



Roche Roche Group

FY2012 1Q Consolidated Financial Overview

CHUGAI PHARMACEUTICAL CO., LTD.
Executive Vice President CFO
Yoshio Itaya

April 24, 2012

Forward-Looking Statements

This presentation may include forward-looking statements pertaining to the business and prospects of Chugai Pharmaceutical Co., Ltd. (the “Company”). These statements reflect the Company’s current analysis of existing information and trends. Actual results may differ from expectations based on risks and uncertainties that may affect the Company’s businesses.

Summary

- **Revenues 90.3 billion JPY (+5.4%)**
 - Tamiflu: sales almost doubled reflecting a large flu season
 - Domestic sales excl. Tamiflu: growth of new products offset by decline in Epogin/HCV products and the impact of NHI price revision
 - Overseas sales: approx. fivefold increase of Actemra export due to the impact of the earthquake
 - Other operating revenues: approx. 30% decline due to decrease in one-time income

- **Operating Income 16.6 billion JPY (+6.4%):**
 - Flat year-on-year gross profit
 - SG&A declined due to cost containment efforts

- **Net Income 9.3 billion JPY (+86.0%)**
 - Extraordinary loss of 6.1 billion JPY recorded last year due to the earthquake

Financial Overview Jan-Mar

(Billion JPY)	2011		2012		Growth	
	Jan-Mar	As % of Revenues	Jan-Mar	As % of Revenues		%
Revenues	85.7		90.3		+4.6	+5.4
Sales	80.4		86.8		+6.4	+8.0
excl. Tamiflu	76.2		79.0		+2.8	+3.7
Tamiflu	4.2		7.8		+3.6	+85.7
Other Operating Revenues	5.3		3.5		-1.8	-34.0
Operating Income	15.6	18.2	16.6	18.4	+1.0	+6.4
Non-operating Income	2.1		1.1		-1.0	-47.6
Non-operating Expenses	1.0		1.5		+0.5	+50.0
Ordinary Income	16.7	19.5	16.3	18.1	-0.4	-2.4
Extraordinary Gain	0.0		0.0		+0.0	-
Extraordinary Loss	7.1		0.0		-7.1	-100.0
Net Income	5.0	5.8	9.3	10.3	+4.3	+86.0

(Billion JPY)

➤ Sales excl. Tamiflu	
Domestic	-2.1
Overseas	+5.0
➤ Sales of Tamiflu*	+3.6
➤ Other Operating Revenues	-1.8
Decline in one-time income	
➤ Operating Income	+1.0
➤ Non-operating Inc./Exp.	-1.5
➤ Extraordinary Gain/Loss	+7.1
Decline in Extraordinary Loss	
Loss on disaster	-6.1
Asset retirement obligations	-1.0

Average exchange rate (JPY)

