



Roche Roche Group

# FY2010 1Q Consolidated Financial Overview

CHUGAI PHARMACEUTICAL CO., LTD.  
Senior Vice President,  
General Manager of Finance Supervisory Div. and  
General Manager of Finance & Accounting Dept.  
Yoshio Itaya

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# Forward-Looking Statements

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

Note: Amounts are rounded to the nearest 0.1 billion yen.

Variance and % are calculated based on amounts shown.

# Summary

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- Revenues **87.1 billion JPY**
  - Year on Year : -7.6 billion JPY (-8.0%)
  - Tamiflu Sales : -9.6 billion JPY
  
- Sales excl. Tamiflu **75.4 billion JPY**
  - Year on Year : +2.9 billion JPY (+4.0%)
  - Domestic sales : +2.7%
  - Overseas sales : +17.5%
  
- Operating Income **11.1 billion JPY**
  - Year on Year : -6.4 billion JPY (-36.6%)
  - Gross Profit : -9.8% due to decrease in Tamiflu sales etc.
  - SG&A expenses : +4.5%

# Financial overview Jan-Mar

(Billion JPY)	2009		2010		Variance	
	Jan-Mar	As % of Revenues	Jan-Mar	As % of Revenues		%
<b>Revenues</b>	<b>94.7</b>		<b>87.1</b>		<b>-7.6</b>	<b>-8.0</b>
Sales	92.9		86.2		-6.7	-7.2
<b>excl. Tamiflu</b>	<b>72.5</b>		<b>75.4</b>		<b>+2.9</b>	<b>+4.0</b>
Tamiflu	20.4		10.8		-9.6	-47.1
Other Operating Revenues	1.8		0.9		-0.9	-50.0
<b>Operating Income</b>	<b>17.5</b>	<b>18.5</b>	<b>11.1</b>	<b>12.7</b>	<b>-6.4</b>	<b>-36.6</b>
Non-operating Income	5.4		1.3		-4.1	-75.9
Non-operating Expenses	0.2		0.3		+0.1	+50.0
<b>Recurring Profit</b>	<b>22.8</b>	<b>24.1</b>	<b>12.1</b>	<b>13.9</b>	<b>-10.7</b>	<b>-46.9</b>
Extraordinary Gain	0.3		0.1		-0.2	-66.7
Extraordinary Loss	0.0		0.0		+0.0	-
<b>Net Income</b>	<b>13.8</b>	<b>14.6</b>	<b>7.9</b>	<b>9.1</b>	<b>-5.9</b>	<b>-42.8</b>

	(Billion JPY)
➤ Sales excl. Tamiflu	+2.9
➤ Sales of Tamiflu*	-9.6
➤ Other operating Revenues	-0.9
Milestone Income for Actemra (2009)	
➤ Operating Income	-6.4
➤ Non-operating Inc./Exp.	-4.2
Decrease in gain on exchange forward contract	

Average rate (JPY)

