



Roche Roche Group

Aiming to Become a Top Japanese Pharmaceutical Company

~Advancing into the Next Stage~

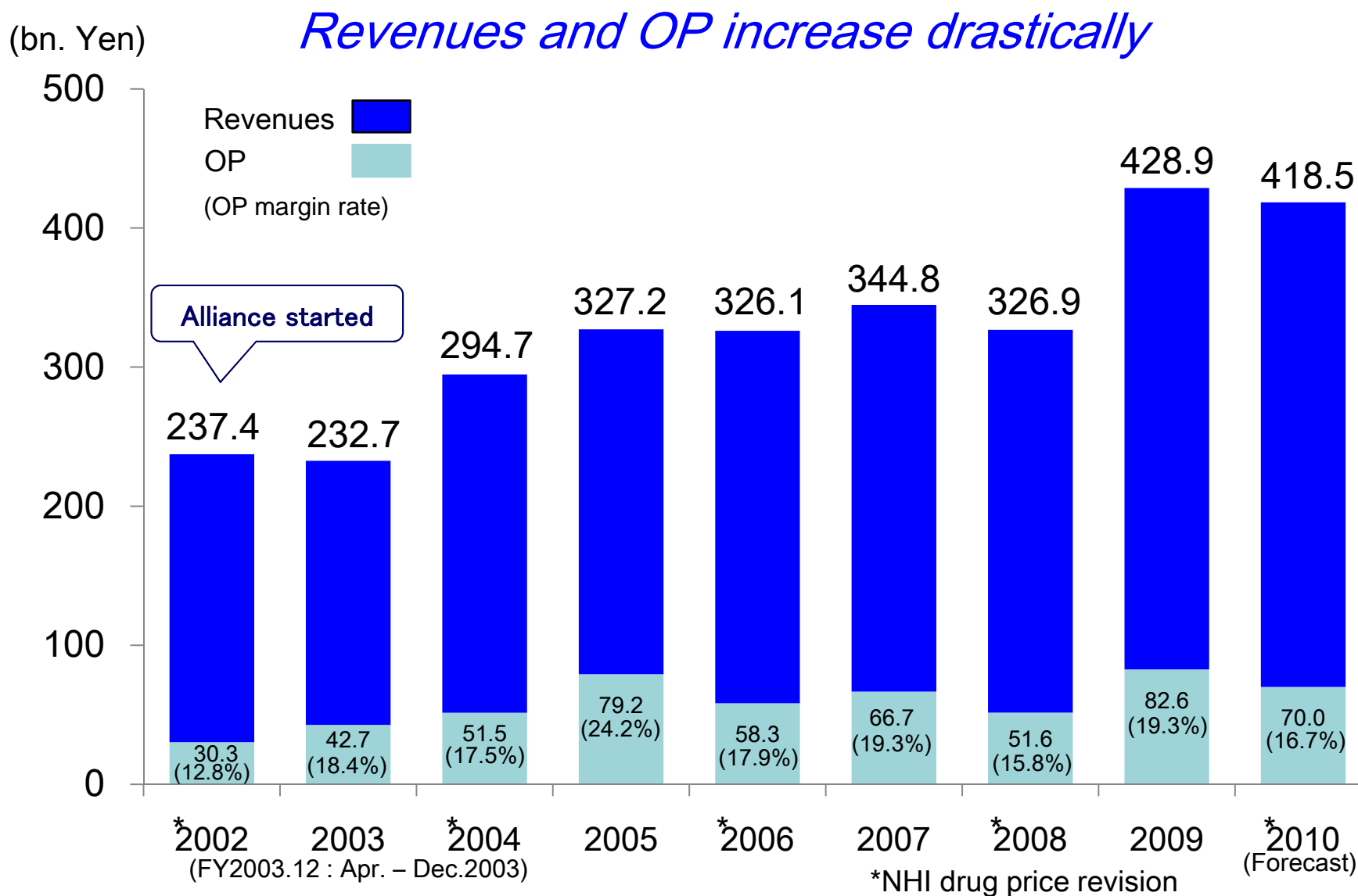
CHUGAI PHARMACEUTICAL CO., LTD.
President and CEO
Osamu Nagayama

October 8, 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.