	2011 Jan-Mar	2012 Jan-Mar
CHF	87.30	86.01
EUR	112.36	103.91

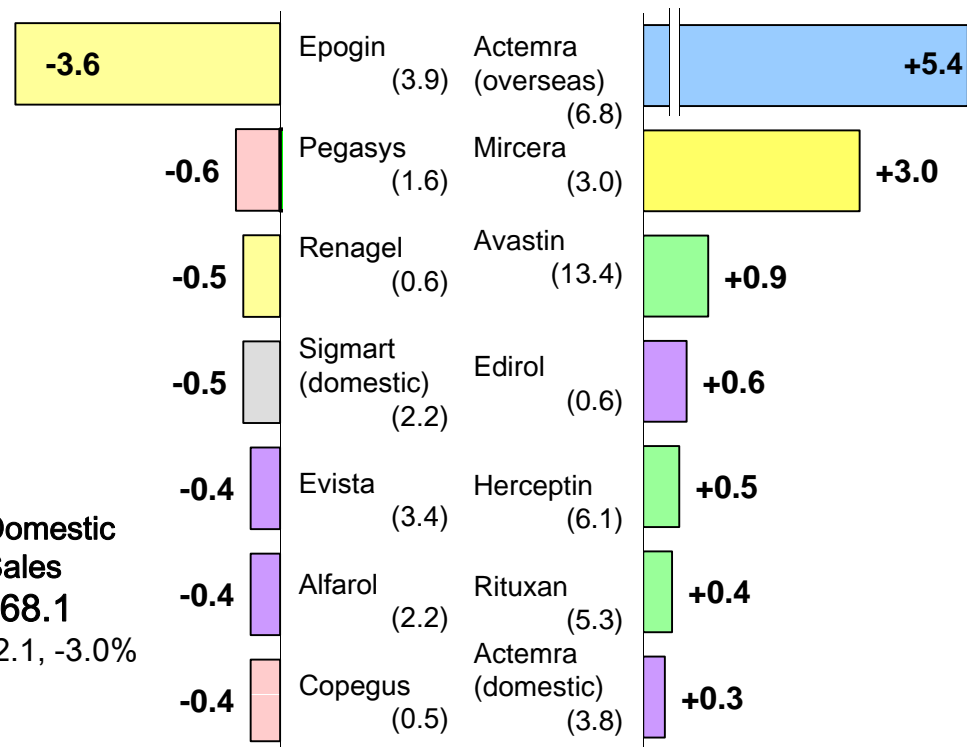
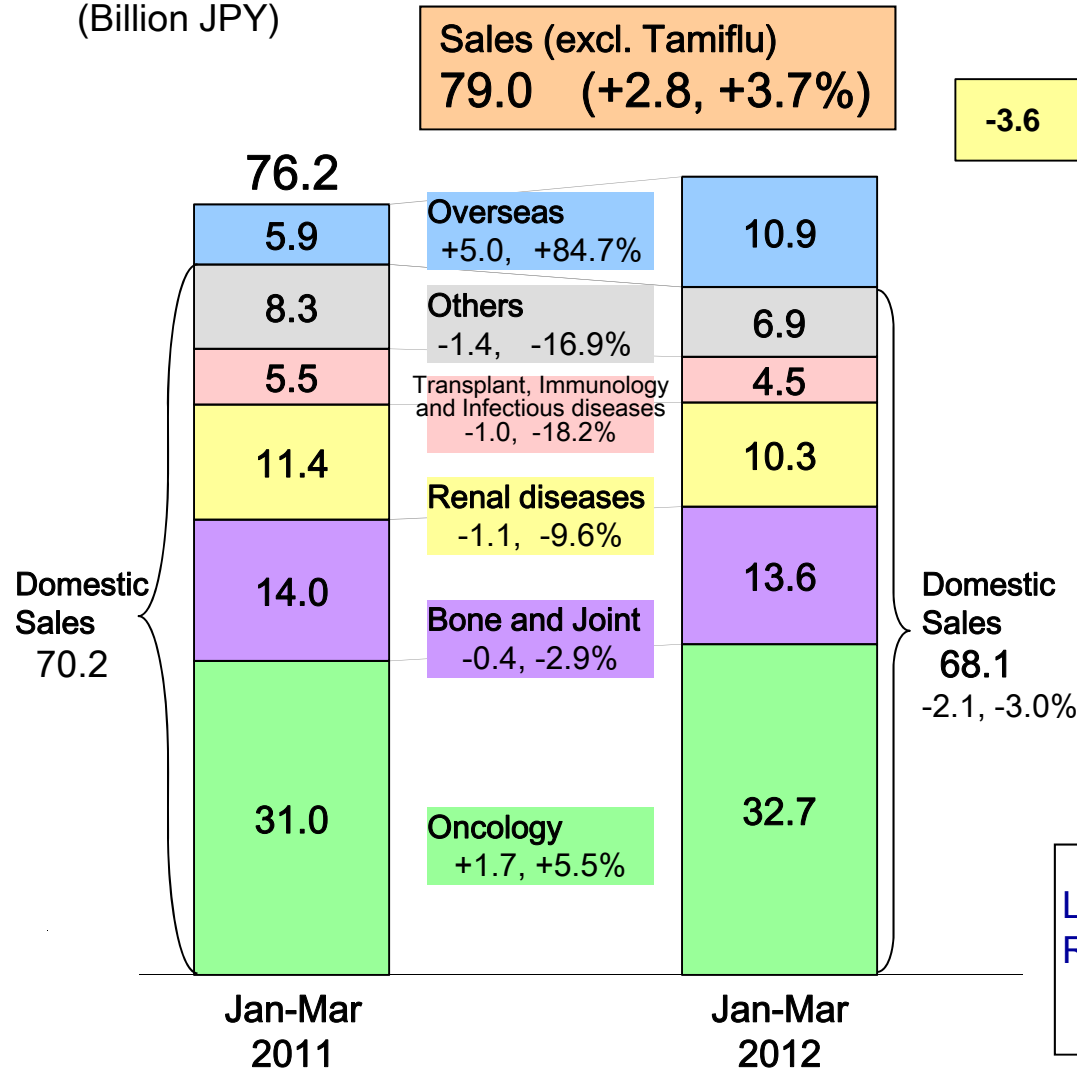
* Tamiflu