	2009 Jan-Mar	2010 Jan-Mar
CHF	81.55	85.80
EUR	122.06	125.58

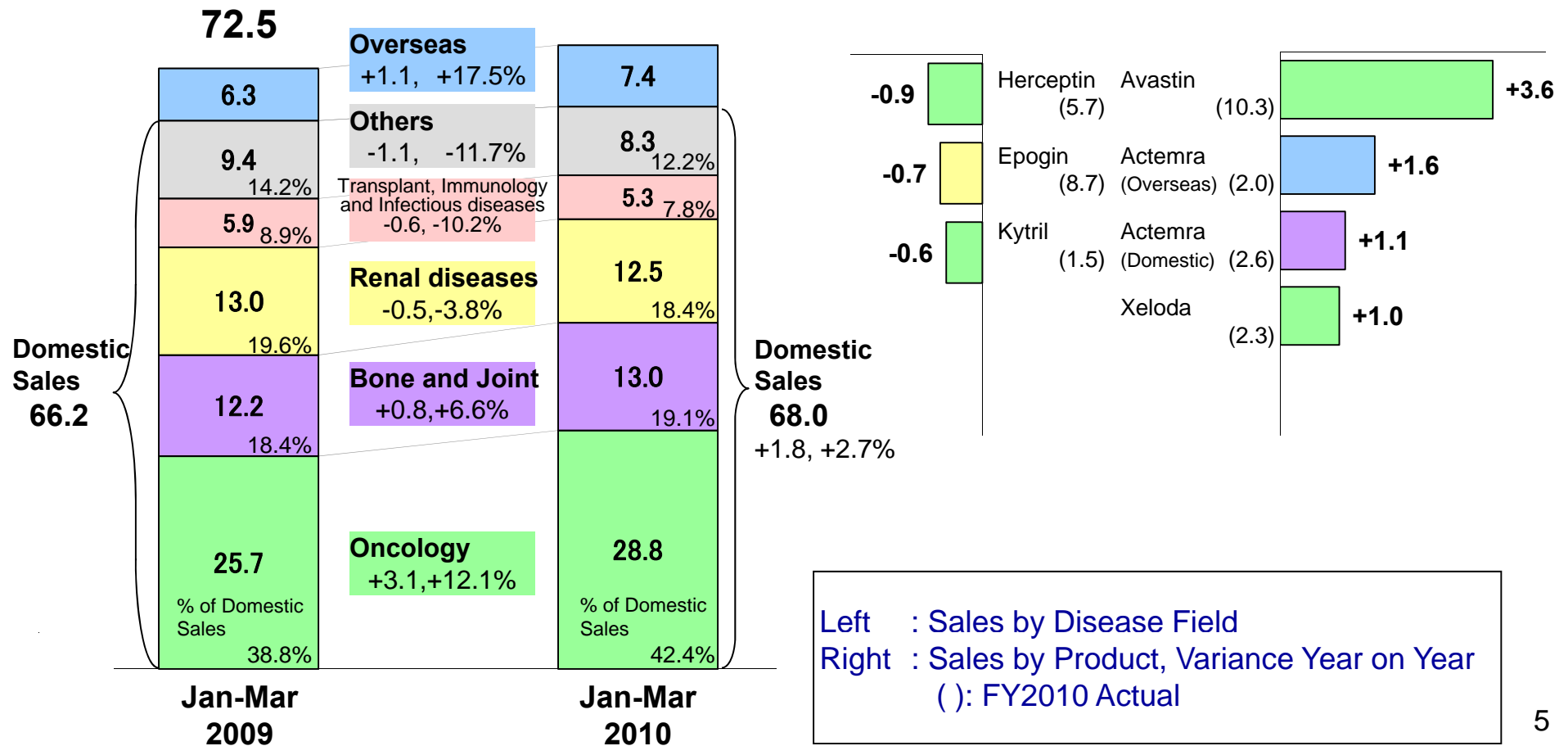
\* Tamiflu

	2009 Jan-Mar	2010 Jan-Mar	Variance
Ordinary	6.0	1.4	-4.6
Govt. Stockpile etc.	14.4	9.5	-4.9

# Sales (excl. Tamiflu) Jan-Mar

(Billion JPY)

**Sales (excl. Tamiflu)**  
**75.4 (+2.9, +4.0%)**



# Tamiflu sales performance

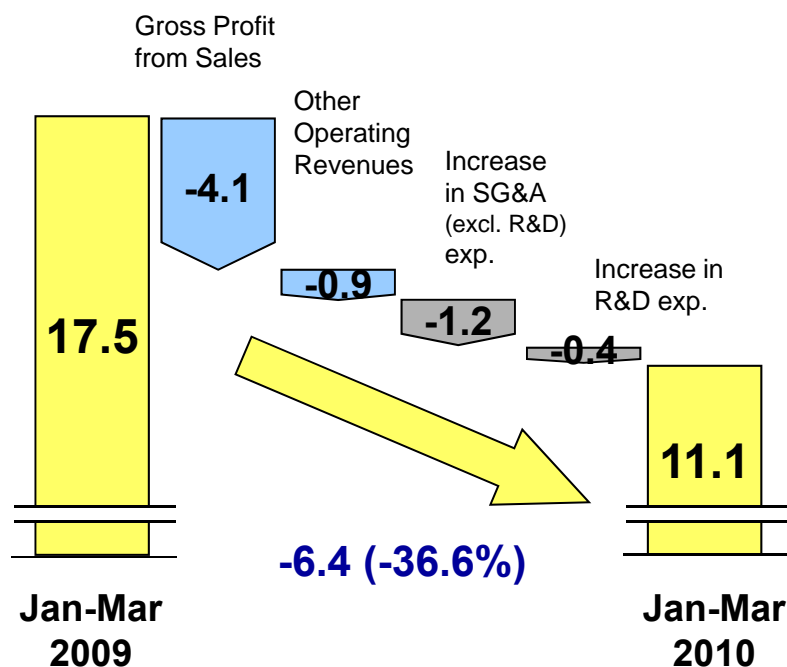
(Billion JPY)		Fiscal Term Sales												Seasonal Sales	Cases per sentinel* (millions)
		FY2005.12		FY2006.12		FY2007.12		FY2008.12		FY2009.12		FY2010.12			
		Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Mar	Apr-Dec		
Ordinary	2004/2005	23.2												24.6	1.47
	2005/2006		11.9	9.9										21.8	0.92
	2006/2007				3.7	5.0								8.7	1.01
	2007/2008						5.2	1.4						6.6	0.66
	2008/2009								5.7	11.0				16.7	1.27
	2009/2010										25.2	1.4		26.6	2.02
	2010/2011												19.1		
<b>Ordinary</b>		<b>35.1</b>	<b>(+26.5)</b>	<b>13.6</b>	<b>(-21.5)</b>	<b>10.2</b>	<b>(-3.4)</b>	<b>7.1</b>	<b>(-3.1)</b>	<b>36.2</b>	<b>(+29.1)</b>	<b>20.5</b>	<b>(-15.7)</b>		
Govt. Stockpile etc.	2005/2006		0.2	6.5										6.7	
	2006/2007				17.9	18.9								36.8	
	2007/2008						9.6	0.2						9.8	
	2008/2009								1.1	14.4				15.5	
	2009/2010										25.6	9.5		35.1	
	2010/2011												8.7		
<b>Govt. Stockpile etc.</b>		<b>0.2</b>	<b>(+0.2)</b>	<b>24.4</b>	<b>(+24.2)</b>	<b>28.5</b>	<b>(+4.1)</b>	<b>1.3</b>	<b>(-27.2)</b>	<b>40.0</b>	<b>(+38.7)</b>	<b>18.2</b>	<b>(-21.8)</b>		
<b>Total</b>		<b>23.2</b>	<b>12.0</b>	<b>16.3</b>	<b>21.6</b>	<b>23.8</b>	<b>14.8</b>	<b>1.6</b>	<b>6.8</b>	<b>25.4</b>	<b>50.8</b>	<b>10.8</b>	<b>27.9</b>		
<b>Total</b>		<b>35.2</b>	<b>(+26.6)</b>	<b>38.0</b>	<b>(+2.8)</b>	<b>38.7</b>	<b>(+0.7)</b>	<b>8.4</b>	<b>(-30.3)</b>	<b>76.2</b>	<b>(+67.8)</b>	<b>38.7</b>	<b>(-37.5)</b>		