Achievements from the Alliance (Sales)

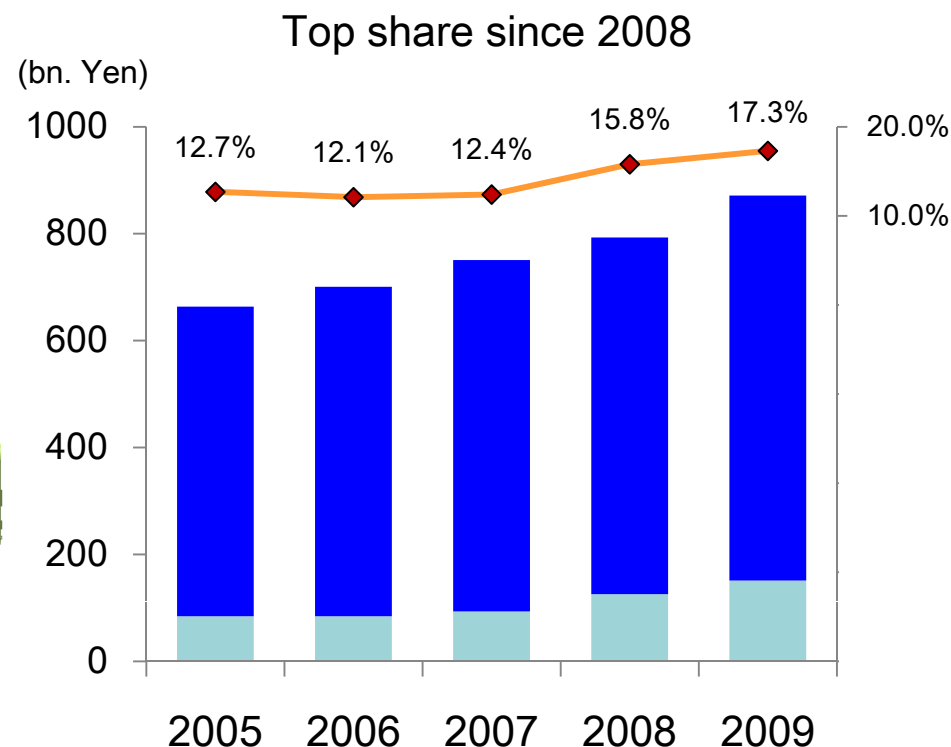
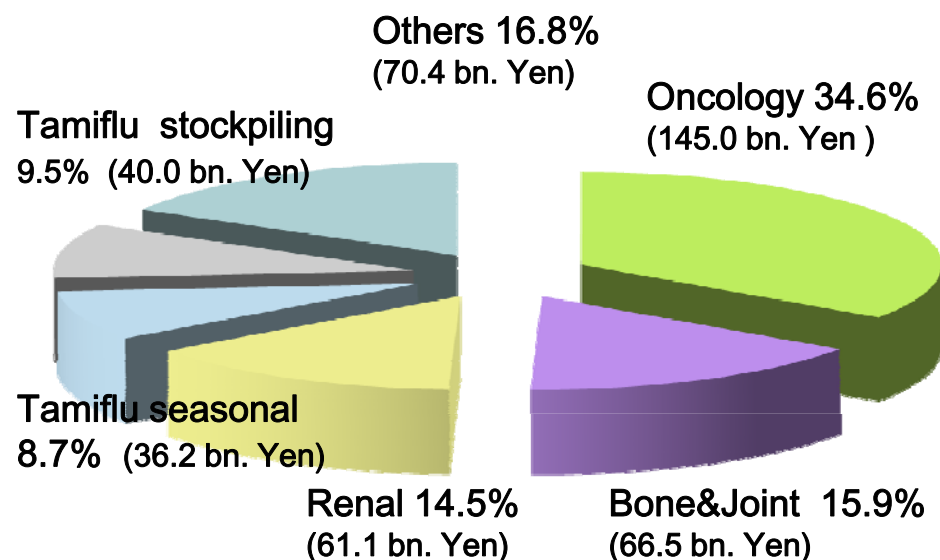