	2011 Jan-Mar	2012 Jan-Mar	Variance
Ordinary	3.7	7.5	+3.8
Govt. Stockpile etc.	0.5	0.4	-0.1

Sales (excl. Tamiflu) Jan-Mar

(Billion JPY)

Sales (excl. Tamiflu)
79.0 (+2.8, +3.7%)



Left : Sales by Disease Field
 Right : Sales by Product, Variance Year on Year
 (): FY2012 Actual.



Tamiflu Sales Performance

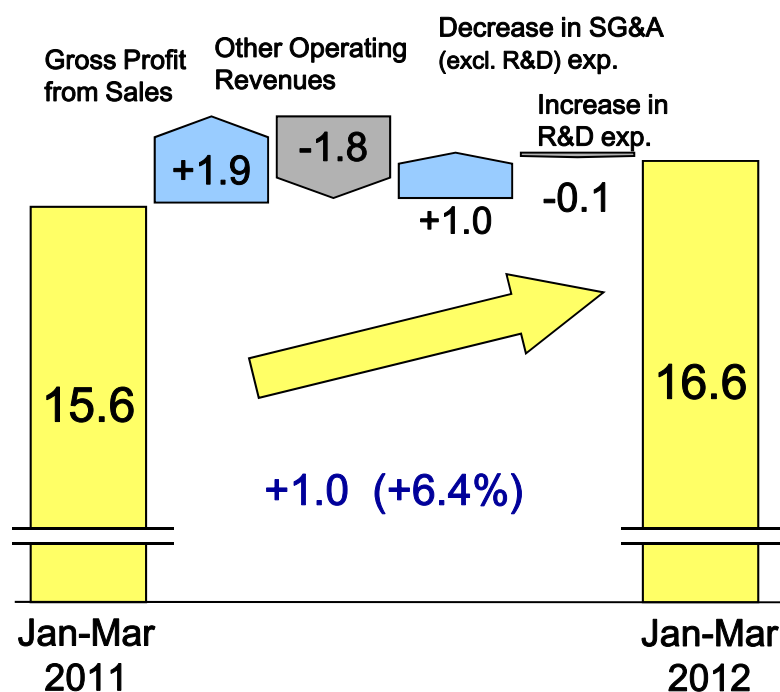
(Billion JPY)		Fiscal Term Sales																Seasonal Sales	Cases per * sentinel* (millions)
		FY2005.12		FY2006.12		FY2007.12		FY2008.12		FY2009.12		FY2010.12		FY2011.12		FY2012.12			
		Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Mar	Apr-Dec		
Ordinary	2004-05	23.2																24.6	1.47
	2005-06		11.9	9.9														21.8	0.92
	2006-07				3.7	5.0												8.7	1.01
	2007-08						5.2	1.4										6.6	0.66
	2008-09								5.7	11.0								16.7	1.27
	2009-10										25.2	1.4						26.6	2.02
	2010-11												0.2	4.1				4.3	1.26
	2011-12														1.3	7.5		8.8	-
	2012-13																1.8	-	-
Ordinary		35.1	(+26.5)	13.6	(-21.5)	10.2	(-3.4)	7.1	(-3.1)	36.2	(+29.1)	1.6	(-34.6)	5.4	(+3.8)	9.3	(+3.9)		
Govt. Stockpile etc.	2005-06		0.2	6.5														6.7	
	2006-07				17.9	18.9												36.8	
	2007-08						9.6	0.2										9.8	
	2008-09								1.1	14.4								15.5	
	2009-10										25.6	10.6						36.2	
	2010-11												5.9	0.5				6.4	
	2011-12														2.8	0.4		3.2	
	2012-13																0.0		
Govt. Stockpile etc.		0.2	(+0.2)	24.4	(+24.2)	28.5	(+4.1)	1.3	(-27.2)	40.0	(+38.7)	16.6	(-23.4)	3.3	(-13.3)	0.4	(-2.9)		
Total		23.2	12.0	16.3	21.6	23.8	14.8	1.6	6.8	25.4	50.8	12.0	6.1	4.6	4.1	7.8	1.8		
		35.2	(+26.6)	38.0	(+2.8)	38.7	(+0.7)	8.4	(-30.3)	76.2	(+67.8)	18.2	(-58.0)	8.7	(-9.5)	9.6	(+0.9)		

