

Supplementary Materials for
Consolidated Financial Results for
the 3rd Quarter of Fiscal Year 2015. 12 (IFRS)



CHUGAI PHARMACEUTICAL CO., LTD.



A member of the Roche group

- Notes: 1. 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 results may materially differ from these forecasts due to potential risks and uncertainties.
2. Amounts shown in this report are rounded to the nearest 0.1 billion yen. Variance and % are calculated based on the amounts
3. Exchange rates used for each period are as follows.

QTR

(Yen)

Average	Actual FY2014				Actual FY2015			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	QTR	QTR	QTR	QTR	QTR	QTR	QTR	QTR
CHF	115.17	114.91	113.72	118.74	124.98	128.80	126.71	
EUR	140.90	140.12	137.79	143.01	134.38	134.16	135.94	
USD	102.81	102.16	103.92	114.47	119.15	121.32	122.20	
SGD	81.03	81.56	83.04	88.38	87.88	90.33	87.89	

YTD

Average	Actual FY2013	Actual FY2014				Actual FY2015				Forecast FY2015
	1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12	1-12
	Full-year	YTD	YTD	YTD	Full-year	YTD	YTD	YTD	Full-year	Full-year
CHF	105.24	115.17	115.04	114.59	115.69	124.98	126.88	126.82		116.00
EUR	129.51	140.90	140.51	139.58	140.49	134.38	134.27	134.83		142.00
USD	97.54	102.81	102.49	102.96	105.84	119.15	120.24	120.89		119.00
SGD	77.97	81.03	81.29	81.87	83.54	87.88	89.10	88.69		91.00

Period-end

As of	Actual FY2013	Actual FY2014				Actual FY2015			
	31 Dec.	31 Mar.	30 Jun.	30 Sep.	31 Dec.	31 Mar.	30 Jun.	30 Sep.	31 Dec.
CHF	118.42	115.93	113.79	115.08	120.81	124.13	132.49	123.25	
EUR	145.16	141.40	138.37	138.88	145.26	130.09	137.69	134.69	
USD	105.16	102.82	101.38	109.49	119.48	120.08	122.54	119.74	
SGD	82.96	81.70	81.12	85.94	90.41	87.24	91.03	83.85	

Financial highlights (YTD)

(Billions of yen)

	Actual	Actual				Actual							
	FY2013	FY2014				FY2015							
	1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)
	YTD	YTD	YTD	YTD	YTD	YTD	(%)	YTD	(%)	YTD	(%)	YTD	(%)
Revenues	423.7	124.0	222.0	333.4	461.1	117.1	(5.6)	240.2	+8.2	367.8	+10.3		
Sales	401.3	114.2	208.1	315.1	436.9	113.4	(0.7)	232.6	+11.8	353.3	+12.1		
excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)	225.9	+12.4	346.5	+12.5		
Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)	179.1	+8.3	275.4	+8.3		
Sales to Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5	37.2	+41.4	56.3	+42.5		
Overseas	18.1	5.2	9.5	14.3	19.3	4.8	(7.7)	9.6	+1.1	14.7	+2.8		
Tamiflu sales	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)	6.7	(5.6)	6.7	(6.9)		
Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)	6.7	(4.3)	6.7	(4.3)		
Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)	0.0	(100.0)	0.0	(100.0)		
Royalties and other operating income	22.4	9.8	13.9	18.3	24.2	3.7	(62.2)	7.5	(46.0)	14.5	(20.8)		
Cost of sales	(187.0)	(55.5)	(102.6)	(157.3)	(218.1)	(57.7)	+4.0	(117.2)	+14.2	(178.7)	+13.6		
(% of Sales)	46.6	48.6	49.3	49.9	49.9	50.9	-	50.4	-	50.6	-		
Gross profit	236.7	68.5	119.4	176.1	243.0	59.3	(13.4)	122.9	+2.9	189.0	+7.3		
(% of Revenues)	55.9	55.2	53.8	52.8	52.7	50.6	-	51.2	-	51.4	-		
Operating expenses	(157.9)	(37.5)	(76.3)	(117.0)	(167.2)	(38.6)	+2.9	(79.7)	+4.5	(122.0)	+4.3		
(% of Revenues)	37.3	30.2	34.4	35.1	36.3	33.0	-	33.2	-	33.2	-		
Marketing and distribution	(71.6)	(16.6)	(34.3)	(51.7)	(71.7)	(16.6)	0.0	(34.7)	+1.2	(52.1)	+0.8		
(% of Revenues)	16.9	13.4	15.5	15.5	15.5	14.2	-	14.4	-	14.2	-		
Research and development	(74.3)	(18.3)	(36.7)	(55.5)	(80.8)	(19.0)	+3.8	(39.2)	+6.8	(60.7)	+9.4		
(% of Revenues)	17.5	14.8	16.5	16.6	17.5	16.2	-	16.3	-	16.5	-		
General and administration	(12.1)	(2.6)	(5.2)	(9.7)	(14.6)	(3.0)	+15.4	(5.9)	+13.5	(9.1)	(6.2)		
(% of Revenues)	2.9	2.1	2.3	2.9	3.2	2.6	-	2.5	-	2.5	-		
Operating profit	78.7	31.1	43.1	59.1	75.9	20.7	(33.4)	43.2	+0.2	67.1	+13.5		
(% of Revenues)	18.6	25.1	19.4	17.7	16.5	17.7	-	18.0	-	18.2	-		
Financing costs	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.1)	-		
Other financial income (expense)	(1.8)	0.2	0.3	0.3	0.3	0.5	+150.0	0.7	+133.3	0.4	+33.3		
Profit before taxes	76.9	31.3	43.4	59.4	76.2	21.2	(32.3)	43.9	+1.2	67.4	+13.5		
(% of Revenues)	18.1	25.2	19.5	17.8	16.5	18.1	-	18.3	-	18.3	-		
Income taxes	(25.1)	(12.2)	(14.0)	(18.8)	(24.1)	(6.4)	(47.5)	(13.1)	(6.4)	(18.8)	0.0		
Net income	51.9	19.1	29.4	40.6	52.1	14.8	(22.5)	30.8	+4.8	48.6	+19.7		
(% of Revenues)	12.2	15.4	13.2	12.2	11.3	12.6	-	12.8	-	13.2	-		
Attributable to													
Chugai shareholders	50.9	18.8	28.9	39.7	51.0	14.6	(22.3)	30.1	+4.2	47.6	+19.9		
Non-controlling interests	1.0	0.3	0.5	0.8	1.1	0.2	(33.3)	0.7	+40.0	0.9	+12.5		
Earnings per share													
Basic (yen)	93.47	34.46	53.03	72.90	93.53	26.73	(22.4)	55.24	+4.2	87.31	+19.8		
Diluted (yen)	93.35	34.41	52.95	72.79	93.38	26.68	(22.5)	55.13	+4.1	87.15	+19.7		

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (QTR)

(Billions of yen)

