

Supplementary Materials for
Consolidated Financial Results for
the 3rd Quarter of Fiscal Year 2016. 12 (IFRS)

Innovation all for the patients



CHUGAI

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 FY2015 | | | | Actual FY2016 | | | |
|---------|------------------|--------|--------|--------|------------------|--------|--------|-------|
| | 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 | 124.98 | 128.80 | 126.71 | 122.62 | 116.14 | 111.43 | 104.97 | |
| EUR | 134.38 | 134.16 | 135.94 | 132.99 | 127.29 | 122.18 | 114.31 | |
| USD | 119.15 | 121.32 | 122.20 | 121.47 | 115.43 | 108.16 | 102.44 | |
| SGD | 87.88 | 90.33 | 87.89 | 86.29 | 82.22 | 79.66 | 75.75 | |

YTD

| Average | Actual FY2014 | Actual FY2015 | | | | Actual FY2016 | | | | Forecast FY2016 |
|---------|------------------|------------------|--------|--------|-----------|------------------|--------|--------|-----------|--------------------|
| | 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 | 115.69 | 124.98 | 126.88 | 126.82 | 125.74 | 116.14 | 113.81 | 110.88 | | 127.00 |
| EUR | 140.49 | 134.38 | 134.27 | 134.83 | 134.36 | 127.29 | 124.77 | 121.28 | | 134.00 |
| USD | 105.84 | 119.15 | 120.24 | 120.89 | 121.03 | 115.43 | 111.79 | 108.68 | | 120.00 |
| SGD | 83.54 | 87.88 | 89.10 | 88.69 | 88.07 | 82.22 | 80.96 | 79.25 | | 87.00 |

Period-end

| As of | Actual FY2014 | Actual FY2015 | | | | Actual FY2016 | | | |
|-------|------------------|------------------|---------|---------|---------|------------------|---------|---------|---------|
| | 31 Dec. | 31 Mar. | 30 Jun. | 30 Sep. | 31 Dec. | 31 Mar. | 30 Jun. | 30 Sep. | 31 Dec. |
| CHF | 120.81 | 124.13 | 132.49 | 123.25 | 121.89 | 116.50 | 104.96 | 104.56 | |
| EUR | 145.26 | 130.09 | 137.69 | 134.69 | 131.75 | 127.47 | 114.39 | 113.38 | |
| USD | 119.48 | 120.08 | 122.54 | 119.74 | 120.52 | 112.43 | 102.83 | 101.03 | |
| SGD | 90.41 | 87.24 | 91.03 | 83.85 | 85.20 | 83.26 | 76.27 | 74.05 | |

Financial highlights (YTD)

(Billions of yen)

| | Actual | Actual | | | | Actual | | | | | | | |
|--------------------------------------|---------|--------|---------|---------|---------|--------|------------|---------|------------|---------|------------|------|------------|
| | FY2014 | FY2015 | | | | FY2016 | | | | | | | |
| | 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 | 461.1 | 117.1 | 240.2 | 367.8 | 498.8 | 119.9 | +2.4 | 247.5 | +3.0 | 361.5 | (1.7) | | |
| Sales | 436.9 | 113.4 | 232.6 | 353.3 | 468.4 | 115.6 | +1.9 | 237.2 | +2.0 | 347.5 | (1.6) | | |
| excl. Tamiflu | 423.8 | 106.7 | 225.9 | 346.5 | 460.2 | 108.6 | +1.8 | 230.0 | +1.8 | 339.1 | (2.1) | | |
| Domestic | 349.5 | 83.9 | 179.1 | 275.4 | 378.0 | 87.8 | +4.6 | 184.2 | +2.8 | 277.2 | +0.7 | | |
| Sales to Roche | 55.1 | 18.0 | 37.2 | 56.3 | 63.1 | 16.5 | (8.3) | 37.4 | +0.5 | 49.2 | (12.6) | | |
| Overseas | 19.3 | 4.8 | 9.6 | 14.7 | 19.1 | 4.3 | (10.4) | 8.4 | (12.5) | 12.6 | (14.3) | | |
| Tamiflu sales | 13.0 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 8.4 | +25.4 | | |
| Ordinary use | 12.9 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 7.3 | +9.0 | | |
| Govt. stockpiles etc. | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | - | | |
| Royalties and other operating income | 24.2 | 3.7 | 7.5 | 14.5 | 30.4 | 4.3 | +16.2 | 10.3 | +37.3 | 14.0 | (3.4) | | |
| Cost of sales | (218.1) | (57.7) | (117.2) | (178.7) | (240.2) | (61.2) | +6.1 | (125.0) | +6.7 | (183.9) | +2.9 | | |
| (% of Sales) | 49.9 | 50.9 | 50.4 | 50.6 | 51.3 | 52.9 | - | 52.7 | - | 52.9 | - | | |
| Gross profit | 243.0 | 59.3 | 122.9 | 189.0 | 258.6 | 58.7 | (1.0) | 122.5 | (0.3) | 177.7 | (6.0) | | |
| (% of Revenues) | 52.7 | 50.6 | 51.2 | 51.4 | 51.8 | 49.0 | - | 49.5 | - | 49.2 | - | | |
| Operating expenses | (167.2) | (38.6) | (79.7) | (122.0) | (171.8) | (38.7) | +0.3 | (79.0) | (0.9) | (119.0) | (2.5) | | |
| (% of Revenues) | 36.3 | 33.0 | 33.2 | 33.2 | 34.4 | 32.3 | - | 31.9 | - | 32.9 | - | | |
| Marketing and distribution | (71.7) | (16.6) | (34.7) | (52.1) | (74.8) | (16.6) | 0.0 | (33.1) | (4.6) | (49.9) | (4.2) | | |
| (% of Revenues) | 15.5 | 14.2 | 14.4 | 14.2 | 15.0 | 13.8 | - | 13.4 | - | 13.8 | - | | |
| Research and development | (80.8) | (19.0) | (39.2) | (60.7) | (83.8) | (19.3) | +1.6 | (40.1) | +2.3 | (60.3) | (0.7) | | |
| (% of Revenues) | 17.5 | 16.2 | 16.3 | 16.5 | 16.8 | 16.1 | - | 16.2 | - | 16.7 | - | | |
| General and administration | (14.6) | (3.0) | (5.9) | (9.1) | (13.2) | (2.8) | (6.7) | (5.8) | (1.7) | (8.9) | (2.2) | | |
| (% of Revenues) | 3.2 | 2.6 | 2.5 | 2.5 | 2.6 | 2.3 | - | 2.3 | - | 2.5 | - | | |
| Operating profit | 75.9 | 20.7 | 43.2 | 67.1 | 86.8 | 20.1 | (2.9) | 43.5 | +0.7 | 58.6 | (12.7) | | |
| (% of Revenues) | 16.5 | 17.7 | 18.0 | 18.2 | 17.4 | 16.8 | - | 17.6 | - | 16.2 | - | | |
| Financing costs | (0.0) | (0.0) | (0.0) | (0.1) | (0.1) | (0.0) | 0.0 | (0.1) | - | (0.1) | 0.0 | | |
| Other financial income (expense) | 0.3 | 0.5 | 0.7 | 0.4 | 0.6 | 0.1 | (80.0) | 0.3 | (57.1) | 0.5 | +25.0 | | |
| Profit before taxes | 76.2 | 21.2 | 43.9 | 67.4 | 87.3 | 20.1 | (5.2) | 43.8 | (0.2) | 59.1 | (12.3) | | |
| (% of Revenues) | 16.5 | 18.1 | 18.3 | 18.3 | 17.5 | 16.8 | - | 17.7 | - | 16.3 | - | | |
| Income taxes | (24.1) | (6.4) | (13.1) | (18.8) | (24.9) | (5.4) | (15.6) | (11.8) | (9.9) | (15.4) | (18.1) | | |
| Net income | 52.1 | 14.8 | 30.8 | 48.6 | 62.4 | 14.7 | (0.7) | 32.0 | +3.9 | 43.7 | (10.1) | | |
| (% of Revenues) | 11.3 | 12.6 | 12.8 | 13.2 | 12.5 | 12.3 | - | 12.9 | - | 12.1 | - | | |
| Attributable to | | | | | | | | | | | | | |
| Chugai shareholders | 51.0 | 14.6 | 30.1 | 47.6 | 61.1 | 14.5 | (0.7) | 31.5 | +4.7 | 43.1 | (9.5) | | |
| Non-controlling interests | 1.1 | 0.2 | 0.7 | 0.9 | 1.2 | 0.2 | 0.0 | 0.5 | (28.6) | 0.6 | (33.3) | | |
| Earnings per share | | | | | | | | | | | | | |
| Basic (yen) | 93.53 | 26.73 | 55.24 | 87.31 | 112.00 | 26.55 | (0.7) | 57.77 | +4.6 | 78.89 | (9.6) | | |
| Diluted (yen) | 93.38 | 26.68 | 55.13 | 87.15 | 111.79 | 26.51 | (0.6) | 57.68 | +4.6 | 78.77 | (9.6) | | |

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

Financial highlights (QTR)