*Total patients number of the controlled samples in the infectious Diseases Weekly Report, period between late October and mid-April (between early July 2009 and mid-March 2010 for 2009/2010), published by Japan's National Institute of Infectious Diseases.

Company forecast

Operating Income Jan-Mar

(Billion JPY)



(Billion JPY)	2011 Jan-Mar	2012 Jan-Mar	Growth	
				(%)
Revenues	85.7	90.3	+4.6	+5.4
Cost of Sales	35.1	39.6	+4.5	+12.8
Gross Profit	50.6	50.6	+0.0	+0.0
Sales	45.3	47.2	+1.9	+4.2
Other Operating Revenues	5.3	3.5	-1.8	-34.0
SG&A (excl. R&D) exp.	22.0	21.0	-1.0	-4.5
R&D exp.	13.0	13.1	+0.1	+0.8
Operating Income	15.6	16.6	+1.0	+6.4

- Increase in Gross Profit from Sales +1.9
Increase in sales of Tamiflu and Actemra (overseas)
- Decrease in Other Operating Revenues -1.8
Decrease in one-time income
- Decrease in SG&A (excl. R&D) exp. +1.0
Cost containment
- Increase in R&D exp. -0.1

Overview

(Billion JPY)	Actual	Forecast on Feb. 1		2011 Jan-Mar /Jan-Jun (%)	2010 Jan-Mar /Jan-Jun (%)
	2012 Jan-Mar	2012 Jan-Jun	Progress (%)		
Revenues	90.3	195.5	46.2	47.1	47.8
Sales	86.8	189.5	45.8	46.0	47.7
excl. Tamiflu	79.0	181.2	43.6	44.8	44.7
Tamiflu	7.8	8.3	94.0	91.3	90.0
Other Operating Revenues	3.5	6.0	58.3	73.6	52.9
Operating Income	16.6	36.5	45.5	44.3	40.2
Ordinary Income	16.3	37.0	44.1	46.1	46.2
Net Income	9.3	22.0	42.3	29.2	48.2



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Major Product Update

CHUGAI PHARMACEUTICAL CO., LTD.
Senior Vice President, General Manager of Sales Div.