	Actual FY2014				Actual FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)	123.1	+25.6	127.6	+14.5		
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)	119.2	+26.9	120.6	+12.7		
excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)	119.2	+27.2	120.6	+12.8		
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)	95.2	+18.9	96.3	+8.3		
Sales to Roche	16.9	9.3	13.2	15.6	18.0	+6.5	19.2	+106.5	19.1	+44.7		
Overseas	5.2	4.3	4.8	5.0	4.8	(7.7)	4.8	+11.6	5.2	+8.3		
Tamiflu sales	6.9	0.2	0.1	5.8	6.7	(2.9)	0.0	(100.0)	0.0	(100.0)		
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)	0.0	(100.0)	0.0	0.0		
Govt. stockpiles etc.	0.1	-	0.1	0.0	0.0	(100.0)	-	-	-	(100.0)		
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)	3.9	(4.9)	7.0	+59.1		
Cost of sales	(55.5)	(47.1)	(54.7)	(60.7)	(57.7)	+4.0	(59.5)	+26.3	(61.5)	+12.4		
(% of Sales)	48.6	50.2	51.1	49.9	50.9	-	49.9	-	51.0	-		
Gross profit	68.5	50.9	56.7	66.9	59.3	(13.4)	63.6	+25.0	66.1	+16.6		
(% of Revenues)	55.2	51.9	50.9	52.4	50.6	-	51.7	-	51.8	-		
Operating expenses	(37.5)	(38.8)	(40.7)	(50.2)	(38.6)	+2.9	(41.1)	+5.9	(42.3)	+3.9		
(% of Revenues)	30.2	39.6	36.5	39.3	33.0	-	33.4	-	33.2	-		
Marketing and distribution	(16.6)	(17.7)	(17.4)	(20.0)	(16.6)	0.0	(18.1)	+2.3	(17.5)	+0.6		
(% of Revenues)	13.4	18.1	15.6	15.7	14.2	-	14.7	-	13.7	-		
Research and development	(18.3)	(18.4)	(18.8)	(25.3)	(19.0)	+3.8	(20.2)	+9.8	(21.5)	+14.4		
(% of Revenues)	14.8	18.8	16.9	19.8	16.2	-	16.4	-	16.8	-		
General and administration	(2.6)	(2.7)	(4.5)	(4.9)	(3.0)	+15.4	(2.9)	+7.4	(3.3)	(26.7)		
(% of Revenues)	2.1	2.8	4.0	3.8	2.6	-	2.4	-	2.6	-		
Operating profit	31.1	12.0	16.0	16.7	20.7	(33.4)	22.5	+87.5	23.8	+48.8		
(% of Revenues)	25.1	12.2	14.4	13.1	17.7	-	18.3	-	18.7	-		
Financing costs	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	-	(0.0)	-		
Other financial income (expense)	0.2	0.1	(0.0)	0.0	0.5	+150.0	0.2	+100.0	(0.3)	-		
Profit before taxes	31.3	12.2	16.0	16.7	21.2	(32.3)	22.7	+86.1	23.5	+46.9		
(% of Revenues)	25.2	12.4	14.4	13.1	18.1	-	18.4	-	18.4	-		
Income taxes	(12.2)	(1.8)	(4.8)	(5.2)	(6.4)	(47.5)	(6.7)	+272.2	(5.7)	+18.8		
Net income	19.1	10.3	11.1	11.5	14.8	(22.5)	16.0	+55.3	17.8	+60.4		
(% of Revenues)	15.4	10.5	10.0	9.0	12.6	-	13.0	-	13.9	-		
Attributable to												
Chugai shareholders	18.8	10.1	10.8	11.3	14.6	(22.3)	15.6	+54.5	17.5	+62.0		
Non-controlling interests	0.3	0.2	0.3	0.3	0.2	(33.3)	0.4	+100.0	0.3	0.0		
Earnings per share												
Basic (yen)	34.46	18.57	19.87	20.63	26.73	(22.4)	28.51	+53.5	32.07	+61.4		
Diluted (yen)	34.41	18.54	19.84	20.60	26.68	(22.5)	28.45	+53.5	32.01	+61.3		

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (Core results YTD)

(Billions of yen)

	Actual	Actual				Actual								Forecast (Jan 28th Announced)	
	FY2013	FY2014				FY2015								FY2015	
	1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)	1-12	Change (%)
	YTD	YTD	YTD	YTD	YTD	YTD		YTD		YTD		YTD		YTD	
Revenues	423.7	124.0	222.0	333.4	461.1	117.1	(5.6)	240.2	+8.2	367.8	+10.3			486.5	+5.5
Sales	401.3	114.2	208.1	315.1	436.9	113.4	(0.7)	232.6	+11.8	353.3	+12.1			460.8	+5.5
excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)	225.9	+12.4	346.5	+12.5			453.4	+7.0
Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)	179.1	+8.3	275.4	+8.3			360.9	+3.3
Sales to Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5	37.2	+41.4	56.3	+42.5			74.7	+35.6
Overseas	18.1	5.2	9.5	14.3	19.3	4.8	(7.7)	9.6	+1.1	14.7	+2.8			17.8	(7.8)
Tamiflu sales	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)	6.7	(5.6)	6.7	(6.9)			7.4	(43.1)
Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)	6.7	(4.3)	6.7	(4.3)			7.4	(42.6)
Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)	0.0	(100.0)	0.0	(100.0)			-	(100.0)
Royalties and other operating income	22.4	9.8	13.9	18.3	24.2	3.7	(62.2)	7.5	(46.0)	14.5	(20.8)			25.6	+5.8
Cost of sales	(186.1)	(55.3)	(102.1)	(156.5)	(217.0)	(57.4)	+3.8	(116.6)	+14.2	(177.7)	+13.5			(230.2)	+6.1
(% of Sales)	46.4	48.4	49.1	49.7	49.7	50.6	-	50.1	-	50.3	-			50.0	-
Gross profit	237.6	68.8	119.9	176.9	244.2	59.7	(13.2)	123.6	+3.1	190.1	+7.5			256.3	+5.0
(% of Revenues)	56.1	55.5	54.0	53.1	53.0	51.0	-	51.5	-	51.7	-			52.7	-
Operating expenses	(157.7)	(37.3)	(76.2)	(116.9)	(166.8)	(38.2)	+2.4	(77.7)	+2.0	(119.8)	+2.5			(171.3)	+2.7
(% of Revenues)	37.2	30.1	34.3	35.1	36.2	32.6	-	32.3	-	32.6	-			35.2	-
Marketing and distribution	(71.5)	(16.6)	(34.3)	(51.7)	(71.7)	(16.6)	0.0	(34.6)	+0.9	(52.0)	+0.6				
(% of Revenues)	16.9	13.4	15.5	15.5	15.5	14.2	-	14.4	-	14.1	-				
Research and development	(74.1)	(18.2)	(36.6)	(55.4)	(80.6)	(18.6)	+2.2	(37.3)	+1.9	(58.8)	+6.1				
(% of Revenues)	17.5	14.7	16.5	16.6	17.5	15.9	-	15.5	-	16.0	-				
General and administration	(12.1)	(2.6)	(5.2)	(9.7)	(14.6)	(3.0)	+15.4	(5.8)	+11.5	(8.9)	(8.2)				
(% of Revenues)	2.9	2.1	2.3	2.9	3.2	2.6	-	2.4	-	2.4	-				
Operating profit	79.9	31.4	43.7	60.1	77.3	21.5	(31.5)	45.9	+5.0	70.3	+17.0			85.0	+10.0
(% of Revenues)	18.9	25.3	19.7	18.0	16.8	18.4	-	19.1	-	19.1	-			17.5	-
Financing costs	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.1)	-				
Other financial income (expense)	(1.8)	0.2	0.3	0.3	0.3	0.5	+150.0	0.7	+133.3	0.4	+33.3				
Profit before taxes	78.1	31.6	44.1	60.4	77.6	21.9	(30.7)	46.5	+5.4	70.6	+16.9				
(% of Revenues)	18.4	25.5	19.9	18.1	16.8	18.7	-	19.4	-	19.2	-				
Income taxes	(25.5)	(12.3)	(14.2)	(19.2)	(24.6)	(6.6)	(46.3)	(14.0)	(1.4)	(20.0)	+4.2				
Net income	52.6	19.3	29.8	41.2	53.0	15.3	(20.7)	32.5	+9.1	50.7	+23.1				
(% of Revenues)	12.4	15.6	13.4	12.4	11.5	13.1	-	13.5	-	13.8	-				
Attributable to															
Chugai shareholders	51.6	19.0	29.3	40.3	51.9	15.1	(20.5)	31.9	+8.9	49.8	+23.6				
Non-controlling interests	1.0	0.3	0.5	0.8	1.1	0.2	(33.3)	0.7	+40.0	0.9	+12.5				
Weighted average number of shares in issue used to calculate diluted earnings per share (Millions of shares)	545	546	546	546	546	547	+0.2	547	+0.2	547	+0.2				
Core earnings per share (diluted) (yen)	94.69	34.82	53.66	73.85	95.04	27.54	(20.9)	58.30	+8.6	91.01	+23.2			104.42	+9.9
Core payout ratio (%)	47.5				50.5									49.8	-
Dividend per share (Full year) (yen)	45				48									52	-
Dividend per share (Half year) (yen)	22				22							26		26	-