(Billions of yen)

| | Actual FY2015 | | | | Actual FY2016 | | | | | | | |
|--------------------------------------|------------------|--------|--------|--------|------------------|---------------|--------|---------------|--------|---------------|-------|---------------|
| | 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 | 117.1 | 123.1 | 127.6 | 131.1 | 119.9 | +2.4 | 127.6 | +3.7 | 114.0 | (10.7) | | |
| Sales | 113.4 | 119.2 | 120.6 | 115.2 | 115.6 | +1.9 | 121.6 | +2.0 | 110.2 | (8.6) | | |
| excl. Tamiflu | 106.7 | 119.2 | 120.6 | 113.7 | 108.6 | +1.8 | 121.4 | +1.8 | 109.1 | (9.5) | | |
| Domestic | 83.9 | 95.2 | 96.3 | 102.6 | 87.8 | +4.6 | 96.4 | +1.3 | 93.0 | (3.4) | | |
| Sales to Roche | 18.0 | 19.2 | 19.1 | 6.7 | 16.5 | (8.3) | 20.9 | +8.9 | 11.8 | (38.2) | | |
| Overseas | 4.8 | 4.8 | 5.2 | 4.4 | 4.3 | (10.4) | 4.1 | (14.6) | 4.3 | (17.3) | | |
| Tamiflu sales | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | 1.1 | - | | |
| Ordinary use | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | (0.0) | - | | |
| Govt. stockpiles etc. | 0.0 | - | - | 0.0 | 0.0 | 0.0 | - | - | 1.2 | - | | |
| Royalties and other operating income | 3.7 | 3.9 | 7.0 | 15.9 | 4.3 | +16.2 | 6.0 | +53.8 | 3.8 | (45.7) | | |
| Cost of sales | (57.7) | (59.5) | (61.5) | (61.5) | (61.2) | +6.1 | (63.8) | +7.2 | (58.8) | (4.4) | | |
| (% of Sales) | 50.9 | 49.9 | 51.0 | 53.4 | 52.9 | - | 52.5 | - | 53.4 | - | | |
| Gross profit | 59.3 | 63.6 | 66.1 | 69.6 | 58.7 | (1.0) | 63.8 | +0.3 | 55.2 | (16.5) | | |
| (% of Revenues) | 50.6 | 51.7 | 51.8 | 53.1 | 49.0 | - | 50.0 | - | 48.4 | - | | |
| Operating expenses | (38.6) | (41.1) | (42.3) | (49.8) | (38.7) | +0.3 | (40.3) | (1.9) | (40.0) | (5.4) | | |
| (% of Revenues) | 33.0 | 33.4 | 33.2 | 38.0 | 32.3 | - | 31.6 | - | 35.1 | - | | |
| Marketing and distribution | (16.6) | (18.1) | (17.5) | (22.7) | (16.6) | 0.0 | (16.5) | (8.8) | (16.8) | (4.0) | | |
| (% of Revenues) | 14.2 | 14.7 | 13.7 | 17.3 | 13.8 | - | 12.9 | - | 14.7 | - | | |
| Research and development | (19.0) | (20.2) | (21.5) | (23.1) | (19.3) | +1.6 | (20.9) | +3.5 | (20.1) | (6.5) | | |
| (% of Revenues) | 16.2 | 16.4 | 16.8 | 17.6 | 16.1 | - | 16.4 | - | 17.6 | - | | |
| General and administration | (3.0) | (2.9) | (3.3) | (4.1) | (2.8) | (6.7) | (2.9) | 0.0 | (3.1) | (6.1) | | |
| (% of Revenues) | 2.6 | 2.4 | 2.6 | 3.1 | 2.3 | - | 2.3 | - | 2.7 | - | | |
| Operating profit | 20.7 | 22.5 | 23.8 | 19.7 | 20.1 | (2.9) | 23.5 | +4.4 | 15.1 | (36.6) | | |
| (% of Revenues) | 17.7 | 18.3 | 18.7 | 15.0 | 16.8 | - | 18.4 | - | 13.2 | - | | |
| Financing costs | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | 0.0 | (0.0) | 0.0 | (0.0) | 0.0 | | |
| Other financial income (expense) | 0.5 | 0.2 | (0.3) | 0.2 | 0.1 | (80.0) | 0.2 | 0.0 | 0.2 | - | | |
| Profit before taxes | 21.2 | 22.7 | 23.5 | 19.9 | 20.1 | (5.2) | 23.7 | +4.4 | 15.3 | (34.9) | | |
| (% of Revenues) | 18.1 | 18.4 | 18.4 | 15.2 | 16.8 | - | 18.6 | - | 13.4 | - | | |
| Income taxes | (6.4) | (6.7) | (5.7) | (6.1) | (5.4) | (15.6) | (6.3) | (6.0) | (3.6) | (36.8) | | |
| Net income | 14.8 | 16.0 | 17.8 | 13.8 | 14.7 | (0.7) | 17.3 | +8.1 | 11.7 | (34.3) | | |
| (% of Revenues) | 12.6 | 13.0 | 13.9 | 10.5 | 12.3 | - | 13.6 | - | 10.3 | - | | |
| Attributable to | | | | | | | | | | | | |
| Chugai shareholders | 14.6 | 15.6 | 17.5 | 13.5 | 14.5 | (0.7) | 17.0 | +9.0 | 11.5 | (34.3) | | |
| Non-controlling interests | 0.2 | 0.4 | 0.3 | 0.3 | 0.2 | 0.0 | 0.3 | (25.0) | 0.1 | (66.7) | | |
| Earnings per share | | | | | | | | | | | | |
| Basic (yen) | 26.73 | 28.51 | 32.07 | 24.69 | 26.55 | (0.7) | 31.22 | +9.5 | 21.12 | (34.1) | | |
| Diluted (yen) | 26.68 | 28.45 | 32.01 | 24.65 | 26.51 | (0.6) | 31.17 | +9.6 | 21.09 | (34.1) | | |