Strategic Areas and Sales

Focus on Oncology, Bone&Joint and Renal disease areas

- FY2009 sales ratio by disease area
- Domestic oncology market

Sales : 419.1 bn. Yen



Market sales ■
Chugai sales ■
Chugai share ◆

Figures calculated based on NHI price

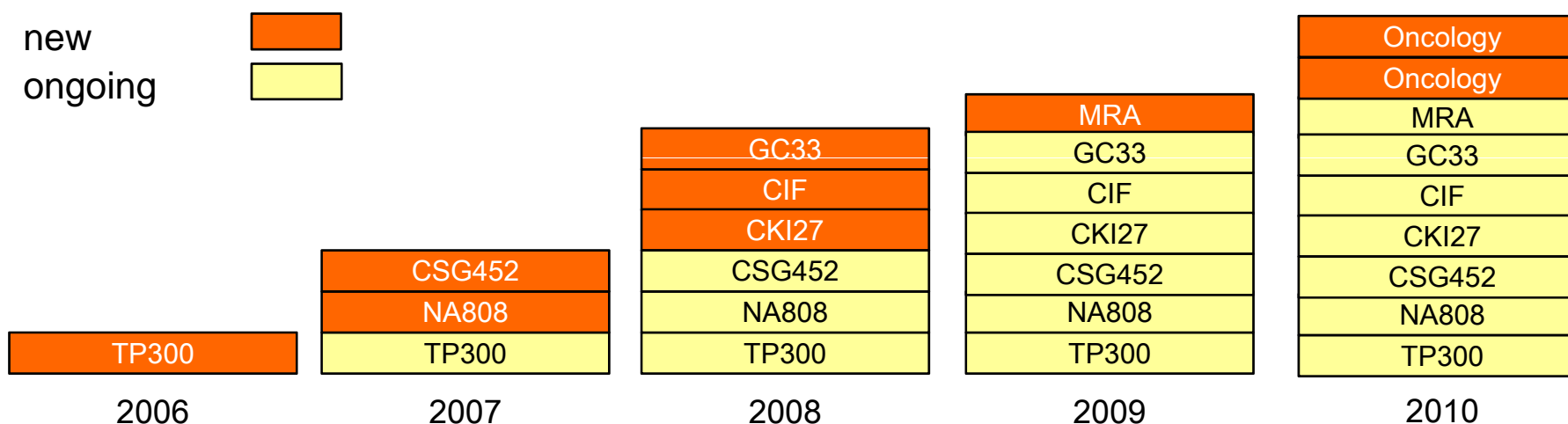
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Source: IMS JPM 2005-2009 Reprinted with permission.
The scope of the market is defined by Chugai.

Achievements from the Alliance (Research)

*Acceleration of development themes
from enhanced R&D capabilities*

- Sharing research infrastructure
 - ▣ Enhancement of research productivity in the area of lead discovery and optimization
- Establishing Chugai's collaborative network
 - ▣ Reinforcement of research network centering on Forerunner Pharma Research
 - ▣ Cooperation with academic institutions