Please see page 5 "Reconciliation of IFRS results to Core results" for the detail of the adjustments.

Core earnings per share (diluted) (yen) : Net income attributable to Chugai shareholders / Weighted average number of shares in issue used to calculate diluted earnings per share.

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (Core results QTR)

(Billions of yen)

	Actual				Actual							
	FY2014				FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)	123.1	+25.6	127.6	+14.5		
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)	119.2	+26.9	120.6	+12.7		
excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)	119.2	+27.2	120.6	+12.8		
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)	95.2	+18.9	96.3	+8.3		
Sales to Roche	16.9	9.3	13.2	15.6	18.0	+6.5	19.2	+106.5	19.1	+44.7		
Overseas	5.2	4.3	4.8	5.0	4.8	(7.7)	4.8	+11.6	5.2	+8.3		
Tamiflu sales	6.9	0.2	0.1	5.8	6.7	(2.9)	0.0	(100.0)	0.0	(100.0)		
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)	0.0	(100.0)	0.0	0.0		
Govt. stockpiles etc.	0.1	-	0.1	0.0	0.0	(100.0)	-	-	-	(100.0)		
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)	3.9	(4.9)	7.0	+59.1		
Cost of sales	(55.3)	(46.8)	(54.4)	(60.5)	(57.4)	+3.8	(59.1)	+26.3	(61.1)	+12.3		
(% of Sales)	48.4	49.8	50.8	49.7	50.6	-	49.6	-	50.7	-		
Gross profit	68.8	51.1	57.0	67.2	59.7	(13.2)	63.9	+25.0	66.5	+16.7		
(% of Revenues)	55.5	52.1	51.2	52.6	51.0	-	51.9	-	52.1	-		
Operating expenses	(37.3)	(38.9)	(40.7)	(50.0)	(38.2)	+2.4	(39.5)	+1.5	(42.0)	+3.2		
(% of Revenues)	30.1	39.7	36.5	39.2	32.6	-	32.1	-	32.9	-		
Marketing and distribution	(16.6)	(17.7)	(17.4)	(20.0)	(16.6)	0.0	(18.0)	+1.7	(17.4)	0.0		
(% of Revenues)	13.4	18.1	15.6	15.7	14.2	-	14.6	-	13.6	-		
Research and development	(18.2)	(18.4)	(18.8)	(25.1)	(18.6)	+2.2	(18.7)	+1.6	(21.5)	+14.4		
(% of Revenues)	14.7	18.8	16.9	19.7	15.9	-	15.2	-	16.8	-		
General and administration	(2.6)	(2.7)	(4.5)	(4.9)	(3.0)	+15.4	(2.8)	+3.7	(3.1)	(31.1)		
(% of Revenues)	2.1	2.8	4.0	3.8	2.6	-	2.3	-	2.4	-		
Operating profit	31.4	12.3	16.3	17.2	21.5	(31.5)	24.4	+98.4	24.4	+49.7		
(% of Revenues)	25.3	12.6	14.6	13.5	18.4	-	19.8	-	19.1	-		
Financing costs	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	-	(0.0)	-		
Other financial income (expense)	0.2	0.1	(0.0)	0.0	0.5	+150.0	0.2	+100.0	(0.3)	-		
Profit before taxes	31.6	12.4	16.3	17.3	21.9	(30.7)	24.6	+98.4	24.1	+47.9		
(% of Revenues)	25.5	12.7	14.6	13.5	18.7	-	20.0	-	18.9	-		
Income taxes	(12.3)	(1.9)	(5.0)	(5.4)	(6.6)	(46.3)	(7.4)	+289.5	(6.0)	+20.0		
Net income	19.3	10.5	11.3	11.8	15.3	(20.7)	17.2	+63.8	18.2	+61.1		
(% of Revenues)	15.6	10.7	10.1	9.2	13.1	-	14.0	-	14.3	-		
Attributable to												
Chugai shareholders	19.0	10.3	11.0	11.6	15.1	(20.5)	16.8	+63.1	17.9	+62.7		
Non-controlling interests	0.3	0.2	0.3	0.3	0.2	(33.3)	0.4	+100.0	0.3	0.0		
Core earnings per share (diluted) (yen)	34.82	18.85	20.19	21.19	27.54	(20.9)	30.76	+63.2	32.71	+62.0		

Other financial income (expense) includes net amount of FX related gains/losses.

Reconciliation of IFRS results to Core results

(Billions of yen)

	FY2014				FY2015			
	1-9				1-9			
	IFRS results	Intangible assets and Business combinations	Other eliminated items	Core results	IFRS results	Intangible assets and Business combinations	Other eliminated items	Core results
Revenues	333.4	-	-	333.4	367.8	-	-	367.8
Sales	315.1	-	-	315.1	353.3	-	-	353.3
Royalties and other operating income	18.3	-	-	18.3	14.5	-	-	14.5
Cost of sales	(157.3)	0.8	-	(156.5)	(178.7)	1.0	-	(177.7)
Gross profit	176.1	0.8	-	176.9	189.0	1.0	-	190.1
Operating expenses	(117.0)	0.0	0.1	(116.9)	(122.0)	2.0	0.2	(119.8)
Marketing and distribution	(51.7)	0.0	-	(51.7)	(52.1)	0.1	-	(52.0)
Research and development	(55.5)	0.0	0.1	(55.4)	(60.7)	1.9	-	(58.8)
General and administration	(9.7)	-	0.0	(9.7)	(9.1)	-	0.2	(8.9)
Operating profit	59.1	0.9	0.1	60.1	67.1	3.0	0.2	70.3
Financing costs	(0.0)	-	-	(0.0)	(0.1)	-	-	(0.1)
Other financial income (expense)	0.3	-	-	0.3	0.4	-	-	0.4
Profit before taxes	59.4	0.9	0.1	60.4	67.4	3.0	0.2	70.6
Income taxes	(18.8)	(0.3)	(0.0)	(19.2)	(18.8)	(1.1)	(0.1)	(20.0)
Net income	40.6	0.5	0.0	41.2	48.6	2.0	0.1	50.7
Attributable to								
Chugai shareholders	39.7	0.5	0.0	40.3	47.6	2.0	0.1	49.8
Non-controlling interests	0.8	-	-	0.8	0.9	-	-	0.9

Core results

Chugai discloses its results on a Core basis from 2013 in conjunction with its decision to apply IFRS. Core results are the results after adjusting non-Core items to IFRS results, and are consistent with the Core concept disclosed by Roche. Core results are used by Chugai as an internal performance indicator, for explaining the underlying business performance both internally and externally, and as the basis for payment-by-results such as a return to shareholders.

