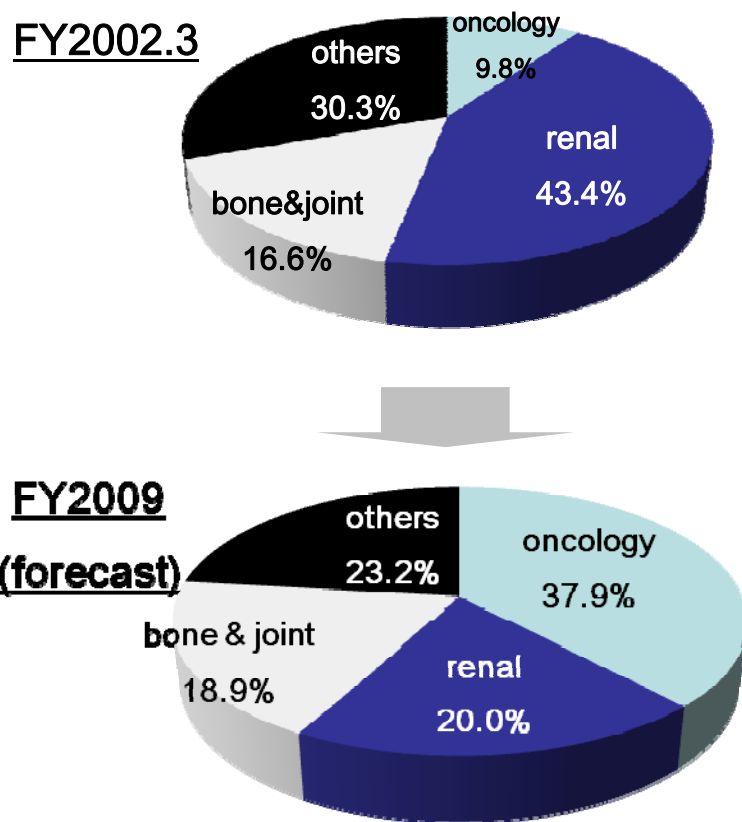
**FY 2009 (Forecast)**  
 Sales: JPY 400.0 billion  
 OP: JPY 63.0 billion  
 OP margin: 15.8%



# Progress in Oncology Field

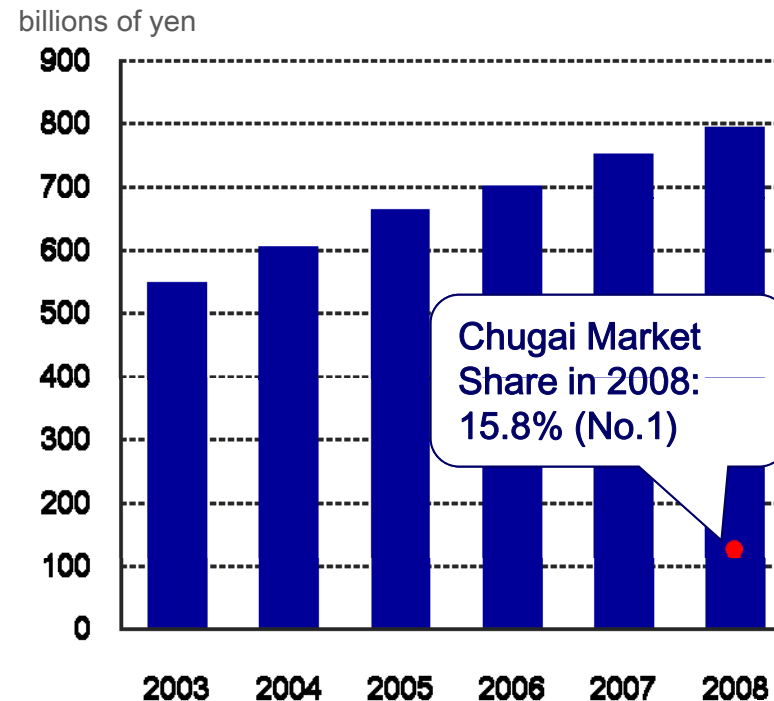
## Domestic Sales (Excl. Tamiflu)

Rapid growth by the launches of Avastin and Herceptin etc.