\*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)	2009 Jan-Mar	2010 Jan-Mar	Variance	
				(%)
<b>Revenues</b>	<b>94.7</b>	<b>87.1</b>	<b>-7.6</b>	<b>-8.0</b>
Cost of Sales	43.7	41.1	-2.6	-5.9
<b>Gross Profit</b>	<b>51.0</b>	<b>46.0</b>	<b>-5.0</b>	<b>-9.8</b>
Sales	49.2	45.1	-4.1	-8.3
Other Operating Revenues	1.8	0.9	-0.9	-50.0
SG&A (excl. R&D) exp.	21.6	22.8	+1.2	+5.6
R&D exp.	11.8	12.2	+0.4	+3.4
<b>Operating Income</b>	<b>17.5</b>	<b>11.1</b>	<b>-6.4</b>	<b>-36.6</b>

- Decrease in Gross profit from sales -4.1  
Decrease in Tamiflu
- Increase in SG&A (incl. R&D) exp. -1.5  
Increase in personnel expenses  
Co-promotion of Actemra

# Financial Overview Jan-Mar

(Billion JPY)	Actual	Forecast (Feb. 3)		2008 Jan-Mar Half-year prog. (%)	2009 Jan-Mar Half-year prog. (%)
	2010 Jan-Mar	2010 Jan-Jun	Progress (%)		
<b>Revenues</b>	87.1	189.1	46.1	45.4	49.4
Sales	86.2	187.4	46.0	45.5	50.0
<b>excl. Tamiflu</b>	<b>75.4</b>	<b>170.6</b>	<b>44.2</b>	<b>44.9</b>	<b>45.1</b>
Tamiflu	10.8	16.8	64.3	100.0	80.3
Other Operating Revenues	0.9	1.7	52.9	20.0	31.6
<b>Operating Income</b>	11.1	26.5	41.9	43.7	47.0
as % of Revenues	12.7	14.0	—	—	—
<b>Recurring Profit</b>	12.1	27.0	44.8	42.0	52.4
<b>Net Income</b>	7.9	16.7	47.3	35.4	52.5





Roche Roche Group

# Overview of Development Pipeline

CHUGAI PHARMACEUTICAL CO., LTD.  
Department Manager  
Head of Project Management Dept.  
Hisanori Takanashi

April 23, 2010

# Development Status - Oncology

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In-  
licensed

**RG3616 (hedgehog pathway inhibitor):  
colorectal cancer , ovarian cancer**

In-license agreement in Feb. 10

- P1 planed to start in the second half

In-  
licensed

**Herceptin and Xeloda (combination therapy):  
gastric cancer**

Filed in Mar. 10

- Based on positive results from ToGA study

In-  
licensed

**Tarceva : non-small cell lung cancer (1<sup>st</sup> line )**

P2 started in Apr. 10

# Development Status - Bone & Joint

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In-house

**ACTEMRA (US): prevention of structural joint damage and improvement of physical function in rheumatoid arthritis (sBLA)**

Filed in Mar. 2010

- Based on positive 2-year data from LITHE study

## Contacts: Corporate Communications Dept.

### Corporate Communications Group

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

Masayuki Yamada, Shinichi Hirose, Hiroshi Araki,  
Kae Maeda

### Investor Relations Group

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

Mac Uchida, Tomoko Shimizu, Yusuke Tokita,  
Chisato Kitamura