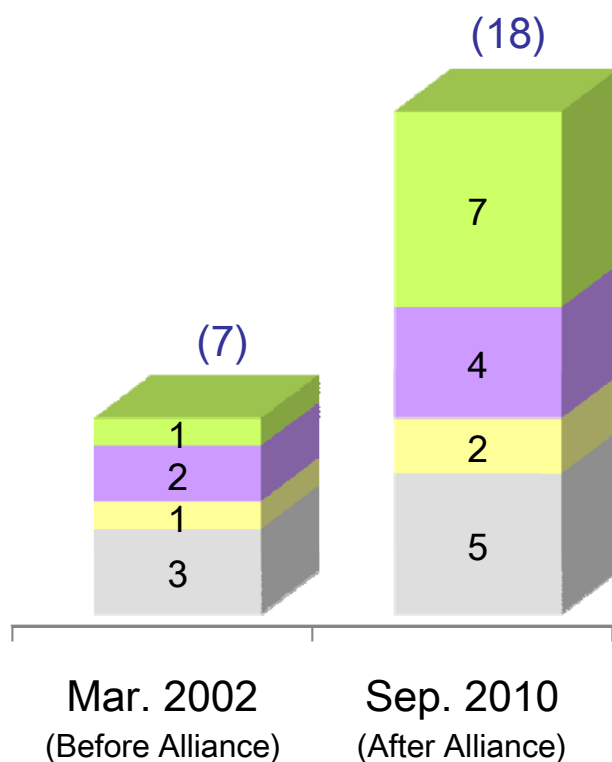
Pre-PoC projects originated by Chugai



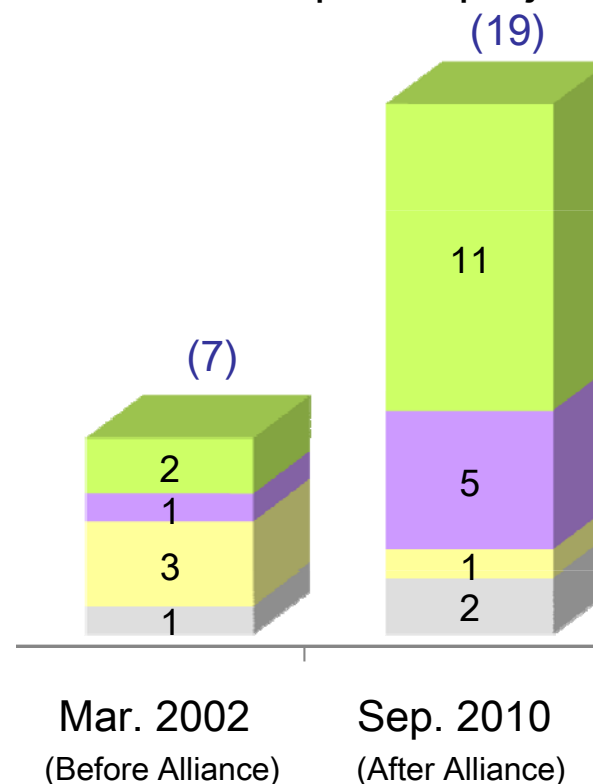
Achievements from the Alliance (Products)

Increased number of products and enriched pipeline mainly in oncology

No. of marketed major products



No. of late phase projects



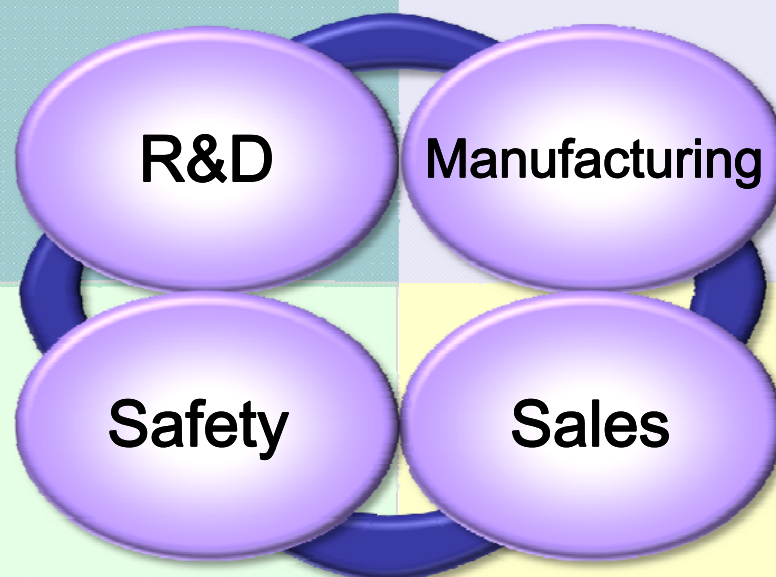
■ Oncology
 ■ Bone&Joint
 ■ Renal
 ■ Others