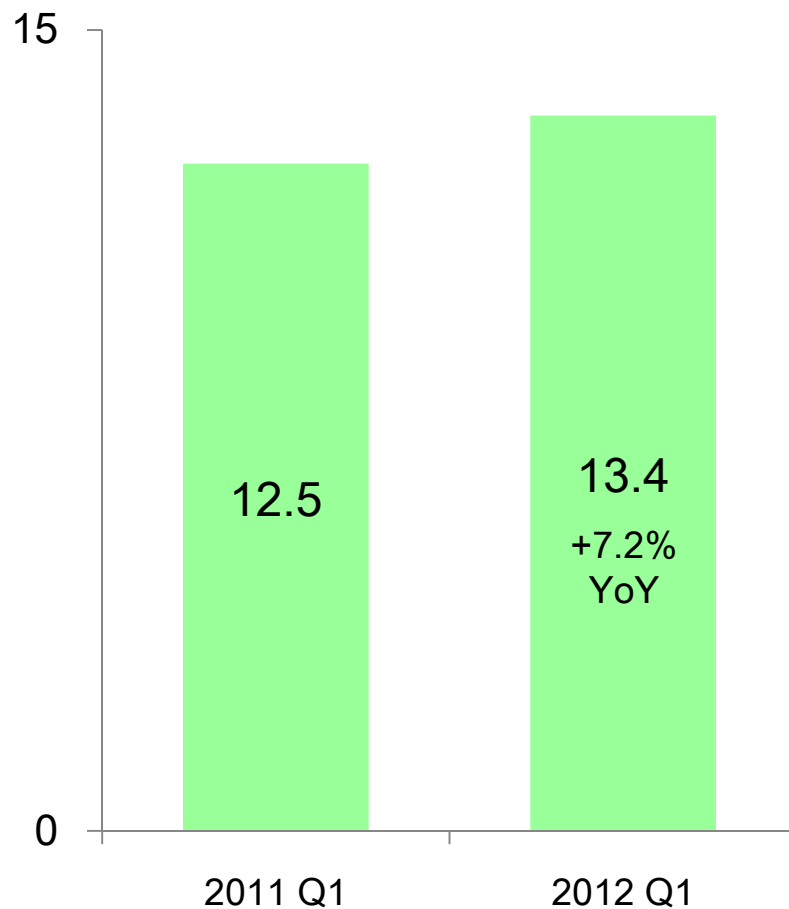
Masaaki Tohaya

April 24, 2012

Avastin

Steady uptake in all indications

(Billion of JPY)



<Q1 Result>

- ◆ H1 sales progression: 43.6%
- ◆ CRC: maintained a high market share
- NSCLC and BC: strong sales uptake

<Action Plan>

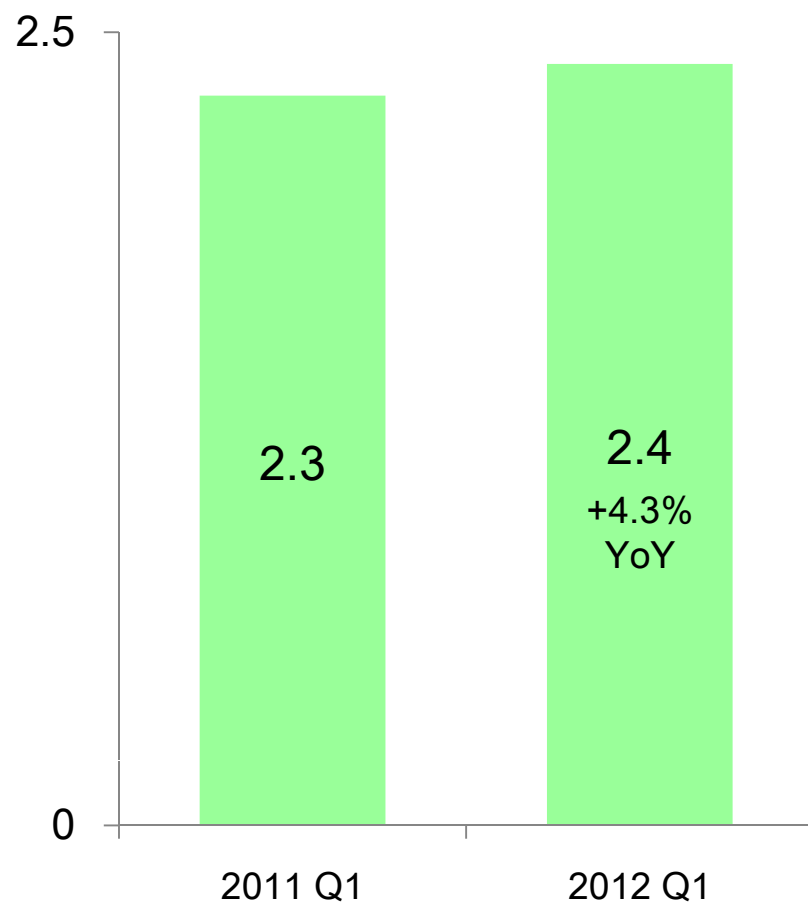
- ◆ Focus on the following activities to achieve budget
 - ✓ CRC: increase 1st line share with BBP* data
 - ✓ NSCLC: raise awareness of efficacy and safety profile
 - ✓ BC: provide medical information for appropriate use at local scientific meetings

*BBP: Bevacizumab Beyond Progression
Continuous administration of bevacizumab beyond progression of disease for metastatic colorectal cancer patients, who received bevacizumab-containing first-line therapy

Xeloda

*Slower than expected progress,
especially in mCRC and aCC*

(Billion of JPY)



<Q1 Result>

- ◆ H1 sales progression: 32.9%
- ◆ mCRC and aCC: delay in recruitment of newly diagnosed aCC patients