The table above shows the reconciliation of IFRS results into Core results. The detail is as below.

Intangible assets and Business combinations

Amortization of intangible assets (0.9 billion yen in 2014 and 1.2 billion yen in 2015)

Impairment of intangible assets (none in 2014 and 1.9 billion yen in 2015)

Business combinations (none in 2014 and 2015)

Other eliminated items

Restructuring expenses, (0.1 billion yen in 2014 and immaterial in 2015)

Legal costs (none in 2014 and 2015), environmental costs (immaterial in 2014 and 0.2 billion yen in 2015)

Discontinued operations (none in 2014 and 2015)

Other profit or losses occurred from non-pharma business (none in 2014 and 2015)

Statements of revenues (YTD)

	(Billions of yen)													
	Actual FY2013	Actual FY2014				Actual FY2015						Forecast (Jan 28th announced) FY2015		
		1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)
		YTD	YTD	YTD	YTD	YTD	YTD		YTD		YTD		YTD	
Sales	401.3	114.2	208.1	315.1	436.9	113.4	(0.7)	232.6	+11.8	353.3	+12.1		460.8	+5.5
Excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)	225.9	+12.4	346.5	+12.5		453.4	+7.0
Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)	179.1	+8.3	275.4	+8.3		360.9	+3.3
Oncology	172.4	45.4	87.2	135.8	188.9	47.7	+5.1	101.8	+16.7	156.9	+15.5		204.5	+8.3
Avastin	75.4	20.1	38.2	59.4	82.3	20.9	+4.0	44.3	+16.0	68.2	+14.8		88.2	+7.2
Herceptin	30.9	8.1	14.9	22.9	31.2	7.5	(7.4)	15.8	+6.0	24.1	+5.2		29.6	(5.1)
Rituxan	26.2	6.4	12.0	18.9	26.2	6.4	0.0	13.6	+13.3	21.0	+11.1		27.9	+6.5
Tarceva	10.4	2.9	5.6	8.4	11.5	2.5	(13.8)	5.5	(1.8)	8.6	+2.4		14.1	+22.6
Xeloda	11.3	2.8	5.0	7.6	10.4	2.6	(7.1)	5.3	+6.0	8.1	+6.6		10.0	(3.8)
Perjeta	2.4	2.0	4.3	6.6	9.1	2.3	+15.0	5.0	+16.3	7.8	+18.2		9.9	+8.8
Kadcyla	-	-	1.0	2.4	4.0	1.5	-	3.4	+240.0	5.3	+120.8		8.8	+120.0
Alecensa	-	-	-	0.2	1.4	1.3	-	3.1	-	5.1	+2,450.0		5.2	+271.4
Neutrogen	8.1	1.3	2.8	4.2	5.9	1.0	(23.1)	2.3	(17.9)	3.6	(14.3)		4.7	(20.3)
Zelboraf	-	-	-	-	-	0.1	-	0.2	-	0.3	-		0.2	-
Other products	7.6	1.8	3.4	5.1	6.9	1.6	(11.1)	3.3	(2.9)	4.7	(7.8)		5.8	(15.9)
Bone and joint diseases	60.6	17.6	33.0	50.3	69.6	17.6	0.0	37.5	+13.6	57.5	+14.3		75.9	+9.1
Actemra	20.4	5.9	11.2	17.4	24.1	5.9	0.0	12.6	+12.5	19.4	+11.5		26.3	+9.1
Edirol	15.0	5.0	8.7	13.6	19.2	4.9	(2.0)	10.6	+21.8	16.4	+20.6		21.2	+10.4
Suvenyl	11.9	2.6	5.2	7.9	10.7	2.3	(11.5)	5.1	(1.9)	7.7	(2.5)		10.8	+0.9
Bonviva	0.5	0.7	1.3	2.3	3.4	1.1	+57.1	2.4	+84.6	3.8	+65.2		4.9	+44.1
Alfarol	6.4	1.2	2.5	3.7	4.9	1.0	(16.7)	2.1	(16.0)	3.1	(16.2)		4.2	(14.3)
Other products	6.3	2.1	4.0	5.5	7.4	2.4	+14.3	4.7	+17.5	7.0	+27.3		8.5	+14.9
Renal diseases	48.9	11.7	21.5	32.9	44.7	9.9	(15.4)	21.4	(0.5)	33.1	+0.6		44.3	(0.9)
Mircera	22.5	5.9	10.8	16.5	22.6	5.0	(15.3)	11.0	+1.9	17.1	+3.6		24.5	+8.4
Oxarol	12.2	3.0	5.8	8.9	12.2	2.8	(6.7)	6.0	+3.4	9.4	+5.6		11.7	(4.1)
Epogin	10.5	1.8	3.3	4.9	6.6	1.4	(22.2)	2.9	(12.1)	4.4	(10.2)		5.2	(21.2)
Other products	3.7	0.9	1.6	2.5	3.4	0.7	(22.2)	1.4	(12.5)	2.1	(16.0)		2.9	(14.7)
Transplant, Immunology, and Infectious diseases	18.8	4.7	10.6	16.1	20.8	3.4	(27.7)	7.1	(33.0)	11.5	(28.6)		13.0	(37.5)
CellCept	7.2	1.6	3.2	4.8	6.5	1.6	0.0	3.3	+3.1	5.0	+4.2		6.4	(1.5)
Pegasys	5.5	1.5	3.7	5.7	7.0	0.8	(46.7)	1.3	(64.9)	1.7	(70.2)		2.1	(70.0)
Copegus	1.3	0.6	1.7	2.6	3.1	0.2	(66.7)	0.6	(64.7)	1.8	(30.8)		1.1	(64.5)
Other products	4.8	1.0	2.0	3.1	4.2	0.9	(10.0)	2.0	0.0	3.0	(3.2)		3.3	(21.4)
Others	28.6	5.9	13.0	19.1	25.6	5.3	(10.2)	11.4	(12.3)	16.5	(13.6)		23.2	(9.4)
Sigmart	8.6	1.7	3.3	4.8	6.4	1.3	(23.5)	2.6	(21.2)	3.9	(18.8)		4.7	(26.6)
Other products	20.0	4.2	9.7	14.3	19.2	4.0	(4.8)	8.8	(9.3)	12.6	(11.9)		18.5	(3.6)
Overseas	61.1	22.1	35.7	53.7	74.3	22.8	+3.2	46.8	+31.1	71.1	+32.4		92.5	+24.5
Actemra	43.2	17.0	26.5	39.9	55.7	18.3	+7.6	37.7	+42.3	56.9	+42.6		75.7	+35.9
To Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5	37.2	+41.4	56.1	+42.0		74.7	+35.6
Neutrogen	14.7	4.2	7.7	11.5	15.7	3.7	(11.9)	7.4	(3.9)	11.4	(0.9)		14.0	(10.8)
Aloxi	-	-	-	-	-	0.1	-	0.1	-	0.2	-		0.2	-
Alecensa	-	-	-	-	-	-	-	-	-	0.2	-		0.2	-
Akynzeo	-	-	-	-	-	-	-	-	-	0.0	-		-	-
Other products	3.1	0.8	1.6	2.3	2.9	0.8	0.0	1.6	0.0	2.4	+4.3		2.4	(17.2)
Tamiflu	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)	6.7	(5.6)	6.7	(6.9)		7.4	(43.1)
Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)	6.7	(4.3)	6.7	(4.3)		7.4	(42.6)
Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)	0.0	(100.0)	0.0	(100.0)		-	(100.0)
Royalties and other operating income	22.4	9.8	13.9	18.3	24.2	3.7	(62.2)	7.5	(46.0)	14.5	(20.8)		25.6	+5.8
Revenues	423.7	124.0	222.0	333.4	461.1	117.1	(5.6)	240.2	+8.2	367.8	+10.3		486.5	+5.5
Domestic	350.8	98.7	179.6	269.1	372.9	90.8	(8.0)	186.2	+3.7	282.6	+5.0		372.2	(0.2)
Overseas	72.9	25.3	42.5	64.3	88.2	26.2	+3.6	53.9	+26.8	85.1	+32.3		114.3	+29.6