Marketed major products : annual total sales >5 bn. Yen at
Late phase projects : post PoC

Outcome since the Alliance

- ◆ Reinforced discovery research platform
- ◆ Conducted multi-national clinical studies
→ Improved development lead time
- ◆ Strengthened development in new fields (diabetes etc)

- ◆ Integrated manufacturing plants
- ◆ Expanded antibody manufacturing facilities
- ◆ Streamlined the production by utilizing facilities of Roche



- ◆ Established safety management and operational systems under international standards
 - Established a new division focusing on safety issues
 - Completed multi product post-marketing surveillance
 - Accomplished close communication with Roche and timely disclosure regarding safety information

- ◆ Transferred OTC drug business to Lion Co.
- ◆ Implemented specialized MRs
- ◆ Enhanced lifecycle management capabilities
- ◆ Specialized the sales system
 - Launched the dual unit system (Oncology and Primary Unit)

Advancing into the Next Stage

Maximize the merit of strategic Alliance

***Creation and service of
innovative medical products
Providing the benefit to every
stakeholders***

- Dedicate to Roche group through providing Chugai products
- Co-develop pipelines globally
- Utilize the top biopharmaceutical group ability

Next Stage

1st Stage

- Launch and penetrate Roche products smoothly in Japan
- Build tough and slim company structure
- Realize three synergies (sales, cost, R&D)

**Strategic Alliance
with Roche**

Further Strengthen Partnership with Roche



R&D

- Create new drugs via original research network
- Co-develop globally and apply for approval simultaneously with Roche



Marketing & Sales

- Achieve additional progress in lifecycle management
- Step up promotional activities to further expand global sales of ACTEMRA
- Promote Personalized Health Care through the utilization of biomarker