## Domestic Oncology Market

No. 1 Market Share in FY2008



Source: IMS JPM 2008 Dec. MAT(NHI price base)  
The scope of the market is defined by Chugai

# Status of Actemra

## 【Japan】

- April 2008 Additional approval for Rheumatoid Arthritis
- Post-marketing surveillance ongoing  
(As of August 2009, more than 7,000 patients have been registered)

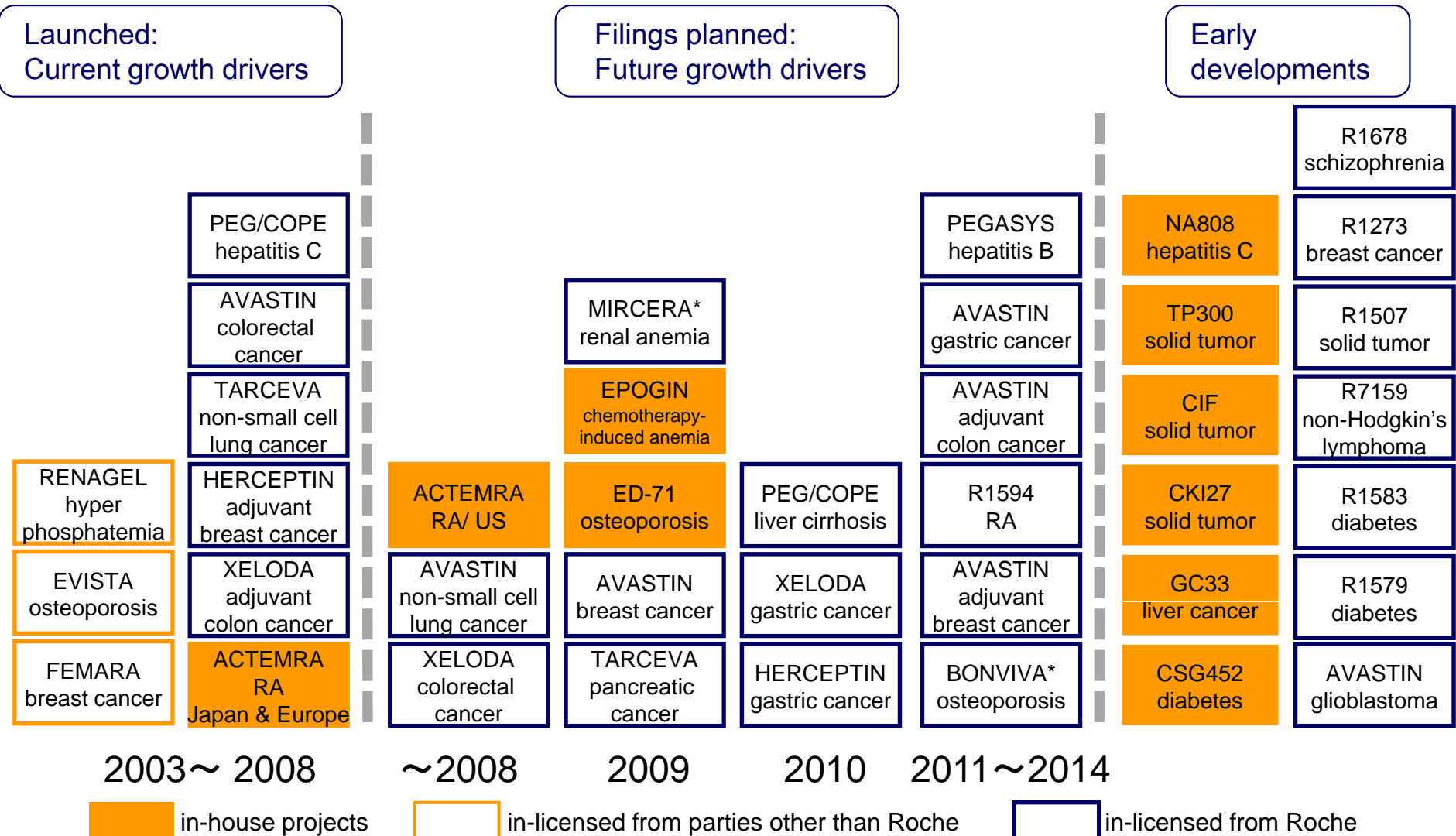
## 【Overseas】

- As of September 2009  
Launched: 15 countries, Approved 62 countries, Filed: 40 countries  
< EU >
- January 2009 Approval  
Germany: Launched, UK/France: Scheduled for launch within this year  
< US >
- July 8 2009  
Complete Response Resubmission submitted to the FDA with non-clinical study results and REMS (Risk Evaluation and Mitigation Strategy)  
PDUFA date: January 8, 2010 (Class II review)