Zelboraf sales forecast is being individually disclosed since the 1st quarter of 2015.

Alecensa and Akynzeo sales forecast under the category of Overseas are being individually disclosed since the 3rd quarter of 2015.

The total sales forecast for this fiscal year is unchanged from the announcement of January 28th 2015.

Statements of revenues (QTR)

(Billions of yen)

	Actual				Actual							
	FY2014				FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)	119.2	+26.9	120.6	+12.7		
Excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)	119.2	+27.2	120.6	+12.8		
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)	95.2	+18.9	96.3	+8.3		
Oncology	45.4	41.8	48.6	53.1	47.7	+5.1	54.1	+29.4	55.1	+13.4		
Avastin	20.1	18.1	21.2	22.9	20.9	+4.0	23.4	+29.3	23.9	+12.7		
Herceptin	8.1	6.9	8.0	8.3	7.5	(7.4)	8.4	+21.7	8.3	+3.8		
Rituxan	6.4	5.6	6.9	7.2	6.4	0.0	7.2	+28.6	7.4	+7.2		
Tarceva	2.9	2.7	2.8	3.0	2.5	(13.8)	3.0	+11.1	3.1	+10.7		
Xeloda	2.8	2.3	2.6	2.8	2.6	(7.1)	2.8	+21.7	2.8	+7.7		
Perjeta	2.0	2.2	2.3	2.5	2.3	+15.0	2.7	+22.7	2.8	+21.7		
Kadcyla	-	1.0	1.4	1.7	1.5	-	1.9	+90.0	1.9	+35.7		
Alecensa	-	-	0.2	1.2	1.3	-	1.7	-	2.1	+95.0		
Neutrogin	1.3	1.5	1.5	1.7	1.0	(23.1)	1.3	(13.3)	1.3	(13.3)		
Zelboraf	-	-	-	-	0.1	-	0.1	-	0.2	-		
Other products	1.8	1.6	1.7	1.8	1.6	(11.1)	1.7	+6.3	1.4	(17.6)		
Bone and joint diseases	17.6	15.4	17.4	19.2	17.6	0.0	19.8	+28.6	20.1	+15.5		
Actemra	5.9	5.3	6.2	6.7	5.9	0.0	6.7	+26.4	6.8	+9.7		
Edirol	5.0	3.7	4.9	5.5	4.9	(2.0)	5.7	+54.1	5.8	+18.4		
Suvenyl	2.6	2.7	2.6	2.8	2.3	(11.5)	2.7	0.0	2.6	0.0		
Bonviva	0.7	0.6	0.9	1.1	1.1	+57.1	1.3	+116.7	1.4	+55.6		
Alfarol	1.2	1.2	1.2	1.2	1.0	(16.7)	1.1	(8.3)	1.0	(16.7)		
Other products	2.1	1.9	1.5	1.9	2.4	+14.3	2.3	+21.1	2.3	+53.3		
Renal diseases	11.7	9.8	11.4	11.9	9.9	(15.4)	11.5	+17.3	11.7	+2.6		
Mircera	5.9	4.9	5.7	6.1	5.0	(15.3)	6.0	+22.4	6.1	+7.0		
Oxarol	3.0	2.7	3.1	3.3	2.8	(6.7)	3.2	+18.5	3.4	+9.7		
Epogin	1.8	1.5	1.6	1.6	1.4	(22.2)	1.5	0.0	1.5	(6.3)		
Other products	0.9	0.7	0.9	0.8	0.7	(22.2)	0.7	0.0	0.7	(22.2)		
Transplant, Immunology, and Infectious diseases	4.7	5.9	5.5	4.7	3.4	(27.7)	3.7	(37.3)	4.3	(21.8)		
CellCept	1.6	1.6	1.6	1.8	1.6	0.0	1.7	+6.3	1.8	+12.5		
Pegasys	1.5	2.1	2.0	1.3	0.8	(46.7)	0.6	(71.4)	0.4	(80.0)		
Copegus	0.6	1.1	0.9	0.5	0.2	(66.7)	0.4	(63.6)	1.2	+33.3		
Other products	1.0	1.0	1.0	1.1	0.9	(10.0)	1.0	0.0	1.0	0.0		
Others	5.9	7.1	6.1	6.5	5.3	(10.2)	6.1	(14.1)	5.1	(16.4)		
Sigmart	1.7	1.6	1.5	1.6	1.3	(23.5)	1.3	(18.8)	1.3	(13.3)		
Other products	4.2	5.5	4.6	4.9	4.0	(4.8)	4.8	(12.7)	3.8	(17.4)		
Overseas	22.1	13.6	18.0	20.6	22.8	+3.2	24.0	+76.5	24.3	+35.0		
Actemra	17.0	9.5	13.4	15.8	18.3	+7.6	19.4	+104.2	19.2	+43.3		
To Roche	16.9	9.3	13.2	15.6	18.0	+6.5	19.2	+106.5	18.9	+43.2		
Neutrogin	4.2	3.4	3.8	4.2	3.7	(11.9)	3.7	+8.8	4.0	+5.3		
Aloxi	-	-	-	-	0.1	-	0.0	-	0.1	-		
Alecensa	-	-	-	-	-	-	-	-	0.2	-		
Akynzeo	-	-	-	-	-	-	-	-	0.0	-		
Other products	0.8	0.7	0.8	0.6	0.8	0.0	0.9	+28.6	0.8	0.0		
Tamiflu	6.9	0.2	0.1	5.8	6.7	(2.9)	0.0	(100.0)	0.0	(100.0)		
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)	0.0	(100.0)	0.0	0.0		
Govt. stockpiles etc.	0.1	-	0.1	0.0	0.0	(100.0)	-	-	-	(100.0)		
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)	3.9	(4.9)	7.0	+59.1		
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)	123.1	+25.6	127.6	+14.5		
Domestic	98.7	80.8	89.5	103.8	90.8	(8.0)	95.4	+18.1	96.4	+7.7		
Overseas	25.3	17.2	21.9	23.9	26.2	+3.6	27.7	+61.0	31.2	+42.5		