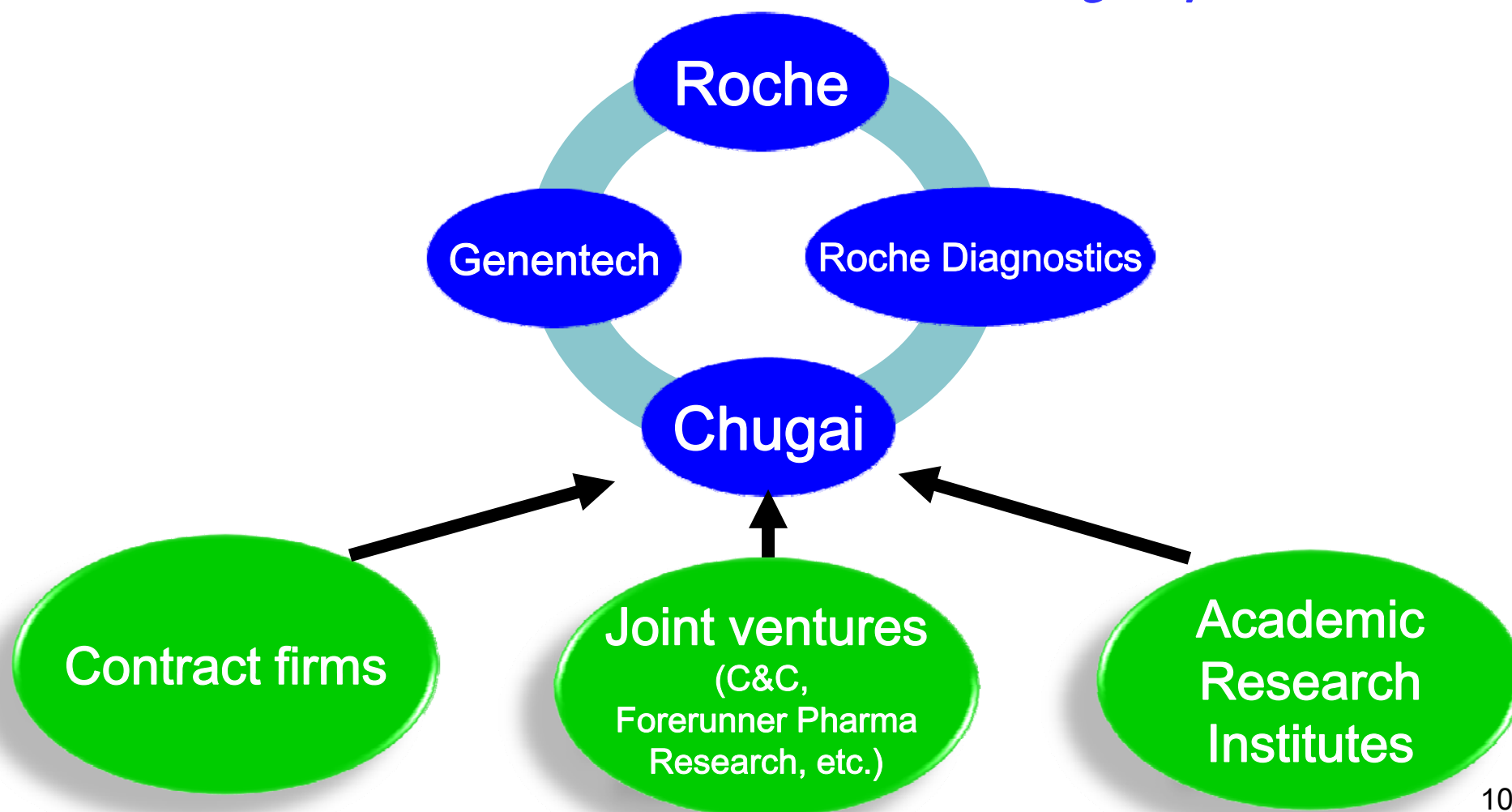


Manufacturing

- Establish major global manufacturing site in the Roche group with high level biotechnology

Create New Drugs via Original Research Network

*Sustainable new drug creation through
a network that includes the Roche group*

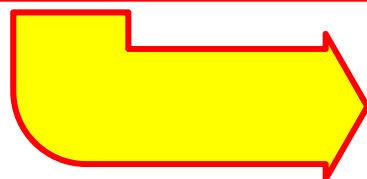


Promote Global Development with Roche

Increasing the number of projects co-developed globally with Roche

Development in Japan of products launched overseas by Roche

- In-license from Roche at late stage
- High probability of success due to the overseas results