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) | |
|--|---------|--------|---------|---------|---------|--------|------------|---------|------------|---------|------------|------|------------|----------------------------------|------------|
| | FY2014 | FY2015 | | | | FY2016 | | | | | | | | FY2016 | |
| | 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 | 461.1 | 117.1 | 240.2 | 367.8 | 498.8 | 119.9 | +2.4 | 247.5 | +3.0 | 361.5 | (1.7) | | | 495.0 | (0.8) |
| Sales | 436.9 | 113.4 | 232.6 | 353.3 | 468.4 | 115.6 | +1.9 | 237.2 | +2.0 | 347.5 | (1.6) | | | 475.4 | +1.5 |
| excl. Tamiflu | 423.8 | 106.7 | 225.9 | 346.5 | 460.2 | 108.6 | +1.8 | 230.0 | +1.8 | 339.1 | (2.1) | | | 466.8 | +1.4 |
| Domestic | 349.5 | 83.9 | 179.1 | 275.4 | 378.0 | 87.8 | +4.6 | 184.2 | +2.8 | 277.2 | +0.7 | | | 379.0 | +0.3 |
| Sales to Roche | 55.1 | 18.0 | 37.2 | 56.3 | 63.1 | 16.5 | (8.3) | 37.4 | +0.5 | 49.2 | (12.6) | | | 70.5 | +11.7 |
| Overseas | 19.3 | 4.8 | 9.6 | 14.7 | 19.1 | 4.3 | (10.4) | 8.4 | (12.5) | 12.6 | (14.3) | | | 17.3 | (9.4) |
| Tamiflu sales | 13.0 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 8.4 | +25.4 | | | 8.6 | +4.9 |
| Ordinary use | 12.9 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 7.3 | +9.0 | | | 7.6 | (7.3) |
| Govt. stockpiles etc. | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | - | | | 1.0 | - |
| Royalties and other operating income | 24.2 | 3.7 | 7.5 | 14.5 | 30.4 | 4.3 | +16.2 | 10.3 | +37.3 | 14.0 | (3.4) | | | 19.6 | (35.5) |
| Cost of sales | (217.0) | (57.4) | (116.6) | (177.7) | (238.9) | (60.9) | +6.1 | (124.4) | +6.7 | (183.0) | +3.0 | | | (254.0) | +6.3 |
| (% of Sales) | 49.7 | 50.6 | 50.1 | 50.3 | 51.0 | 52.7 | - | 52.4 | - | 52.7 | - | | | 53.4 | - |
| Gross profit | 244.2 | 59.7 | 123.6 | 190.1 | 260.0 | 59.0 | (1.2) | 123.1 | (0.4) | 178.6 | (6.0) | | | 241.0 | (7.3) |
| (% of Revenues) | 53.0 | 51.0 | 51.5 | 51.7 | 52.1 | 49.2 | - | 49.7 | - | 49.4 | - | | | 48.7 | - |
| Operating expenses | (166.8) | (38.2) | (77.7) | (119.8) | (169.3) | (38.6) | +1.0 | (79.0) | +1.7 | (119.0) | (0.7) | | | (170.0) | +0.4 |
| (% of Revenues) | 36.2 | 32.6 | 32.3 | 32.6 | 33.9 | 32.2 | - | 31.9 | - | 32.9 | - | | | 34.3 | - |
| Marketing and distribution | (71.7) | (16.6) | (34.6) | (52.0) | (74.7) | (16.5) | (0.6) | (33.1) | (4.3) | (49.9) | (4.0) | | | | |
| (% of Revenues) | 15.5 | 14.2 | 14.4 | 14.1 | 15.0 | 13.8 | - | 13.4 | - | 13.8 | - | | | | |
| Research and development | (80.6) | (18.6) | (37.3) | (58.8) | (81.9) | (19.2) | +3.2 | (40.1) | +7.5 | (60.2) | +2.4 | | | | |
| (% of Revenues) | 17.5 | 15.9 | 15.5 | 16.0 | 16.4 | 16.0 | - | 16.2 | - | 16.7 | - | | | | |
| General and administration | (14.6) | (3.0) | (5.8) | (8.9) | (12.8) | (2.8) | (6.7) | (5.8) | 0.0 | (8.9) | 0.0 | | | | |
| (% of Revenues) | 3.2 | 2.6 | 2.4 | 2.4 | 2.6 | 2.3 | - | 2.3 | - | 2.5 | - | | | | |
| Operating profit | 77.3 | 21.5 | 45.9 | 70.3 | 90.7 | 20.4 | (5.1) | 44.1 | (3.9) | 59.6 | (15.2) | | | 71.0 | (21.7) |
| (% of Revenues) | 16.8 | 18.4 | 19.1 | 19.1 | 18.2 | 17.0 | - | 17.8 | - | 16.5 | - | | | 14.3 | - |
| Financing costs | (0.0) | (0.0) | (0.0) | (0.1) | (0.1) | (0.0) | 0.0 | (0.1) | - | (0.1) | 0.0 | | | | |
| Other financial income (expense) | 0.3 | 0.5 | 0.7 | 0.4 | 0.6 | 0.1 | (80.0) | 0.3 | (57.1) | 0.5 | +25.0 | | | | |
| Profit before taxes | 77.6 | 21.9 | 46.5 | 70.6 | 91.2 | 20.5 | (6.4) | 44.4 | (4.5) | 60.0 | (15.0) | | | | |
| (% of Revenues) | 16.8 | 18.7 | 19.4 | 19.2 | 18.3 | 17.1 | - | 17.9 | - | 16.6 | - | | | | |
| Income taxes | (24.6) | (6.6) | (14.0) | (20.0) | (26.3) | (5.6) | (15.2) | (12.0) | (14.3) | (15.7) | (21.5) | | | | |
| Net income | 53.0 | 15.3 | 32.5 | 50.7 | 64.9 | 14.9 | (2.6) | 32.4 | (0.3) | 44.3 | (12.6) | | | | |
| (% of Revenues) | 11.5 | 13.1 | 13.5 | 13.8 | 13.0 | 12.4 | - | 13.1 | - | 12.3 | - | | | | |
| Attributable to | | | | | | | | | | | | | | | |
| Chugai shareholders | 51.9 | 15.1 | 31.9 | 49.8 | 63.7 | 14.7 | (2.6) | 32.0 | +0.3 | 43.7 | (12.2) | | | | |
| Non-controlling interests | 1.1 | 0.2 | 0.7 | 0.9 | 1.2 | 0.2 | 0.0 | 0.5 | (28.6) | 0.6 | (33.3) | | | | |
| Weighted average number of shares in issue used to calculate diluted earnings per share (Millions of shares) | 546 | 547 | 547 | 547 | 547 | 547 | 0.0 | 547 | 0.0 | 547 | 0.0 | | | | |
| Core earnings per share (diluted) (yen) | 95.04 | 27.54 | 58.30 | 91.01 | 116.42 | 26.94 | (2.2) | 58.45 | +0.3 | 79.93 | (12.2) | | | 92.54 | (20.5) |
| Core payout ratio (%) | 50.5 | | | | 49.8 | | | | | | | | | 56.2 | - |
| Dividend per share (Full year) (yen) | 48 | | | | 58 | | | | | | | | | 52 | - |
| Dividend per share (Half year) (yen) | 22 | | | | 26 | | | | | | | 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 | | | | | | | |
|---|--------|--------|--------|--------|--------|------------|--------|------------|--------|------------|-------|------------|
| | FY2015 | | | | FY2016 | | | | | | | |
| | 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 | 117.1 | 123.1 | 127.6 | 131.1 | 119.9 | +2.4 | 127.6 | +3.7 | 114.0 | (10.7) | | |
| Sales | 113.4 | 119.2 | 120.6 | 115.2 | 115.6 | +1.9 | 121.6 | +2.0 | 110.2 | (8.6) | | |
| excl. Tamiflu | 106.7 | 119.2 | 120.6 | 113.7 | 108.6 | +1.8 | 121.4 | +1.8 | 109.1 | (9.5) | | |
| Domestic | 83.9 | 95.2 | 96.3 | 102.6 | 87.8 | +4.6 | 96.4 | +1.3 | 93.0 | (3.4) | | |
| Sales to Roche | 18.0 | 19.2 | 19.1 | 6.7 | 16.5 | (8.3) | 20.9 | +8.9 | 11.8 | (38.2) | | |
| Overseas | 4.8 | 4.8 | 5.2 | 4.4 | 4.3 | (10.4) | 4.1 | (14.6) | 4.3 | (17.3) | | |
| Tamiflu sales | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | 1.1 | - | | |
| Ordinary use | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | (0.0) | - | | |
| Govt. stockpiles etc. | 0.0 | - | - | 0.0 | 0.0 | 0.0 | - | - | 1.2 | - | | |
| Royalties and other operating income | 3.7 | 3.9 | 7.0 | 15.9 | 4.3 | +16.2 | 6.0 | +53.8 | 3.8 | (45.7) | | |
| Cost of sales | (57.4) | (59.1) | (61.1) | (61.2) | (60.9) | +6.1 | (63.5) | +7.4 | (58.5) | (4.3) | | |
| (% of Sales) | 50.6 | 49.6 | 50.7 | 53.1 | 52.7 | - | 52.2 | - | 53.1 | - | | |
| Gross profit | 59.7 | 63.9 | 66.5 | 69.9 | 59.0 | (1.2) | 64.1 | +0.3 | 55.5 | (16.5) | | |
| (% of Revenues) | 51.0 | 51.9 | 52.1 | 53.3 | 49.2 | - | 50.2 | - | 48.7 | - | | |
| Operating expenses | (38.2) | (39.5) | (42.0) | (49.5) | (38.6) | +1.0 | (40.4) | +2.3 | (40.0) | (4.8) | | |
| (% of Revenues) | 32.6 | 32.1 | 32.9 | 37.8 | 32.2 | - | 31.7 | - | 35.1 | - | | |
| Marketing and distribution | (16.6) | (18.0) | (17.4) | (22.6) | (16.5) | (0.6) | (16.6) | (7.8) | (16.8) | (3.4) | | |
| (% of Revenues) | 14.2 | 14.6 | 13.6 | 17.2 | 13.8 | - | 13.0 | - | 14.7 | - | | |
| Research and development | (18.6) | (18.7) | (21.5) | (23.1) | (19.2) | +3.2 | (20.8) | +11.2 | (20.1) | (6.5) | | |
| (% of Revenues) | 15.9 | 15.2 | 16.8 | 17.6 | 16.0 | - | 16.3 | - | 17.6 | - | | |
| General and administration | (3.0) | (2.8) | (3.1) | (3.8) | (2.8) | (6.7) | (2.9) | +3.6 | (3.1) | 0.0 | | |
| (% of Revenues) | 2.6 | 2.3 | 2.4 | 2.9 | 2.3 | - | 2.3 | - | 2.7 | - | | |
| Operating profit | 21.5 | 24.4 | 24.4 | 20.4 | 20.4 | (5.1) | 23.7 | (2.9) | 15.4 | (36.9) | | |
| (% of Revenues) | 18.4 | 19.8 | 19.1 | 15.6 | 17.0 | - | 18.6 | - | 13.5 | - | | |
| Financing costs | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | 0.0 | (0.0) | 0.0 | (0.0) | 0.0 | | |
| Other financial income (expense) | 0.5 | 0.2 | (0.3) | 0.2 | 0.1 | (80.0) | 0.2 | 0.0 | 0.2 | - | | |
| Profit before taxes | 21.9 | 24.6 | 24.1 | 20.5 | 20.5 | (6.4) | 23.9 | (2.8) | 15.6 | (35.3) | | |
| (% of Revenues) | 18.7 | 20.0 | 18.9 | 15.6 | 17.1 | - | 18.7 | - | 13.7 | - | | |
| Income taxes | (6.6) | (7.4) | (6.0) | (6.3) | (5.6) | (15.2) | (6.4) | (13.5) | (3.7) | (38.3) | | |
| Net income | 15.3 | 17.2 | 18.2 | 14.2 | 14.9 | (2.6) | 17.5 | +1.7 | 11.9 | (34.6) | | |
| (% of Revenues) | 13.1 | 14.0 | 14.3 | 10.8 | 12.4 | - | 13.7 | - | 10.4 | - | | |
| Attributable to | | | | | | | | | | | | |
| Chugai shareholders | 15.1 | 16.8 | 17.9 | 13.9 | 14.7 | (2.6) | 17.2 | +2.4 | 11.8 | (34.1) | | |
| Non-controlling interests | 0.2 | 0.4 | 0.3 | 0.3 | 0.2 | 0.0 | 0.3 | (25.0) | 0.1 | (66.7) | | |
| Core earnings per share (diluted) (yen) | 27.54 | 30.76 | 32.71 | 25.42 | 26.94 | (2.2) | 31.51 | +2.4 | 21.49 | (34.3) | | |