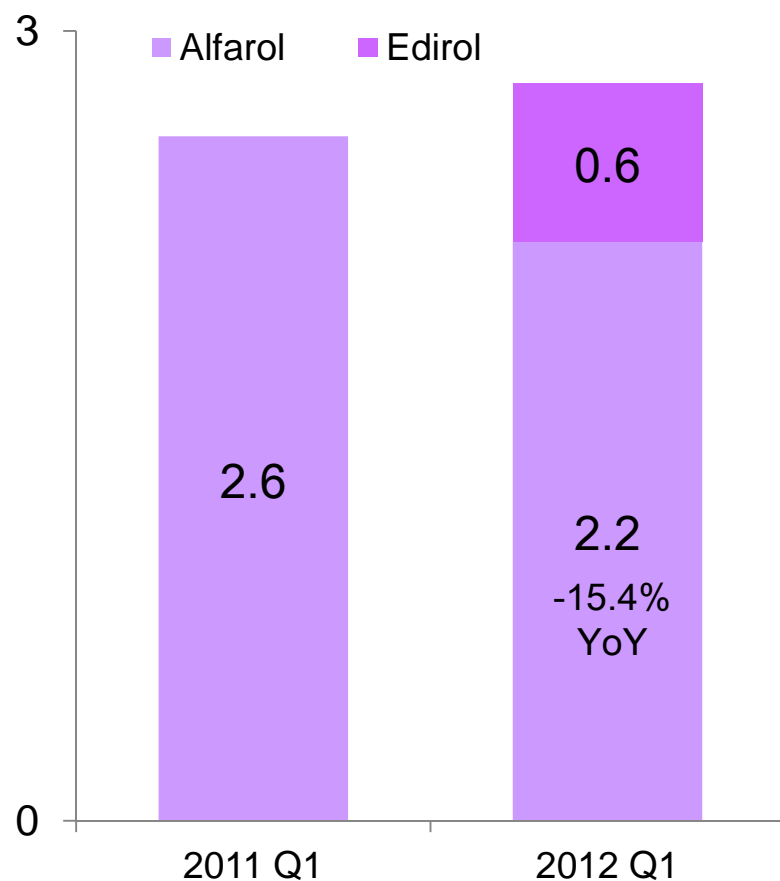
<Action Plan>

- ◆ Focus on the following activities to promote the CRC treatment guideline in order to achieve budget:
 - ✓ e-seminars
 - ✓ DVD for patient education
 - ✓ Xeloda AE management seminars

Edirol

Accelerated growth expected from April with the lifting of the restriction on long term prescription

(Billion of JPY)



<Q1 Result>

- ◆ H1 sales progression: 22.2%
- ◆ Expanded No. of accounts to prepare for the lifting of the restriction on long term prescription in April
 - ✓ Adoption of targeted accounts progressing as planned
- ◆ Conducted seminars and small conferences to penetrate new guideline