Co-development with Roche

- Global co-development of Chugai-original and Roche projects

Chugai development pipeline

As of July 22, 2010

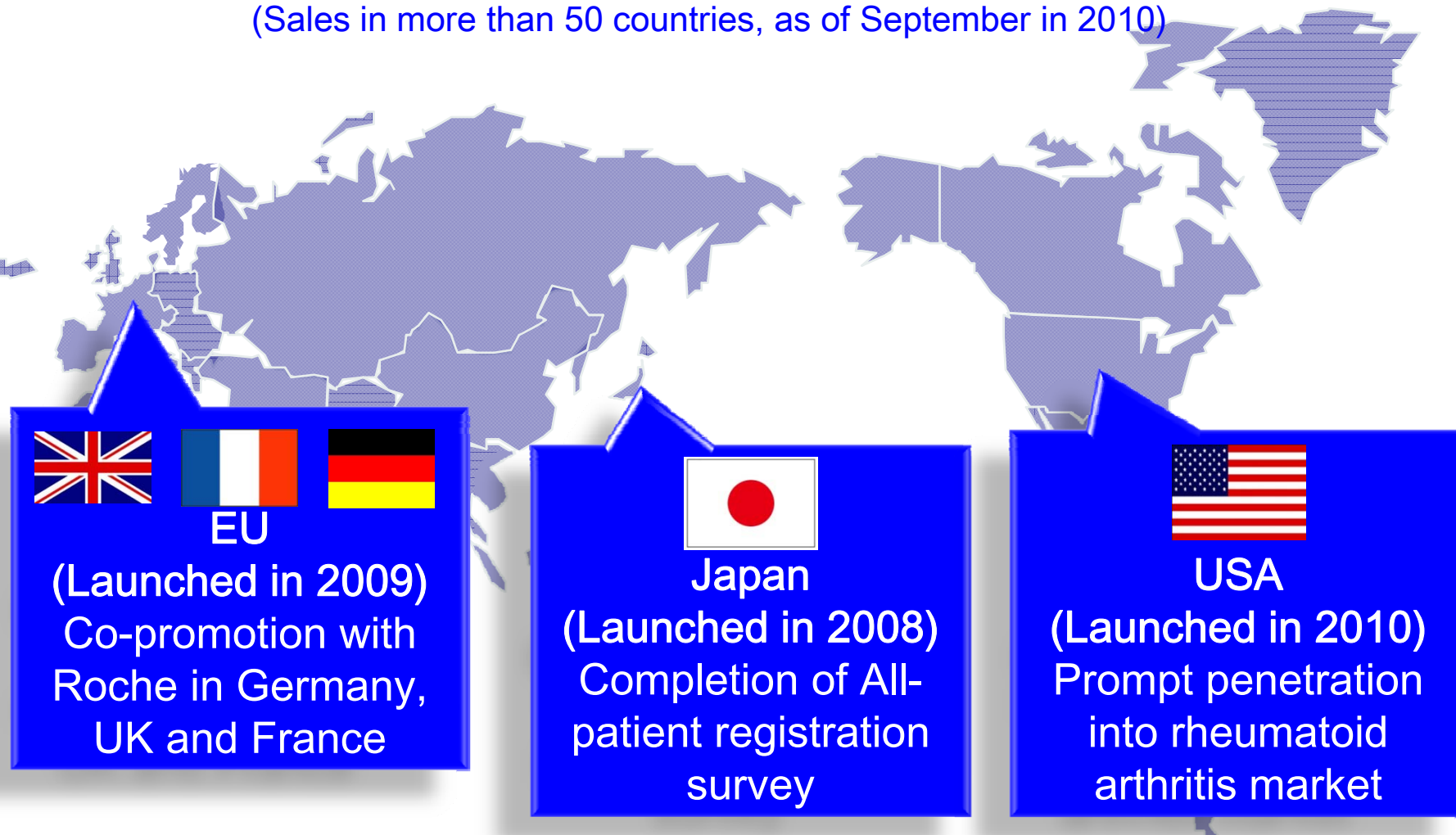
P3 (incl.P2/P3)	AVASIN (Glioblastoma)	RG484 (Osteoporosis sc)	PEGASYS/COPEGUS (Cirrhosis)
	PEGASYS (HBV)	AVASTIN (Colon cancer adjuvant)	AVASTIN (Breast cancer adjuvant)
	AVASTIN (Gastric cancer)	RG1273 (Breast cancer)	RG1594 (RA)
	ACTEMRA (RA sc)	ACTEMRA (sJIA)	
P2 (incl.P1/P2)	RG484 (Osteoporosis po)	TARCEVA (NSCLC 1 st line)	RG1583 (Type 2 diabetes)
	RG1678 (schizophrenia)	CSG452 (Type 2 diabetes)	TP300 (Gastric cancer, etc.)
	ACTEMRA (Pancreatic cancer)		
P1	GA101 (NHL)	RG3502 (Breast cancer)	RG1450 (Alzheimer)
	CIF (Solid tumors)	CKI27 (Solid tumors)	GC33 (Liver cancer)
	NA808 (HCV)		