Movements of assets and liabilities (Assets, Liabilities, and Net Assets)

(Billions of yen)

	Actual	Actual					Actual									
	FY2013	FY2014					FY2015									
	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	vs. Mar. 31, 2014	vs. Dec. 31, 2014	Jun. 30	vs. Jun. 30, 2014	vs. Dec. 31, 2014	Sep. 30	vs. Sep. 30, 2014	vs. Dec. 31, 2014	Dec. 31	vs. Dec. 31, 2014
Trade accounts receivable	111.1	121.4	106.6	120.9	141.3	120.6	(0.8)	(20.7)	128.3	21.7	(13.0)	126.1	5.2	(15.2)		
Inventories	128.5	129.5	141.8	151.0	139.6	147.8	18.3	8.2	145.9	4.1	6.3	154.3	3.3	14.7		
Trade accounts payable	(35.9)	(43.9)	(42.9)	(42.1)	(35.4)	(49.2)	(5.3)	(13.8)	(43.4)	(0.5)	(8.0)	(46.2)	(4.1)	(10.8)		
Other net working capital	(26.6)	(19.9)	(21.1)	(29.6)	(36.2)	(30.1)	(10.2)	6.1	(26.2)	(5.1)	10.0	(31.5)	(1.9)	4.7		
Net working capital	177.1	187.0	184.4	200.2	209.4	189.0	2.0	(20.4)	204.6	20.2	(4.8)	202.7	2.5	(6.7)		
Property, plant and equipment	140.4	139.4	140.0	139.1	140.2	140.7	1.3	0.5	141.9	1.9	1.7	142.8	3.7	2.6		
Intangible assets	9.5	9.4	9.6	10.4	11.3	11.8	2.4	0.5	10.9	1.3	(0.4)	13.3	2.9	2.0		
Other long-term assets – net	(1.8)	(1.9)	(1.6)	(3.2)	(3.2)	(3.1)	(1.2)	0.1	(2.1)	(0.5)	1.1	(2.7)	0.5	0.5		
Long-term net operating assets	148.1	147.0	147.9	146.3	148.4	149.4	2.4	1.0	150.7	2.8	2.3	153.4	7.1	5.0		
Net operating assets	325.2	333.9	332.3	346.4	357.7	338.4	4.5	(19.3)	355.3	23.0	(2.4)	356.2	9.8	(1.5)		
Debt	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	0.0	0.0	(0.2)	0.0	0.0	(0.8)	(0.6)	(0.6)		
Marketable securities	119.6	115.5	115.1	114.9	116.0	114.3	(1.2)	(1.7)	120.0	4.9	4.0	121.7	6.8	5.7		
Cash and cash equivalents	115.1	115.0	128.8	108.1	114.0	123.6	8.6	9.6	126.6	(2.2)	12.6	121.6	13.5	7.6		
Net cash	234.4	230.3	243.6	222.8	229.9	237.8	7.5	7.9	246.4	2.8	16.5	242.5	19.7	12.6		
Other non-operating assets – net	13.6	13.1	9.5	14.5	10.2	18.8	5.7	8.6	11.7	2.2	1.5	16.4	1.9	6.2		
Net non-operating assets	248.0	243.4	253.1	237.3	240.0	256.6	13.2	16.6	258.2	5.1	18.2	258.9	21.6	18.9		
Total net assets	573.2	577.4	585.4	583.7	597.8	594.9	17.5	(2.9)	613.4	28.0	15.6	615.1	31.4	17.3		
Total net assets																
Total assets	697.2	701.6	708.2	713.9	739.5	727.3	25.7	(12.2)	744.3	36.1	4.8	753.5	39.6	14.0		
Total liabilities	(124.0)	(124.2)	(122.8)	(130.2)	(141.8)	(132.3)	(8.1)	9.5	(130.9)	(8.1)	10.9	(138.4)	(8.2)	3.4		
Attributable to																
Chugai shareholders	571.7	576.0	584.4	582.4	596.1	593.8	17.8	(2.3)	612.6	28.2	16.5	613.9	31.5	17.8		
Non-controlling interests	1.5	1.4	1.0	1.3	1.7	1.2	(0.2)	(0.5)	0.9	(0.1)	(0.8)	1.1	(0.2)	(0.6)		

Trade accounts receivable: trade receivable and notes receivable

Trade accounts payable: trade payable and notes payable

Other net working capital: accrued receivable (other receivable), accrued payable (other payable), accrued expenses (other current liabilities) etc.

Other long-term assets – net: long-term prepaid expenses, long-term provisions etc.

Other non-operating assets – net: deferred income tax assets, current income tax liabilities etc.

Movements of assets and liabilities

The consolidated balance sheet has been prepared in accordance with the IAS No. 1, "Presentation of Financial Statements." On the other hand, "Movements of assets and liabilities" including net operating assets (NOA) are a reconfiguration of the consolidated balance sheet as internal indicators and are identical to the indicators disclosed by Roche. Furthermore, no items from the assets and liabilities of IFRS have been excluded, as the Core results concept only applies to the income statement.

Movements of free cash flows

(Billions of yen)

	Actual	Actual				Actual			
	FY2013	FY2014				FY2015			
	1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Operating profit – IFRS basis	78.7	31.1	43.1	59.1	75.9	20.7	43.2	67.1	
Depreciation and impairment of property, plant and equipment	15.2	3.4	6.8	12.0	15.5	3.5	7.0	10.5	
Amortization and impairment of intangible assets	1.1	0.3	0.6	0.9	1.4	0.7	2.6	3.0	
Other cash adjustment on operating profit	2.3	1.4	1.4	3.2	3.7	0.2	(0.7)	(0.0)	
Operating profit, net of operating cash adjustments	97.3	36.1	51.9	75.2	96.4	25.0	52.1	80.6	
(Increase) decrease in trade accounts receivable	4.9	(10.3)	4.5	(9.8)	(30.2)	20.6	13.0	15.1	
(Increase) decrease in inventories	(20.5)	(1.9)	(14.3)	(23.6)	(12.2)	(8.5)	(6.7)	(15.5)	
Increase (decrease) in trade accounts payable	(6.0)	8.0	7.0	6.2	(0.6)	13.9	8.0	10.9	
Change in other net working capital etc.	1.9	(3.2)	(2.8)	4.6	9.7	(4.5)	(7.3)	(1.1)	
Total (increase) decrease in net working capital etc.	(19.7)	(7.4)	(5.6)	(22.6)	(33.3)	21.4	7.0	9.4	
Investment in property, plant and equipment	(11.3)	(5.6)	(9.2)	(12.1)	(16.2)	(5.1)	(10.9)	(15.5)	
Investment in intangible assets	(3.4)	(0.7)	(1.3)	(2.4)	(2.9)	(2.1)	(2.9)	(5.9)	
Operating free cash flow	63.0	22.4	35.8	38.0	43.9	39.2	45.3	68.6	
as % of revenues	14.9%	18.1%	16.1%	11.4%	9.5%	33.5%	18.9%	18.7%	
Treasury activities (interest income/expenses, foreign exchange gains/losses etc.)	(0.2)	(0.3)	0.4	0.6	0.3	1.7	2.6	3.0	
Tax paid	(23.8)	(12.9)	(13.3)	(24.8)	(25.2)	(15.5)	(16.0)	(28.2)	
Dividends paid	(23.9)	(12.8)	(12.9)	(25.4)	(25.5)	(14.6)	(14.8)	(29.3)	
Free cash flow	15.0	(3.6)	10.0	(11.5)	(6.5)	10.8	17.2	14.2	
Transaction in own equity instruments	0.8	0.3	0.5	0.9	1.2	0.4	0.8	1.3	
Net effect of currency translation on net cash	6.9	(0.8)	(1.3)	(1.0)	0.7	(3.2)	(1.4)	(2.8)	
Net change in net cash	22.7	(4.1)	9.2	(11.6)	(4.5)	7.9	16.5	12.6	