# Enriched Pipeline

Developments on track

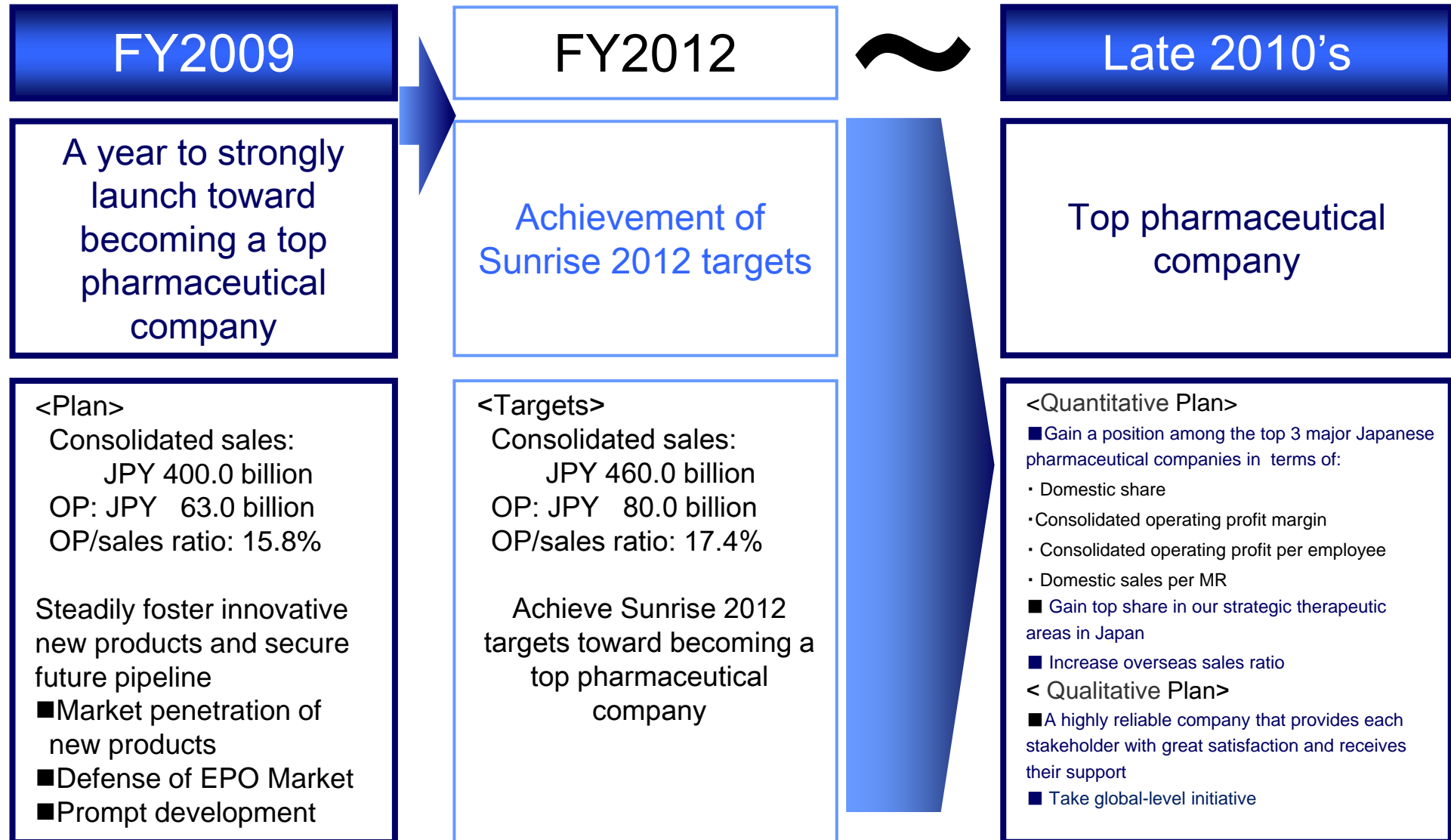
Multiple in-house projects in early development stage – future long-term source of profit



\* overseas product name

# Steps Toward Achieving Sunrise 2012 Targets and Further Growth

FY2009 is the year to strongly launch toward a top pharmaceutical company





## Contacts:

### Investor Relations Group

Tel: +81 (0)3-3273-0554 Fax: +81 (0)3-3281-6607

e-mail: [ir@chugai-pharm.co.jp](mailto:ir@chugai-pharm.co.jp)

Mac Uchida, Kae Maeda, Tomoko Shimizu, Yusuke Tokita