Chugai origin; no collaboration with Roche

Further Expand Global Sales of ACTEMRA

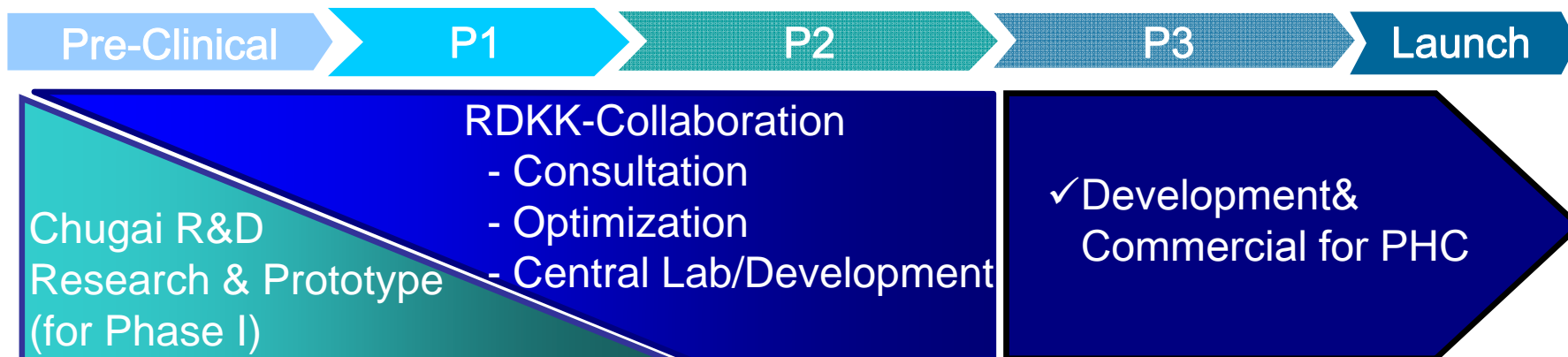
Aiming to be a global 1st line biologic in rheumatoid arthritis

(Sales in more than 50 countries, as of September in 2010)



Biomarker strategy - From POC to Launch -

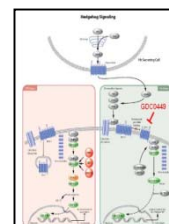
Build scheme for the biomarker development with Roche in R&D



Chugai's Strength



Successful introduction of Herceptin in Japan



Accumulation of development know-how for PHC in Oncology



RDKK-Collaboration

Strive toward a Top Japanese Pharmaceutical Company

Top Pharmaceutical Company

< 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

2010Forecast

Revenues : 418.5 bn. Yen
OP : 70.0 bn. Yen

Late 2010's

Top pharmaceutical company

2012

Sunrise 2012

Revenues : 460.0 bn. Yen
OP : 80.0 bn. Yen

Contacts : Corporate Communications Dept.

Corporate Communications Group

Tel: +81 (0)3-3273-0881 Fax: +81 (0)3-3281-6607
e-mail: pr@chugai-pharm.co.jp

Masayuki Yamada, Shinichi Hirose, Hiroshi Araki,
Kae Miyata

Investor Relations Group

Tel: +81 (0)3-3273-0554 Fax: +81 (0)3-3281-6607
e-mail: ir@chugai-pharm.co.jp

Mac Uchida, Yumiko Watanabe, Yusuke Tokita,
Chisato Kitamura