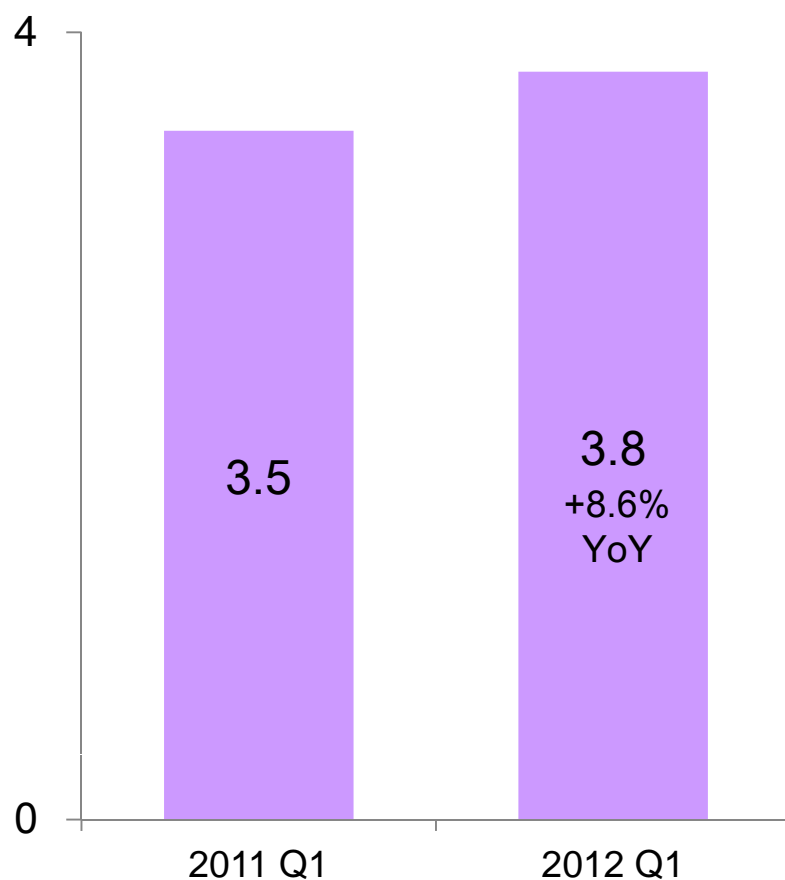
<Action Plan>

- ◆ Accelerate adoption and sales growth after lifting of the restriction on long term prescription
- ◆ Promote switching from other VD3 products
- ◆ Continue to further penetrate new guideline

Actemra (Domestic Sales)

Strong Growth Continues

(Billion of JPY)



<Q1 Result>

- ◆ H1 sales progression: 48.7%
- ◆ Continued appealing high efficacy of IL-6 inhibitor
- ◆ Result of ADACTA study: Positive comments from rheumatologists, but limited impact on sales

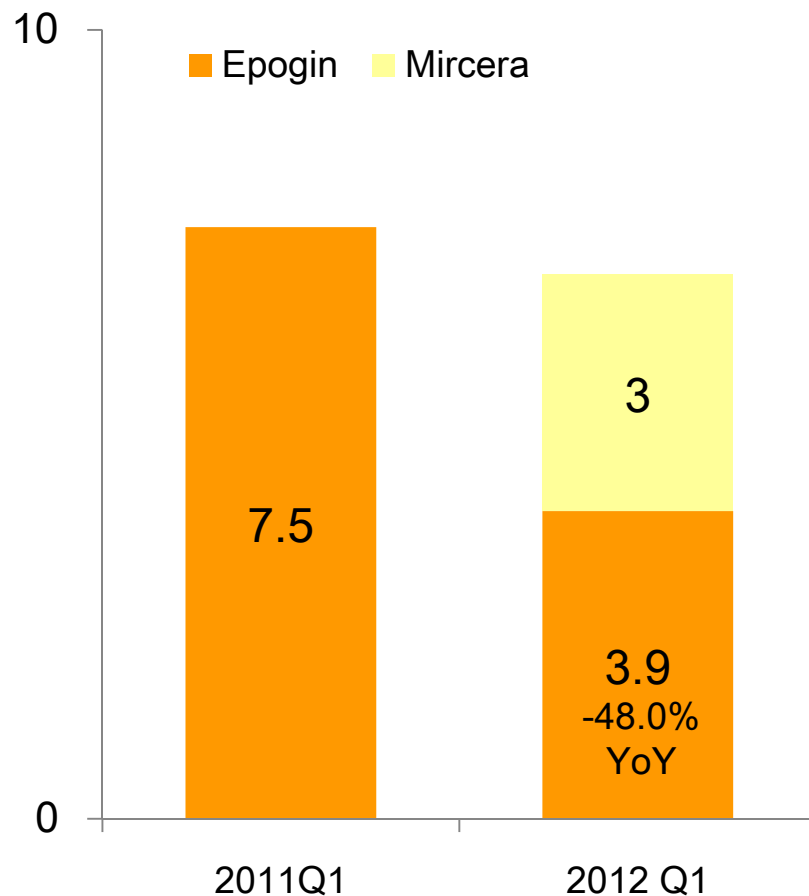
<Action Plan>

- ◆ Maintain sales growth, absorbing the impact of price revision
- ◆ Expect positive clinical data at JCR
 - ✓ Highest number of abstracts among biologics
- ◆ Continue to appeal high efficacy, high remission rate and sustained long-term efficacy

Epogin / Mircera

Trend expected to change from Q2
Slow progress in Q1

(Billion of JPY)