Other cash adjustment on operating profit: adjustments for all non-cash income and expense items other than amortization expenses and impairment included in operating profit (such as loss on inventory differences, reserve for doubtful accounts, stock option expenses, loss on asset retirement, and increase/decrease in reserves) as well as all non-operating income and expense cash flows relating to net operating assets (NOA) (including proceeds from the sales of assets and reserve payments).

Operating free cash flow (FCF): pretax cash flow after adjusting changes in working capital and operating investments in assets (tangible and intangible) to "operating profit, net of operating cash adjustments," which shows the company's cash generation ability from operating activities.

Free cash flow: the ability to generate net cash from a management perspective after deducting tax, dividends, and other payments from operating FCF.

Net change in net cash: increases and decreases in marketable securities and interest-bearing debt are included.

The concepts of operating profit, operating FCF and movements of assets and liabilities including NOA presented in the previous page are mutually consistent.

Movements of free cash flows

The consolidated statement of cash flows has been prepared in accordance with the IAS No. 7, "Statement of Cash Flows." The FCF is a reconfiguration of the consolidated statement of cash flows as internal indicators and is identical to the indicators disclosed by Roche. Furthermore, no items from the FCF have been excluded, as the Core results concept only applies to the income statement.

Performance indicators

	Units	Actual	Actual				Actual				Forecast (Jan 28th announced)
		FY2013	FY2014				FY2015				FY2015
		1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12	1-12
		As of Dec. 31	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	As of Dec. 31
Ratio of net income to equity attributable to Chugai shareholders (ROE)	%	9.3	3.3	5.0	6.9	8.7	2.5	5.0	7.9		
Ratio of profit before taxes to total assets (ROA)	%	11.5	4.5	6.2	8.4	10.6	2.9	5.9	9.0		
Ratio of equity attributable to Chugai shareholders	%	82.0	82.1	82.5	81.6	80.6	81.6	82.3	81.5		
Equity per share attributable to Chugai shareholders (BPS)	Yen	1,049.47	1,057.03	1,072.08	1,068.10	1,092.90	1,088.25	1,122.33	1,124.39		
Ratio of dividends to equity attributable to Chugai shareholders (DOE)	%	4.5	4.5								
Core return on net operating assets (Core RONOA)	%	16.2	5.8	9.0	11.9	14.8	4.5	9.2	14.2		
Cash conversion cycle (CCC)	Months	9.3	7.8	8.9	9.7	9.6	8.3	8.6	8.7		
Net cash turnover period	Months	6.6	5.6	6.6	6.0	6.0	6.1	6.2	5.9		
Number of employees		6,872	6,904	7,036	7,027	7,023	7,009	7,196	7,177		
Investment on property, plant and equipment	Billions of yen	13.0	2.5	6.5	11.4	16.3	4.0	7.8	13.5		18.5
Depreciation	Billions of yen	13.5	3.4	6.8	10.2	13.7	3.4	6.9	10.4		14.0
Investment on intangible assets	Billions of yen	4.0				3.1					
Amortization	Billions of yen	1.0				1.2					

Core RONOA: Core operating profit / Net operating assets

CCC: [Trade accounts receivable/Sales + (Inventories - Trade accounts payable)/Cost of sales]* passed months

Net cash turnover period: Net cash/Revenue* passed months

Ratio of net income to equity attributable to Chugai shareholders (ROE), Ratio of profit before taxes to total assets (ROA), and Core return on net operating assets (Core RONOA) are not annualized.

Development pipeline (as of October 22, 2015)

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
<u>Oncology</u>					
RG340 (Ro09-1978)	Gastric cancer (adjuvant) #	Filed (14/12)	capecitabine Xeloda Oral	Roche Xeloda (Yakult Honsha)	Antimetabolite, 5-FU derivative
AF802 / RG7853 (CH5424802/RO5424802)	Non-small cell lung cancer (NSCLC) [2nd line]	Filed (15/07) Overseas	alectinib Alecensa Oral	In-house (Roche)	ALK inhibitor
	NSCLC [1st line]	Phase III Overseas			
RG435 (RO4876646)	Cervical Cancer #	Filed (15/09)	bevacizumab Avastin Injection	Roche Avastin	Anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody
	Renal cell carcinoma #	Phase III Multinational study			
RG1273 (RO4368451)	Breast cancer (adjuvant) #	Phase III Multinational study	pertuzumab Perjeta Injection	Roche Perjeta	HER2 dimerization inhibitory humanized monoclonal antibody
	Gastric cancer #	Phase III Multinational study			
RG3502 (RO5304020)	Breast cancer (adjuvant) #	Phase III Multinational study	trastuzumab emtansine Kadcyla Injection	Roche Kadcyla	Anti-HER2 antibody-tubulin polymerization inhibitor conjugate
	Gastric cancer #	Phase II/III Multinational study			
GA101 / RG7159 (RO5072759)	Aggressive non-Hodgkin's lymphoma (NHL)	Phase III Multinational study	obinutuzumab Injection	Roche Gazyva/Gazyvaro (EU) (Nippon Shinyaku)	Glycoengineered type II anti-CD20 monoclonal antibody
	Indolent NHL	Phase III Multinational study			
RG7446 (MPDL3280A)	NSCLC	Phase III Multinational study	atezolizumab Injection	Roche	Engineered anti-PDL1 monoclonal antibody
	Bladder cancer	Phase III Multinational study			
	Renal cell carcinoma	Phase III Multinational study			

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
GC33 / RG7686 (GC33/RO5137382)	Hepatocellular carcinoma	Phase II Multinational study	codrituzumab Injection	In-house (Roche)	Anti-Glypican-3 humanized monoclonal antibody
CKI27 / RG7304 (RO5126766)	Solid tumors	Phase I	Oral	In-house (Roche)	Raf and MEK dual inhibitor
		Phase I Overseas			
RG7596 (RO5541077)	NHL	Phase I	polatuzumab vedotin Injection	Roche	Anti-CD79b antibody-drug conjugate
RG7604 (GDC-0032)	Solid tumors	Phase I	taselisib Oral	Roche	PI3K inhibitor
RG7440 (GDC-0068)	Solid tumors	Phase I	ipatasertib Oral	Roche/Array BioPharma	AKT inhibitor
<u>Bone and Joint Diseases</u>					
RG484 (Ro200-5450po)	Osteoporosis	Filed (15/02)	ibandronic acid Bonviva Oral	Roche Bonviva/Boniva (US) (Taisho Pharmaceutical)	Bisphosphonate
ED-71 (ED-71)	Osteoporosis	Phase III China	eldecalcitol Edirol Oral	In-house	Activated vitamin D ₃ agent
<u>Renal Diseases</u>					
EOS789 (EOS789)	Hyperphosphatemia	Phase I	 Oral	In-house	-
<u>Autoimmune Diseases</u>					
MRA / RG1569 (RO4877533)	Large-vessel vasculitis #	Phase III	tocilizumab Actemra Injection	In-house Actemra/RoActemra (EU) (Roche)	Humanized anti-human IL-6 receptor monoclonal antibody
	Giant cell arteritis #	Phase III Overseas			
	Systemic sclerosis #	Phase II Overseas			