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

Reconciliation of IFRS results to Core results

(Billions of yen)

| | FY2015 | | | | FY2016 | | | |
|--------------------------------------|--------------|-------------------|--------|--------------|--------------|-------------------|--------|--------------|
| | 1-9 | | | | 1-9 | | | |
| | IFRS results | Intangible assets | Others | Core results | IFRS results | Intangible assets | Others | Core results |
| Revenues | 367.8 | – | – | 367.8 | 361.5 | – | – | 361.5 |
| Sales | 353.3 | – | – | 353.3 | 347.5 | – | – | 347.5 |
| Royalties and other operating income | 14.5 | – | – | 14.5 | 14.0 | – | – | 14.0 |
| Cost of sales | (178.7) | 1.0 | – | (177.7) | (183.9) | 0.9 | – | (183.0) |
| Gross profit | 189.0 | 1.0 | – | 190.1 | 177.7 | 0.9 | – | 178.6 |
| Operating expenses | (122.0) | 2.0 | 0.2 | (119.8) | (119.0) | 0.1 | – | (119.0) |
| Marketing and distribution | (52.1) | 0.1 | – | (52.0) | (49.9) | – | – | (49.9) |
| Research and development | (60.7) | 1.9 | – | (58.8) | (60.3) | 0.1 | – | (60.2) |
| General and administration | (9.1) | – | 0.2 | (8.9) | (8.9) | – | – | (8.9) |
| Operating profit | 67.1 | 3.0 | 0.2 | 70.3 | 58.6 | 1.0 | – | 59.6 |
| Financing costs | (0.1) | – | – | (0.1) | (0.1) | – | – | (0.1) |
| Other financial income (expense) | 0.4 | – | – | 0.4 | 0.5 | – | – | 0.5 |
| Profit before taxes | 67.4 | 3.0 | 0.2 | 70.6 | 59.1 | 1.0 | – | 60.0 |
| Income taxes | (18.8) | (1.1) | (0.1) | (20.0) | (15.4) | (0.3) | – | (15.7) |
| Net income | 48.6 | 2.0 | 0.1 | 50.7 | 43.7 | 0.6 | – | 44.3 |
| Attributable to | | | | | | | | |
| Chugai shareholders | 47.6 | 2.0 | 0.1 | 49.8 | 43.1 | 0.6 | – | 43.7 |
| Non-controlling interests | 0.9 | – | – | 0.9 | 0.6 | – | – | 0.6 |

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

Amortization of intangible assets (1.2 billion yen in 2015 and 1.0 billion yen in 2016)

Impairment of intangible assets (1.9 billion yen in 2015 and none in 2016)

Others

Restructuring expenses (immaterial in 2015 and none in 2016)

Environmental costs (0.2 billion yen in 2015 and none in 2016)

Statements of revenues (YTD)

(Billions of yen)

| | Actual | Actual | | | | Actual | | | | | | | Forecast | | |
|---|--------|--------|-------|-------|-------|--------|------------|-------|------------|-------|------------|------|------------|-----------|------------|
| | FY2014 | FY2015 | | | | FY2016 | | | | | | | FY2016 | | |
| | 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 | | Full-year | |
| Sales | 436.9 | 113.4 | 232.6 | 353.3 | 468.4 | 115.6 | +1.9 | 237.2 | +2.0 | 347.5 | (1.6) | | | 475.4 | +1.5 |
| Excl. Tamiflu | 423.8 | 106.7 | 225.9 | 346.5 | 460.2 | 108.6 | +1.8 | 230.0 | +1.8 | 339.1 | (2.1) | | | 466.8 | +1.4 |
| Domestic | 349.5 | 83.9 | 179.1 | 275.4 | 378.0 | 87.8 | +4.6 | 184.2 | +2.8 | 277.2 | +0.7 | | | 379.0 | +0.3 |
| Oncology | 188.9 | 47.7 | 101.8 | 156.9 | 215.7 | 51.1 | +7.1 | 107.0 | +5.1 | 161.2 | +2.7 | | | 220.3 | +2.1 |
| Avastin | 82.3 | 20.9 | 44.3 | 68.2 | 93.8 | 22.3 | +6.7 | 45.3 | +2.3 | 67.8 | (0.6) | | | 93.4 | (0.4) |
| Herceptin | 31.2 | 7.5 | 15.8 | 24.1 | 32.7 | 7.8 | +4.0 | 16.6 | +5.1 | 25.0 | +3.7 | | | 34.9 | +6.7 |
| Rituxan | 26.2 | 6.4 | 13.6 | 21.0 | 29.0 | 7.2 | +12.5 | 15.3 | +12.5 | 23.3 | +11.0 | | | 32.9 | +13.4 |
| Xeloda | 10.4 | 2.6 | 5.3 | 8.1 | 11.1 | 2.9 | +11.5 | 6.1 | +15.1 | 9.1 | +12.3 | | | 12.6 | +13.5 |
| Tarceva | 11.5 | 2.5 | 5.5 | 8.6 | 11.6 | 2.5 | 0.0 | 5.6 | +1.8 | 8.4 | (2.3) | | | 12.5 | +7.8 |
| Perjeta | 9.1 | 2.3 | 5.0 | 7.8 | 10.6 | 2.7 | +17.4 | 5.7 | +14.0 | 8.6 | +10.3 | | | 11.3 | +6.6 |
| Alecensa | 1.4 | 1.3 | 3.1 | 5.1 | 8.0 | 2.2 | +69.2 | 5.2 | +67.7 | 8.2 | +60.8 | | | 9.6 | +20.0 |
| Kadcyla | 4.0 | 1.5 | 3.4 | 5.3 | 7.3 | 1.9 | +26.7 | 4.2 | +23.5 | 6.1 | +15.1 | | | 7.6 | +4.1 |
| Neutrogin | 5.9 | 1.0 | 2.3 | 3.6 | 4.9 | 0.8 | (20.0) | 1.9 | (17.4) | 2.9 | (19.4) | | | 2.9 | (40.8) |
| Zelboraf | - | 0.1 | 0.2 | 0.3 | 0.5 | 0.1 | 0.0 | 0.3 | +50.0 | 0.3 | 0.0 | | | 0.7 | +40.0 |
| Other products | 6.9 | 1.6 | 3.3 | 4.7 | 6.1 | 0.5 | (68.8) | 1.0 | (69.7) | 1.3 | (72.3) | | | 1.8 | (70.5) |
| Bone and joint diseases | 69.6 | 17.6 | 37.5 | 57.5 | 79.4 | 19.8 | +12.5 | 41.5 | +10.7 | 62.4 | +8.5 | | | 85.8 | +8.1 |
| Actemra | 24.1 | 5.9 | 12.6 | 19.4 | 26.8 | 6.6 | +11.9 | 14.3 | +13.5 | 21.8 | +12.4 | | | 29.7 | +10.8 |
| Edirol | 19.2 | 4.9 | 10.6 | 16.4 | 23.1 | 5.8 | +18.4 | 12.4 | +17.0 | 19.1 | +16.5 | | | 25.6 | +10.8 |
| Suvenyl | 10.7 | 2.3 | 5.1 | 7.7 | 10.5 | 2.2 | (4.3) | 4.7 | (7.8) | 6.9 | (10.4) | | | 9.5 | (9.5) |
| Bonviva | 3.4 | 1.1 | 2.4 | 3.8 | 5.4 | 1.5 | +36.4 | 3.6 | +50.0 | 5.3 | +39.5 | | | 7.7 | +42.6 |
| Alfarol | 4.9 | 1.0 | 2.1 | 3.1 | 4.2 | 0.8 | (20.0) | 1.6 | (23.8) | 2.4 | (22.6) | | | 3.1 | (26.2) |
| Other products | 7.4 | 2.4 | 4.7 | 7.0 | 9.5 | 2.9 | +20.8 | 4.9 | +4.3 | 6.8 | (2.9) | | | 10.2 | +7.4 |
| Renal diseases | 44.7 | 9.9 | 21.4 | 33.1 | 45.4 | 9.6 | (3.0) | 19.9 | (7.0) | 29.9 | (9.7) | | | 40.8 | (10.1) |
| Mircera | 22.6 | 5.0 | 11.0 | 17.1 | 23.8 | 5.3 | +6.0 | 11.4 | +3.6 | 17.3 | +1.2 | | | 23.7 | (0.4) |
| Oxarol | 12.2 | 2.8 | 6.0 | 9.4 | 12.9 | 2.4 | (14.3) | 4.7 | (21.7) | 6.8 | (27.7) | | | 9.2 | (28.7) |
| Epogin | 6.6 | 1.4 | 2.9 | 4.4 | 5.9 | 1.2 | (14.3) | 2.5 | (13.8) | 3.8 | (13.6) | | | 5.3 | (10.2) |
| Other products | 3.4 | 0.7 | 1.4 | 2.1 | 2.8 | 0.6 | (14.3) | 1.3 | (7.1) | 2.0 | (4.8) | | | 2.5 | (10.7) |
| Transplant, Immunology, and Infectious diseases | 20.8 | 3.4 | 7.1 | 11.5 | 15.9 | 3.2 | (5.9) | 6.7 | (5.6) | 10.0 | (13.0) | | | 14.1 | (11.3) |
| CellCept | 6.5 | 1.6 | 3.3 | 5.0 | 7.0 | 1.7 | +6.3 | 3.7 | +12.1 | 5.7 | +14.0 | | | 8.1 | +15.7 |
| Copegus | 3.1 | 0.2 | 0.6 | 1.8 | 2.9 | 0.5 | +150.0 | 1.0 | +66.7 | 1.3 | (27.8) | | | 1.5 | (48.3) |
| Pegasys | 7.0 | 0.8 | 1.3 | 1.7 | 1.9 | 0.1 | (87.5) | 0.3 | (76.9) | 0.4 | (76.5) | | | 0.9 | (52.6) |
| Other products | 4.2 | 0.9 | 2.0 | 3.0 | 4.0 | 0.8 | (11.1) | 1.7 | (15.0) | 2.6 | (13.3) | | | 3.6 | (10.0) |
| Others | 25.6 | 5.3 | 11.4 | 16.5 | 21.7 | 4.1 | (22.6) | 9.1 | (20.2) | 13.7 | (17.0) | | | 18.0 | (17.1) |
| Sigmart | 6.4 | 1.3 | 2.6 | 3.9 | 5.2 | 1.0 | (23.1) | 2.0 | (23.1) | 2.8 | (28.2) | | | 4.0 | (23.1) |
| Other products | 19.2 | 4.0 | 8.8 | 12.6 | 16.6 | 3.2 | (20.0) | 7.1 | (19.3) | 10.9 | (13.5) | | | 14.0 | (15.7) |
| Overseas | 74.3 | 22.8 | 46.8 | 71.1 | 82.2 | 20.8 | (8.8) | 45.8 | (2.1) | 61.8 | (13.1) | | | 87.8 | +6.8 |
| Actemra | 55.7 | 18.3 | 37.7 | 56.9 | 63.6 | 16.1 | (12.0) | 36.5 | (3.2) | 47.9 | (15.8) | | | 69.3 | +9.0 |
| To Roche | 55.1 | 18.0 | 37.2 | 56.1 | 62.6 | 15.8 | (12.2) | 36.0 | (3.2) | 47.0 | (16.2) | | | 68.0 | +8.6 |
| Neutrogin | 15.7 | 3.7 | 7.4 | 11.4 | 14.8 | 3.1 | (16.2) | 6.2 | (16.2) | 9.5 | (16.7) | | | 13.1 | (11.5) |
| Alecensa | - | - | - | 0.2 | 0.5 | 0.7 | - | 1.4 | - | 2.2 | +1,000.0 | | | 2.5 | +400.0 |
| Akynto | - | - | - | 0.0 | 0.0 | 0.0 | - | 0.0 | - | 0.1 | - | | | 0.2 | - |
| Aloxi | - | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | 0.0 | 0.1 | 0.0 | 0.2 | 0.0 | | | 0.1 | (66.7) |
| Other products | 2.9 | 0.8 | 1.6 | 2.4 | 3.0 | 0.8 | 0.0 | 1.4 | (12.5) | 2.0 | (16.7) | | | 2.6 | (13.3) |
| Tamiflu | 13.0 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 8.4 | +25.4 | | | 8.6 | +4.9 |
| Ordinary use | 12.9 | 6.7 | 6.7 | 6.7 | 8.2 | 7.0 | +4.5 | 7.3 | +9.0 | 7.3 | +9.0 | | | 7.6 | (7.3) |
| Govt. stockpiles etc. | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | - | | | 1.0 | - |
| Royalties and other operating income | 24.2 | 3.7 | 7.5 | 14.5 | 30.4 | 4.3 | +16.2 | 10.3 | +37.3 | 14.0 | (3.4) | | | 19.6 | (35.5) |
| Revenues | 461.1 | 117.1 | 240.2 | 367.8 | 498.8 | 119.9 | +2.4 | 247.5 | +3.0 | 361.5 | (1.7) | | | 495.0 | (0.8) |
| Domestic | 372.9 | 90.8 | 186.2 | 282.6 | 390.0 | 95.2 | +4.8 | 193.2 | +3.8 | 287.5 | +1.7 | | | 389.5 | (0.1) |
| Overseas | 88.2 | 26.2 | 53.9 | 85.1 | 108.8 | 24.7 | (5.7) | 54.4 | +0.9 | 74.0 | (13.0) | | | 105.5 | (3.0) |