<Q1 Result>

- ◆ Mircera
H1 sales progression: 24.8%
Slower than expected switching to Mircera
- ◆ Epogin
H1 sales progression: 44.8%
Lost market share instead of switching to Mircera

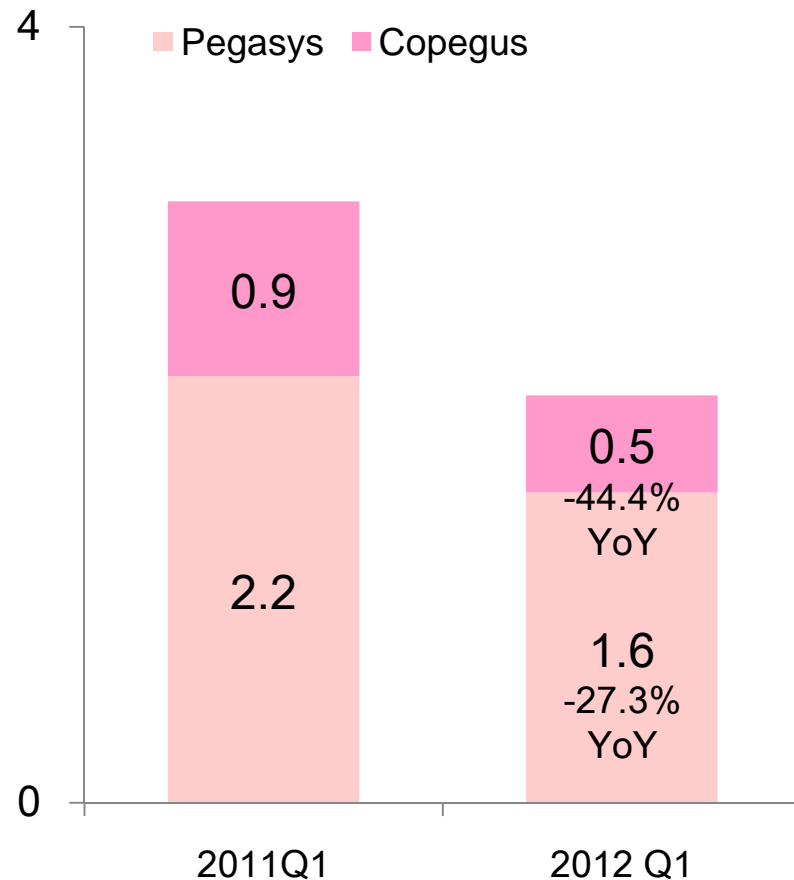
<Action Plan>

- ◆ Appeal unique monthly dosage feature
 - ✓ Utilize publications to promote usage: 7 papers available
 - ✓ The Japanese Society for Dialysis Therapy: approx. 100 abstracts
- ◆ Further increase market share in pre-dialysis

Pegasys / Copegus

*Although slower than expected progress,
aim to achieve budget by differentiating from competitors*

(Billion of JPY)



<Q1 Result>

- ◆ H1 sales progression:
Pegasys: 28.6% Copegus: 41.7%
- ◆ HCV: Declined sales due to shrinkage of market
- ◆ HBV, LC: Growth below plan

<Action Plan>

- ◆ HCV:
Growth from expanded monotherapy usage
- ◆ HBV:
Increase usage of pegylated interferons
- ◆ LC:
Focus on patients with high possibility of SVR*

*SVR: Sustained Viral Response



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Overview of Development Pipeline

CHUGAI PHARMACEUTICAL CO., LTD.
Department Manager of R&D Portfolio
Management Dept.

Hisanori Takanashi

April 24, 2012

Development Status - Oncology

In-
licensed

RG1273/pertuzumab: Adjuvant breast cancer

Started P3 multinational study in Apr. 2012

In-
house

GC33(RG7686) : Liver cancer

Started P2 multinational study in Mar. 2012

Development Status - Autoimmune, CNS

In-house

Actemra (Korea) : Rheumatoid arthritis

Approved in Apr. 2012

In-house

Actemra (Japan) : Rheumatoid arthritis

Filed new formulation (subcutaneous formulation)
in Mar. 2012

In-licensed

RG7090 (mGluR5):

Major depressive disorder

Decided to participate in P2 multinational study

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