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
SA237 (SA237)	Neuromyelitis optica (NMO)	Phase III Multinational study*	Injection	In-house	Anti-IL-6 receptor humanized monoclonal antibody
Central Nervous System					
RG1450 (RO4909832)	Alzheimer's disease	Phase III Multinational study	gantenerumab Injection	Roche/MorphoSys	Anti-amyloid-beta human monoclonal antibody
RG1662 (RO5186582)	Improvement of intellectual ability in individuals with Down syndrome	Phase I	basmisanil Oral	Roche	GABAA α 5 receptor antagonist
RG7090 (RO4917523)	Major depressive disorder	Development discontinued	basimglurant Oral	Roche	mGluR5 antagonist
RG1577 (RO4602522)	Alzheimer's disease	Development discontinued	sebragiline Oral	Roche	MAO-B inhibitor
Respiratory Diseases					
RG3637 (RO5490255)	Asthma	Phase III Multinational study	lebrikizumab Injection	Roche	Anti-IL-13 humanized monoclonal antibody
	Idiopathic pulmonary fibrosis	Phase II Multinational study			
Others					
CIM331 (CIM331)	Atopic dermatitis	Phase II Multinational study*	nemolizumab Injection	In-house	Anti-IL-31 receptor humanized monoclonal antibody
	Pruritus in dialysis patients	Phase II			
URC102 (URC102)	Gout	Phase II Overseas	Oral	In-house/JW Pharmaceutical (JW Pharmaceutical)	URAT1 inhibitor
ACE910 / RG6013 (RO5534262)	Hemophilia A	Phase I/II	Injection	In-house (Roche)	Anti-FIXa/FX bispecific antibody

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
PCO371 (PCO371)	Hypoparathyroidism	Phase I Overseas	Oral	In-house	PTH1 receptor agonist

In principle, completion of first dose is regarded as the start of clinical studies in each phase.

* Multinational study managed by Chugai

Changes from the last announcement on April 22, 2015

Oncology

-AF802 Phase I/II → Filed (Overseas, NSCLC [2nd line])
 -RG435 Phase II → Filed (Cervical cancer)

Bone and Joint Diseases

-ED-71 Phase III (China, Osteoporosis: Development started)

Renal Diseases

-EOS789 Phase I (Hyperphosphatemia: Development started)

Central Nervous System

-RG7090 Phase II (Major depressive disorder) → Development discontinued
 -RG1577 Phase I (Alzheimer's disease) → Development discontinued

Others

-CIM331 Phase II (Pruritus in dialysis patients: Development started)

R&D Activities (Jan. 1, 2015 - Oct. 22, 2015)

As for clinical development activities, Chugai saw progress as described below:

Oncology

- We launched the BRAF inhibitor RG7204 (product name: Zelboraf) for the indication of unresectable melanoma with *BRAF* mutation in February.
- We started a Phase III multinational study (expected indication: bladder cancer) in January, and another Phase III multinational study (expected indication: renal cell carcinoma) in June for the engineered anti-PD-L1 monoclonal antibody, RG7446.
- We started a Phase II study (expected indication: cervical cancer) in January, and a Phase III multinational study (expected indication: renal cell carcinoma) in June for the anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody (product name: Avastin). We filed an application for the expected indication of cervical cancer in September.
- We started a Phase I study (expected indication: solid tumors) for the AKT inhibitor RG7440 in June.
- Application was filed in the US and EU for the ALK inhibitor AF802 (RG7853) in July and September, respectively, for the treatment of patients with ALK positive advanced NSCLC who have progressed on or are intolerant to crizotinib.
- We decided to discontinue development of the PI3K inhibitor, RG7321 in consideration to Roche's decision to remove from the pipeline. A Phase I study has been in progress for solid tumors.

Bone and Joint Diseases

- We filed an application for the expected indication of osteoporosis for bisphosphonate, RG484 (oral) in February.
- We started a Phase III study (expected indication: osteoporosis) for the activated vitamin D₃ agent, ED-71 in China in August.

Renal diseases

- We started a Phase I study (expected indication: hyperphosphatemia) for EOS789 in August.

Central Nervous System

- We decided to discontinue development of the mGluR5 antagonist RG7090 in consideration of results from a global Phase II study for major depression.
- We decided to discontinue development of the MAO-B inhibitor RG1577 in consideration of results from overseas studies conducted by Roche for Alzheimer's disease.

Others

- We started a Phase I study (expected indication: hypoparathyroidism) for the PTH1 receptor agonist PCO371 in June.
- We started a Phase II study (expected indication: pruritus in dialysis patients) for the anti-IL31 humanized receptor antibody CIM 331 in September.

Major clinical trials in oncology field currently running in Japan

Theme	Expected Indication	Regimen	Stage	Planned filing date
RG1273 (pertuzumab) Perjeta	Breast cancer (adjuvant)	Herceptin + chemotherapy ± RG1273	APHINITY study Phase III multinational study	2017
	Gastric cancer	Herceptin + chemotherapy ± RG1273	JACOB study Phase III multinational study	2018 and beyond
RG3502 (trastuzumab emtansine) Kadcyla	Breast cancer (adjuvant)	Kadcyla + Perjeta vs. Herceptin + Perjeta + chemotherapy	KAITLIN study Phase III multinational study	2018 and beyond
	Gastric cancer	Kadcyla vs. chemotherapy	GATSBY study Phase II/III multinational study	-
GA101/ RG7159 (obinutuzumab)	Aggressive NHL	GA101 + CHOP vs. Rituxan + CHOP (G-CHOP vs R-CHOP)	GOYA study Phase III multinational study	2017
	Indolent NHL	GA101 + chemotherapy vs. Rituxan + chemotherapy (G-chemo vs R-chemo)	GALLIUM study Phase III multinational study	2017
RG7446 (atezolizumab)	NSCLC	RG7446 vs docetaxel	OAK study Phase III multinational study	2016
		RG7446	BIRCH study Phase II multinational study	
		Non-squamous, PD-L1 positive RG7446 vs. chemotherapy	IMpower 110 study Phase III multinational study	
		Non-squamous Chemotherapy + Avastin vs. RG7446 + chemotherapy ± Avastin	IMpower 150 study Phase III multinational study	
		Squamous Chemotherapy ± RG7446	IMpower 111 study Phase III multinational study	
	Bladder cancer	RG7446 vs chemotherapy	IMvigor 211 Phase III multinational study	2017
Renal cell carcinoma	RG7446 + Avastin vs. sunitinib	IMmotion 151 study Phase III multinational study	2018 and beyond	
RG435 (bevacizumab) Avastin	Cervical cancer	Avastin + chemotherapy	Filed	