Statements of revenues (QTR)

(Billions of yen)

| | Actual | | | | Actual | | | | | | | |
|---|--------|-------|-------|-------|--------|------------|-------|------------|-------|------------|-------|------------|
| | FY2015 | | | | FY2016 | | | | | | | |
| | 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 | 113.4 | 119.2 | 120.6 | 115.2 | 115.6 | +1.9 | 121.6 | +2.0 | 110.2 | (8.6) | | |
| Excl. Tamiflu | 106.7 | 119.2 | 120.6 | 113.7 | 108.6 | +1.8 | 121.4 | +1.8 | 109.1 | (9.5) | | |
| Domestic | 83.9 | 95.2 | 96.3 | 102.6 | 87.8 | +4.6 | 96.4 | +1.3 | 93.0 | (3.4) | | |
| Oncology | 47.7 | 54.1 | 55.1 | 58.8 | 51.1 | +7.1 | 55.9 | +3.3 | 54.1 | (1.8) | | |
| Avastin | 20.9 | 23.4 | 23.9 | 25.6 | 22.3 | +6.7 | 23.0 | (1.7) | 22.4 | (6.3) | | |
| Herceptin | 7.5 | 8.4 | 8.3 | 8.6 | 7.8 | +4.0 | 8.7 | +3.6 | 8.4 | +1.2 | | |
| Rituxan | 6.4 | 7.2 | 7.4 | 7.9 | 7.2 | +12.5 | 8.1 | +12.5 | 8.1 | +9.5 | | |
| Xeloda | 2.6 | 2.8 | 2.8 | 3.0 | 2.9 | +11.5 | 3.2 | +14.3 | 3.0 | +7.1 | | |
| Tarceva | 2.5 | 3.0 | 3.1 | 3.0 | 2.5 | 0.0 | 3.0 | 0.0 | 2.8 | (9.7) | | |
| Perjeta | 2.3 | 2.7 | 2.8 | 2.8 | 2.7 | +17.4 | 3.0 | +11.1 | 2.9 | +3.6 | | |
| Alecensa | 1.3 | 1.7 | 2.1 | 2.8 | 2.2 | +69.2 | 3.0 | +76.5 | 3.0 | +42.9 | | |
| Kadcyla | 1.5 | 1.9 | 1.9 | 2.0 | 1.9 | +26.7 | 2.2 | +15.8 | 2.0 | +5.3 | | |
| Neutrogin | 1.0 | 1.3 | 1.3 | 1.3 | 0.8 | (20.0) | 1.1 | (15.4) | 1.0 | (23.1) | | |
| Zelboraf | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 | 0.0 | 0.1 | 0.0 | 0.1 | (50.0) | | |
| Other products | 1.6 | 1.7 | 1.4 | 1.4 | 0.5 | (68.8) | 0.4 | (76.5) | 0.4 | (71.4) | | |
| Bone and joint diseases | 17.6 | 19.8 | 20.1 | 21.8 | 19.8 | +12.5 | 21.7 | +9.6 | 20.9 | +4.0 | | |
| Actemra | 5.9 | 6.7 | 6.8 | 7.4 | 6.6 | +11.9 | 7.6 | +13.4 | 7.6 | +11.8 | | |
| Edirol | 4.9 | 5.7 | 5.8 | 6.6 | 5.8 | +18.4 | 6.7 | +17.5 | 6.6 | +13.8 | | |
| Suvenyl | 2.3 | 2.7 | 2.6 | 2.8 | 2.2 | (4.3) | 2.4 | (11.1) | 2.3 | (11.5) | | |
| Bonviva | 1.1 | 1.3 | 1.4 | 1.6 | 1.5 | +36.4 | 2.1 | +61.5 | 1.7 | +21.4 | | |
| Alfarol | 1.0 | 1.1 | 1.0 | 1.1 | 0.8 | (20.0) | 0.9 | (18.2) | 0.8 | (20.0) | | |
| Other products | 2.4 | 2.3 | 2.3 | 2.4 | 2.9 | +20.8 | 2.0 | (13.0) | 1.9 | (17.4) | | |
| Renal diseases | 9.9 | 11.5 | 11.7 | 12.3 | 9.6 | (3.0) | 10.3 | (10.4) | 10.0 | (14.5) | | |
| Mircera | 5.0 | 6.0 | 6.1 | 6.7 | 5.3 | +6.0 | 6.1 | +1.7 | 6.0 | (1.6) | | |
| Oxarol | 2.8 | 3.2 | 3.4 | 3.5 | 2.4 | (14.3) | 2.3 | (28.1) | 2.1 | (38.2) | | |
| Epogin | 1.4 | 1.5 | 1.5 | 1.5 | 1.2 | (14.3) | 1.3 | (13.3) | 1.3 | (13.3) | | |
| Other products | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | (14.3) | 0.7 | 0.0 | 0.7 | 0.0 | | |
| Transplant, Immunology, and Infectious diseases | 3.4 | 3.7 | 4.3 | 4.4 | 3.2 | (5.9) | 3.5 | (5.4) | 3.4 | (20.9) | | |
| CellCept | 1.6 | 1.7 | 1.8 | 1.9 | 1.7 | +6.3 | 2.0 | +17.6 | 2.0 | +11.1 | | |
| Copegus | 0.2 | 0.4 | 1.2 | 1.2 | 0.5 | +150.0 | 0.5 | +25.0 | 0.3 | (75.0) | | |
| Pegasys | 0.8 | 0.6 | 0.4 | 0.2 | 0.1 | (87.5) | 0.1 | (83.3) | 0.1 | (75.0) | | |
| Other products | 0.9 | 1.0 | 1.0 | 1.1 | 0.8 | (11.1) | 0.9 | (10.0) | 0.9 | (10.0) | | |
| Others | 5.3 | 6.1 | 5.1 | 5.2 | 4.1 | (22.6) | 5.0 | (18.0) | 4.6 | (9.8) | | |
| Sigmart | 1.3 | 1.3 | 1.3 | 1.3 | 1.0 | (23.1) | 1.0 | (23.1) | 0.9 | (30.8) | | |
| Other products | 4.0 | 4.8 | 3.8 | 3.9 | 3.2 | (20.0) | 4.0 | (16.7) | 3.8 | 0.0 | | |
| Overseas | 22.8 | 24.0 | 24.3 | 11.1 | 20.8 | (8.8) | 25.0 | +4.2 | 16.1 | (33.7) | | |
| Actemra | 18.3 | 19.4 | 19.2 | 6.7 | 16.1 | (12.0) | 20.4 | +5.2 | 11.4 | (40.6) | | |
| To Roche | 18.0 | 19.2 | 18.9 | 6.5 | 15.8 | (12.2) | 20.2 | +5.2 | 11.1 | (41.3) | | |
| Neutrogin | 3.7 | 3.7 | 4.0 | 3.5 | 3.1 | (16.2) | 3.1 | (16.2) | 3.2 | (20.0) | | |
| Alecensa | - | - | 0.2 | 0.3 | 0.7 | - | 0.7 | - | 0.7 | +250.0 | | |
| Akynteo | - | - | 0.0 | 0.0 | 0.0 | - | 0.0 | - | 0.0 | 0.0 | | |
| Aloxi | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | - | 0.0 | (100.0) | | |
| Other products | 0.8 | 0.9 | 0.8 | 0.6 | 0.8 | 0.0 | 0.7 | (22.2) | 0.6 | (25.0) | | |
| Tamiflu | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | 1.1 | - | | |
| Ordinary use | 6.7 | 0.0 | 0.0 | 1.5 | 7.0 | +4.5 | 0.3 | - | (0.0) | - | | |
| Govt. stockpiles etc. | 0.0 | - | - | 0.0 | 0.0 | 0.0 | - | - | 1.2 | - | | |
| Royalties and other operating income | 3.7 | 3.9 | 7.0 | 15.9 | 4.3 | +16.2 | 6.0 | +53.8 | 3.8 | (45.7) | | |
| Revenues | 117.1 | 123.1 | 127.6 | 131.1 | 119.9 | +2.4 | 127.6 | +3.7 | 114.0 | (10.7) | | |
| Domestic | 90.8 | 95.4 | 96.4 | 107.4 | 95.2 | +4.8 | 98.0 | +2.7 | 94.3 | (2.2) | | |
| Overseas | 26.2 | 27.7 | 31.2 | 23.7 | 24.7 | (5.7) | 29.6 | +6.9 | 19.7 | (36.9) | | |

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

(Billions of yen)

| | Actual | Actual | | | | | Actual | | | | | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|-------------------|-------------------|---------|-------------------|-------------------|---------|-------------------|-------------------|---------|-------------------|--|
| | FY2014 | FY2015 | | | | | FY2016 | | | | | | | | | | |
| | Dec. 31 | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 | Mar. 31 | vs. Mar. 31, 2015 | vs. Dec. 31, 2015 | Jun. 30 | vs. Jun. 30, 2015 | vs. Dec. 31, 2015 | Sep. 30 | vs. Sep. 30, 2015 | vs. Dec. 31, 2015 | Dec. 31 | vs. Dec. 31, 2015 | |
| Trade accounts receivable | 141.3 | 120.6 | 128.3 | 126.1 | 134.5 | 121.5 | 0.9 | (13.0) | 124.5 | (3.8) | (10.0) | 114.1 | (12.0) | (20.4) | | | |
| Inventories | 139.6 | 147.8 | 145.9 | 154.3 | 161.1 | 167.3 | 19.5 | 6.2 | 173.5 | 27.6 | 12.4 | 187.1 | 32.8 | 26.0 | | | |
| Trade accounts payable | (35.4) | (49.2) | (43.4) | (46.2) | (41.2) | (48.7) | 0.5 | (7.5) | (37.5) | 5.9 | 3.7 | (42.2) | 4.0 | (1.0) | | | |
| Other net working capital | (36.2) | (30.1) | (26.2) | (31.5) | (39.8) | (26.3) | 3.8 | 13.5 | (16.5) | 9.7 | 23.3 | (22.6) | 8.9 | 17.2 | | | |
| Net working capital | 209.4 | 189.0 | 204.6 | 202.7 | 214.6 | 213.8 | 24.8 | (0.8) | 244.1 | 39.5 | 29.5 | 236.4 | 33.7 | 21.8 | | | |
| Property, plant and equipment | 140.2 | 140.7 | 141.9 | 142.8 | 153.5 | 159.4 | 18.7 | 5.9 | 157.6 | 15.7 | 4.1 | 156.4 | 13.6 | 2.9 | | | |
| Intangible assets | 11.3 | 11.8 | 10.9 | 13.3 | 13.5 | 13.8 | 2.0 | 0.3 | 16.6 | 5.7 | 3.1 | 17.3 | 4.0 | 3.8 | | | |
| Other long-term assets – net | (3.2) | (3.1) | (2.1) | (2.7) | (1.3) | (0.2) | 2.9 | 1.1 | (2.4) | (0.3) | (1.1) | (3.3) | (0.6) | (2.0) | | | |
| Long-term net operating assets | 148.4 | 149.4 | 150.7 | 153.4 | 165.8 | 173.0 | 23.6 | 7.2 | 171.8 | 21.1 | 6.0 | 170.3 | 16.9 | 4.5 | | | |
| Net operating assets | 357.7 | 338.4 | 355.3 | 356.2 | 380.4 | 386.8 | 48.4 | 6.4 | 415.9 | 60.6 | 35.5 | 406.7 | 50.5 | 26.3 | | | |
| Debt | (0.2) | (0.2) | (0.2) | (0.8) | (0.7) | (0.7) | (0.5) | 0.0 | (0.7) | (0.5) | 0.0 | (0.7) | 0.1 | 0.0 | | | |
| Marketable securities | 116.0 | 114.3 | 120.0 | 121.7 | 134.4 | 112.9 | (1.4) | (21.5) | 109.4 | (10.6) | (25.0) | 109.2 | (12.5) | (25.2) | | | |
| Cash and cash equivalents | 114.0 | 123.6 | 126.6 | 121.6 | 101.7 | 106.8 | (16.8) | 5.1 | 100.1 | (26.5) | (1.6) | 100.0 | (21.6) | (1.7) | | | |
| Net cash | 229.9 | 237.8 | 246.4 | 242.5 | 235.4 | 219.0 | (18.8) | (16.4) | 208.8 | (37.6) | (26.6) | 208.6 | (33.9) | (26.8) | | | |
| Other non-operating assets – net | 10.2 | 18.8 | 11.7 | 16.4 | 11.5 | 14.0 | (4.8) | 2.5 | 4.7 | (7.0) | (6.8) | 15.9 | (0.5) | 4.4 | | | |
| Net non-operating assets | 240.0 | 256.6 | 258.2 | 258.9 | 246.8 | 233.0 | (23.6) | (13.8) | 213.5 | (44.7) | (33.3) | 224.5 | (34.4) | (22.3) | | | |
| Total net assets | 597.8 | 594.9 | 613.4 | 615.1 | 627.3 | 619.8 | 24.9 | (7.5) | 629.4 | 16.0 | 2.1 | 631.2 | 16.1 | 3.9 | | | |
| Total net assets | | | | | | | | | | | | | | | | | |
| Total assets | 739.5 | 727.3 | 744.3 | 753.5 | 787.4 | 762.4 | 35.1 | (25.0) | 766.9 | 22.6 | (20.5) | 769.9 | 16.4 | (17.5) | | | |
| Total liabilities | (141.8) | (132.3) | (130.9) | (138.4) | (160.1) | (142.7) | (10.4) | 17.4 | (137.5) | (6.6) | 22.6 | (138.7) | (0.3) | 21.4 | | | |
| Attributable to | | | | | | | | | | | | | | | | | |
| Chugai shareholders | 596.1 | 593.8 | 612.6 | 613.9 | 625.9 | 618.7 | 24.9 | (7.2) | 628.8 | 16.2 | 2.9 | 630.4 | 16.5 | 4.5 | | | |
| Non-controlling interests | 1.7 | 1.2 | 0.9 | 1.1 | 1.4 | 1.1 | (0.1) | (0.3) | 0.6 | (0.3) | (0.8) | 0.8 | (0.3) | (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 International Accounting Standards (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 | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|------|
| | FY2014 | FY2015 | | | | FY2016 | | | |
| | 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 | 75.9 | 20.7 | 43.2 | 67.1 | 86.8 | 20.1 | 43.5 | 58.6 | |
| Depreciation and impairment of property, plant and equipment | 15.5 | 3.5 | 7.0 | 10.5 | 14.2 | 3.6 | 7.5 | 11.2 | |
| Amortization and impairment of intangible assets | 1.4 | 0.7 | 2.6 | 3.0 | 3.5 | 0.4 | 0.7 | 1.2 | |
| Other cash adjustment on operating profit | 3.7 | 0.2 | (0.7) | (0.0) | 1.0 | 1.0 | 1.5 | 1.6 | |
| Operating profit, net of operating cash adjustments | 96.4 | 25.0 | 52.1 | 80.6 | 105.4 | 25.0 | 53.3 | 72.6 | |
| (Increase) decrease in trade accounts receivable | (30.2) | 20.6 | 13.0 | 15.1 | 6.7 | 12.9 | 9.7 | 20.1 | |
| (Increase) decrease in inventories | (12.2) | (8.5) | (6.7) | (15.5) | (23.3) | (7.0) | (13.8) | (27.4) | |
| Increase (decrease) in trade accounts payable | (0.6) | 13.9 | 8.0 | 10.9 | 5.9 | 7.5 | (3.5) | 1.3 | |
| Change in other net working capital etc. | 9.7 | (4.5) | (7.3) | (1.1) | (5.2) | (7.1) | (11.0) | (3.0) | |
| Total (increase) decrease in net working capital etc. | (33.3) | 21.4 | 7.0 | 9.4 | (15.9) | 6.3 | (18.5) | (9.1) | |
| Investment in property, plant and equipment | (16.2) | (5.1) | (10.9) | (15.5) | (18.4) | (17.1) | (24.2) | (27.4) | |
| Investment in intangible assets | (2.9) | (2.1) | (2.9) | (5.9) | (6.5) | (0.8) | (3.5) | (4.8) | |
| Operating free cash flow | 43.9 | 39.2 | 45.3 | 68.6 | 64.6 | 13.5 | 7.0 | 31.3 | |
| as % of revenues | 9.5% | 33.5% | 18.9% | 18.7% | 13.0% | 11.3% | 2.8% | 8.7% | |
| Treasury activities (interest income/expenses, foreign exchange gains/losses etc.) | 0.3 | 1.7 | 2.6 | 3.0 | 1.6 | 1.3 | 1.7 | 4.3 | |
| Tax paid | (25.2) | (15.5) | (16.0) | (28.2) | (29.1) | (12.3) | (12.8) | (25.0) | |
| Free cash flow | 19.0 | 25.4 | 31.9 | 43.5 | 37.0 | 2.5 | (4.2) | 10.5 | |
| Dividends paid | (25.5) | (14.6) | (14.8) | (29.3) | (29.4) | (17.8) | (17.9) | (32.7) | |
| Transaction in own equity instruments | 1.2 | 0.4 | 0.8 | 1.3 | 1.4 | 0.2 | 0.4 | 0.4 | |
| Net effect of currency translation on net cash | 0.7 | (3.2) | (1.4) | (2.8) | (3.5) | (1.3) | (4.9) | (5.1) | |
| Net change in net cash | (4.5) | 7.9 | 16.5 | 12.6 | 5.5 | (16.4) | (26.6) | (26.8) | |

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(Operating 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(FCF): 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 International Accounting Standard (IAS) No. 7, “Statement of Cash Flows.” 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 FCF have been excluded, as the Core results concept only applies to the income statement.

Previously, FCF represents the amount net of dividends paid. However, effective from the second quarter of FY 2016, FCF represents the amount before the deduction of dividends paid to conform to the general definition of FCF, following Roche’s change in definition of FCF. This change is reflected from the financial results for the second quarter of FY 2016, and FCF before the first quarter of FY 2016 has been amended for comparison purpose. The change has no effect on operating FCF.

Performance indicators

| | Units | Actual | Actual | | | | Actual | | | | Forecast (Jan 28th announced) |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------------|
| | | FY2014 | FY2015 | | | | FY2016 | | | | FY2016 |
| | | 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) | % | 8.7 | 2.5 | 5.0 | 7.9 | 10.0 | 2.3 | 5.0 | 6.9 | | |
| Ratio of profit before taxes to total assets (ROA) | % | 10.6 | 2.9 | 5.9 | 9.0 | 11.4 | 2.6 | 5.6 | 7.6 | | |
| Ratio of equity attributable to Chugai shareholders | % | 80.6 | 81.6 | 82.3 | 81.5 | 79.5 | 81.1 | 82.0 | 81.9 | | |
| Equity per share attributable to Chugai shareholders (BPS) | Yen | 1,092.90 | 1,088.25 | 1,122.33 | 1,124.39 | 1,146.17 | 1,132.81 | 1,151.17 | 1,154.18 | | |
| Ratio of dividends to equity attributable to Chugai shareholders (DOE) | % | 4.5 | 5.2 | | | | | | | | |
| Core return on net operating assets (Core RONOA) | % | 14.8 | 4.5 | 9.2 | 14.2 | 17.1 | 3.9 | 7.8 | 10.9 | | |
| Cash conversion cycle (CCC) | Months | 9.6 | 8.3 | 8.6 | 8.7 | 9.4 | 9.0 | 9.7 | 10.0 | | |
| Net cash turnover period | Months | 6.0 | 6.1 | 6.2 | 5.9 | 5.7 | 5.5 | 5.1 | 5.2 | | |
| Number of employees | | 7,023 | 7,009 | 7,196 | 7,177 | 7,169 | 7,137 | 7,275 | 7,252 | | |
| Investment on property, plant and equipment | Billions of yen | 16.3 | 4.0 | 7.8 | 13.5 | 28.7 | 9.7 | 12.4 | 15.1 | | 19.0 |
| Depreciation | Billions of yen | 13.7 | 3.4 | 6.9 | 10.4 | 14.0 | 3.5 | 7.5 | 11.1 | | 14.5 |
| Investment on intangible assets | Billions of yen | 3.1 | | | | 5.8 | | | | | |
| Amortization | Billions of yen | 1.2 | | | | 1.6 | | | | | |

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 25, 2016)

| Development code (Compound number) | Indication # Additional indication | Stage (Date) | Generic name Product name Dosage form | Origin Overseas name (Collaborator) | Mode of Action |
|---|---|----------------------------------|---|--|---|
| Oncology | | | | | |
| RG435 (RO4876646) | Cervical Cancer # | Approved (16/05) | bevacizumab Avastin Injection | Roche Avastin | Anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody |
| | Renal cell carcinoma # | Phase III Multinational study | | | |
| | Malignant pleural mesothelioma # | Phase II | | | |
| AF802 / RG7853 (CH5424802/RO5424802) | Non-small cell lung cancer (NSCLC) [post-crizotinib] | Filed (15/09) Europe | alectinib Alecensa Oral | In-house Alecensa (Roche) | ALK inhibitor |
| | NSCLC [1st line] # | Phase III Overseas | | | |
| 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 |
| GA101 / RG7159 (RO5072759) | Indolent non-Hodgkin's lymphoma (NHL) | Phase III Multinational study | obinutuzumab Injection | Roche Gazyva/Gazyvaro (EU) (Nippon Shinyaku) | Glycoengineered type II anti-CD20 monoclonal antibody |
| | Aggressive NHL | Development discontinued | | | |

| Development code (Compound number) | Indication # Additional indication | Stage (Date) | Generic name Product name Dosage form | Origin Overseas name (Collaborator) | Mode of Action |
|---------------------------------------|--|----------------------------------|---|---|---|
| RG7446 (MPDL3280A) | NSCLC | Phase III Multinational study | atezolizumab Injection | Roche Tecentriq | Engineered anti-PDL1 monoclonal antibody |
| | NSCLC (adjuvant) | Phase III Multinational study | | | |
| | Small cell lung cancer (SCLC) | Phase III Multinational study | | | |
| | Urothelial carcinoma | Phase III Multinational study | | | |
| | Muscle invasive urothelial carcinoma (adjuvant) | Phase III Multinational study | | | |
| | Renal cell carcinoma | Phase III Multinational study | | | |
| | Breast cancer | Phase III Multinational study | | | |
| GC33 / RG7686 (GC33/RO5137382) | Hepatocellular carcinoma | Phase I 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 |
| ERY974 (ERY974) | Solid tumors | Phase I Overseas | Injection | In-house | Anti-Glypican-3/CD3 bispecific antibody |
| RG6078 (GDC-0919) | Solid tumors | Phase I | Oral | Roche/NewLink Genetics | IDO inhibitor |

| Development code (Compound number) | Indication # Additional indication | Stage (Date) | Generic name Product name Dosage form | Origin Overseas name (Collaborator) | Mode of Action |
|---------------------------------------|---|-----------------------------------|---|---|--|
| <u>Bone and Joint Diseases</u> | | | | | |
| 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 III Multinational study | | | |
| SA237 (SA237) | Neuromyelitis optica (NMO) | Phase III Multinational study* | In-house Injection | In-house | Anti-IL-6 receptor humanized monoclonal antibody |
| <u>Central Nervous System</u> | | | | | |
| RG1450 (RO4909832) | Alzheimer's disease | Phase III Multinational study | gantenerumab Injection | Roche/MorphoSys | Anti-amyloid-beta human monoclonal antibody |
| RG7412 (RO5490255) | Alzheimer's disease | Phase I | crenezumab Injection | Roche/AC Immune | Anti-amyloid-beta humanized monoclonal antibody |
| RG1662 (RO5186582) | Improvement of intellectual ability in individuals with Down syndrome | Development discontinued | basmisaniil Oral | Roche | GABA _A α5 receptor antagonist |
| <u>Others</u> | | | | | |
| ACE910 / RG6013 (RO5534262) | Hemophilia A (Inhibitor) | Phase III Multinational study | emicizumab Injection | In-house (Roche) | Anti-FIXa/FX bispecific antibody |
| | Hemophilia A (Non-inhibitor) | 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 |
|---------------------------------------|---|----------------------------------|---|---|---|
| RG3637 (RO5490255) | Idiopathic pulmonary fibrosis | Phase II Multinational study | lebrikizumab | Roche | Anti-IL-13 humanized monoclonal antibody |
| | Asthma | Development discontinued | Injection | | |
| CIM331 (CIM331) | Pruritus in dialysis patients | Phase II | nemolizumab | In-house | Anti-IL-31 receptor humanized monoclonal antibody |
| | Atopic dermatitis [Development out-licensed to] - Galderma (Overseas) - Maruho (Japan) | Phase II Multinational study* | | | |
| URC102 (URC102) | Gout | Phase II Overseas | Oral | In-house/JW Pharmaceutical (JW Pharmaceutical) | URAT1 inhibitor |
| 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 studies managed by Chugai

Changes from the last announcement on July 21, 2016

Oncology

- GC33/RG7686 Phase II multinational study → Phase I multinational study (Hepatocellular carcinoma)
- ERY974 Phase I study (Overseas, solid tumor: Development started)
- RG6078 Phase I study (Solid tumor: Development started)
- GA101/RG7159 Phase III multinational study → Development discontinued (Aggressive NHL)

Central Nervous System

- RG7412 Phase I study (Alzheimer's disease: Development started)
- RG1662 Phase I study → Development discontinued (Improvement of intellectual ability in individuals with Down syndrome)

Others

- ACE910/RG6013 Phase III multinational study (Hemophilia A [Non-inhibitor])
- RG3637 Phase III multinational study → Development discontinued (Asthma)

R&D Activities (Jan. 1, 2016- Oct. 25, 2016)

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

Oncology

- We obtained approval for the anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody (product name: Avastin) for the indication of cervical cancer in May, 2016. We started a Phase II study (expected indication: Malignant pleural mesothelioma) in July, 2016.
- We started Phase III multinational studies for the engineered anti-PDL1 monoclonal antibody RG7446 for the expected indication of breast cancer in May and small cell lung cancer in June, 2016.
- We started Phase I multinational study for the anti-Glypican-3 humanized monoclonal antibody GC33/RG7686 in combination with RG7446 for the expected indication of hepatocellular carcinoma in August, 2016.
- We started overseas Phase I study for the anti-Glypican-3/CD3 bispecific antibody ERY974 in solid tumors in August, 2016.
- We started Phase I study for the IDO inhibitor RG6078 in combination with RG7446 in solid tumors in September, 2016.
- We decided to discontinue development of the anti-HER2 antibody-tubulin polymerization inhibitor conjugate RG3502 (product name: Kadcylla) for gastric cancer in consideration of the fact that the primary endpoint was not achieved in the Phase III multinational study (the GATSBY study).
- We decided to discontinue development of the glycoengineered type II anti-CD20 monoclonal antibody GA101/RG7159 for aggressive NHL in consideration of the results of the Phase III multinational study (the GOYA study).

Bone and Joint Diseases

- We obtained approval for the indication of osteoporosis for bisphosphonate RG484 (oral) (product name: Bonviva) in January, and launched in April, 2016.

Central Nervous System

- We started Phase I study for the anti-amyloid-beta humanized monoclonal antibody RG7412 for the expected indication of Alzheimer's disease in September, 2016.
- We decided to discontinue development of the GABAA α 5 receptor antagonist RG1662 for improvement of intellectual ability in individuals with Down syndrome in consideration of the results of the overseas study conducted by Roche.

Others

- We started Phase III multinational study for the anti-FIXa/FX bispecific antibody ACE910/RG6013 for the expected indication of Hemophilia A (Non-inhibitor) in September, 2016.
- We decided to discontinue development of the anti-IL-13 humanized monoclonal antibody RG3637 for asthma in consideration of the results of the Phase III multinational study (the LAVOLTA II study).

Major clinical trials in oncology field

| Theme | Expected Indication | Study design | Study name | Stage | Planned filing year |
|---------------------------------|--|---|---------------|-----------|---------------------|
| RG1273 Perjeta | Breast cancer (adjuvant) | Herceptin + chemotherapy ± Perjeta | APHINITY | Phase III | 2017 |
| | Gastric cancer | Herceptin + chemotherapy ± Perjeta | JACOB | Phase III | 2018 |
| RG3502 Kadcyla | Breast cancer (adjuvant) | Kadcyla + Perjeta vs. Herceptin + Perjeta + chemotherapy | KAITLIN | Phase III | 2019 and beyond |
| GA101/ RG7159 (obinutuzumab) | Indolent NHL | GA101 + chemotherapy vs. Rituxan + chemotherapy (G-chemo vs. R-chemo) | GALLIUM | Phase III | 2017 |
| RG7446 (atezolizumab) | NSCLC | RG7446 vs. docetaxel | OAK | Phase III | 2017 |
| | | PD-L1 positive RG7446 | BIRCH | Phase II | |
| | | PD-L1 positive RG7446 vs. chemotherapy | IMpower 110 | Phase III | |
| | | Non-squamous RG7446 + chemotherapy ± Avastin vs. Chemotherapy + Avastin | IMpower 150 | Phase III | |
| | | Non-Squamous Chemotherapy ± RG7446 | IMpower 132 | Phase III | |
| | | Squamous Chemotherapy ± RG7446 | IMpower 131 | Phase III | |
| | NSCLC (adjuvant) | RG7446 vs. best supportive care | IMpower 010 | Phase III | 2019 and beyond |
| | SCLC | carboplatin + etoposide ± RG7446 | IMpower 133 | Phase III | 2019 and beyond |
| | Urothelial carcinoma | RG7446 vs. chemotherapy | IMvigor 211 | Phase III | 2017 |
| | Muscle invasive urothelial carcinoma (adjuvant) | RG7446 vs. observation | IMvigor 010 | Phase III | 2019 and beyond |
| | Breast cancer | Triple negative breast cancer nab-paclitaxel ± RG7446 | IMpassion 130 | Phase III | 2018 |
| RG435 Avastin | Renal cell carcinoma | RG7446 + Avastin vs. sunitinib | IMmotion 151 | Phase III | 2018 |

Clinical trials for cancer immunotherapy

| Cancer type | Target | Treatment | Study name | Stage |
|----------------------------|-------------------------------------|--|---------------|-----------|
| Non-small cell lung cancer | 2nd line | RG7446 (atezolizumab) | OAK | Phase III |
| | PD-L1 positive | RG7446 (atezolizumab) | BIRCH | Phase II |
| | PD-L1 positive, 1st line | RG7446 (atezolizumab) | IMpower 110 | Phase III |
| | Non-Squamous, 1st line | RG7446 (atezolizumab) + chemotherapy + Avastin | IMpower 150 | Phase III |
| | Non-Squamous, 1st line | RG7446 (atezolizumab) + chemotherapy | IMpower 132 | Phase III |
| | Squamous, 1st line | RG7446 (atezolizumab) + chemotherapy | IMpower 131 | Phase III |
| | Adjuvant | RG7446 (atezolizumab) | IMpower 010 | Phase III |
| Small cell lung cancer | 1st line | RG7446 (atezolizumab) + chemotherapy | IMpower 133 | Phase III |
| Urothelial carcinoma | 2nd line+ | RG7446 (atezolizumab) | IMvigor 211 | Phase III |
| | Muscle invasive carcinoma, adjuvant | RG7446 (atezolizumab) | IMvigor 010 | Phase III |
| Breast cancer | Triple negative, 1st line | RG7446 (atezolizumab) + chemotherapy | IMpassion 130 | Phase III |
| Renal cell carcinoma | 1st line | RG7446 (atezolizumab)+ Avastin | IMmotion 151 | Phase III |
| Hepatocellular carcinoma | Glypican-3 positive | GC33 (codrituzumab) + RG7446 (atezolizumab) | — | Phase I |
| Solid tumor | Glypican-3 positive | ERY974 | — | Phase I |
| | — | RG6078 + RG7446 (atezolizumab) | — | Phase I |