



Roche Roche Group

FY2009 2Q Consolidated Financial Overview

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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.

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

Variance and % are calculated based on amounts shown.

Summary

- Significant increase in both Revenues and Profits (Year on Year)
 - Revenues: +31.4%, Sales excl. Tamiflu: +12.1%
 - Solid domestic sales
 - Oncology sales: +31.4% (#1 share in the domestic market*)
 - Overseas sales: -9.0% due to the impact of strong yen and biosimilars
 - Operating Income : +61.0%
 - Gross Profit: +20.3% due to increase in Revenues
 - SG&A expenses: +6.2 %
 - Recurring Profit: +79.0% , Net Income: +39.2%
 - Accelerated by Non-operating income from exchange forward contract

*The scope of the market is defined by Chugai and its share is calculated based on IMS Data.

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Financial Overview Jan-Jun

| (Billion JPY) | 2008 | | 2009 | | Variance | |
|--------------------------|--------------|------------------|--------------|------------------|--------------|--------------|
| | Jan-Jun | As % of Revenues | Jan-Jun | As % of Revenues | | (%) |
| Revenues | 145.9 | | 191.7 | | +45.8 | +31.4 |
| Sales | 144.9 | | 185.9 | | +41.0 | +28.3 |
| excl. Tamiflu | 143.3 | | 160.6 | | +17.3 | +12.1 |
| Tamiflu | 1.6 | | 25.4 | | +23.8 | +1,487.5 |
| Other Operating Revenues | 1.0 | | 5.7 | | +4.7 | +470.0 |
| Operating Income | 23.1 | 15.8 | 37.2 | 19.4 | +14.1 | +61.0 |
| Non-operating Income | 2.4 | | 6.9 | | +4.5 | +187.5 |
| Non-operating Expenses | 1.2 | | 0.6 | | -0.6 | -50.0 |
| Recurring Profit | 24.3 | 16.7 | 43.5 | 22.7 | +19.2 | +79.0 |
| Extraordinary Gain | 7.2 | | 0.3 | | -6.9 | -95.8 |
| Extraordinary Loss | 0.3 | | 0.1 | | -0.2 | -66.7 |
| Net Income | 18.9 | 13.0 | 26.3 | 13.7 | +7.4 | +39.2 |

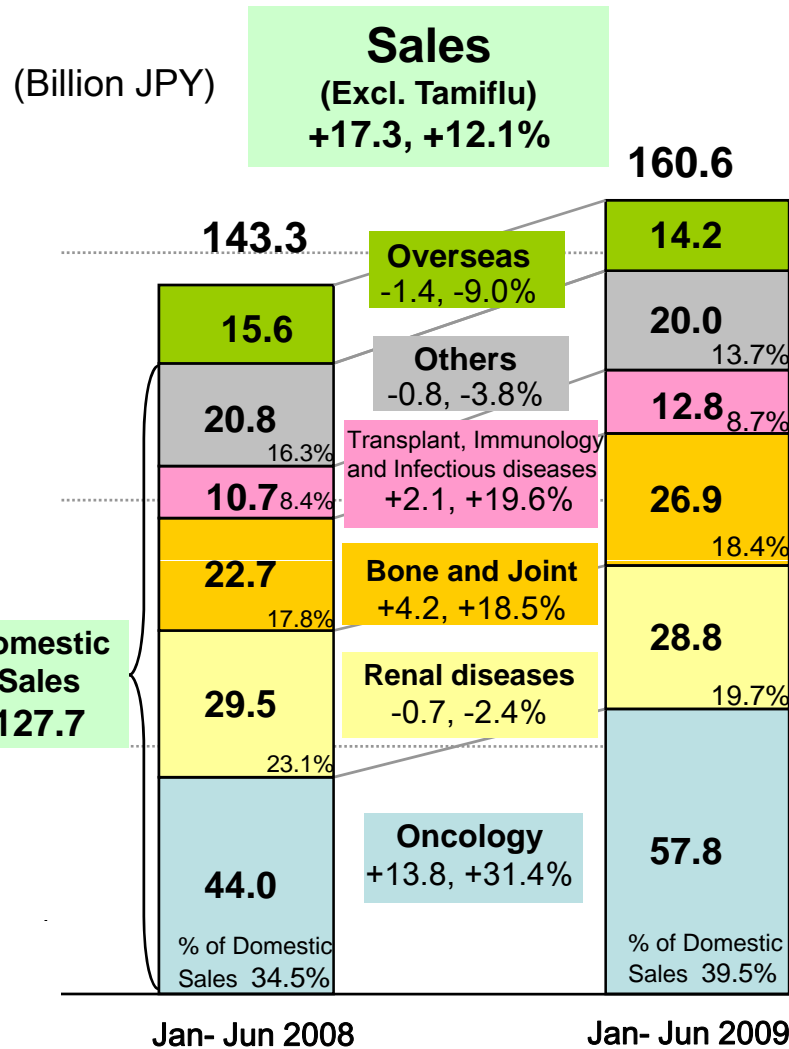
(Billion JPY)

- > Sales excl. Tamiflu +17.3
Refer to P.5
- > Sales of Tamiflu +23.8
Govt. stockpile etc. +14.2
- > Other Operating Revenues +4.7
Milestone Income
Co-promotion income
- > Operating Income +14.1
Refer to P.7
- > Non-operating Inc. / Exp. +5.1
Gain on exchange forward contract
- > Extraordinary Gain / Loss -6.7
Gain on settlement of
co-development costs
for Actemra (April 2008)

Sales of Tamiflu
 (Bil. JPY, Jan – Jun, 2008) Ordinary: 1.4, Govt. stockpile etc.: 0.2
 (Bil. JPY, Jan – Jun, 2009) Ordinary: 11.0, Govt. stockpile etc.: 14.4

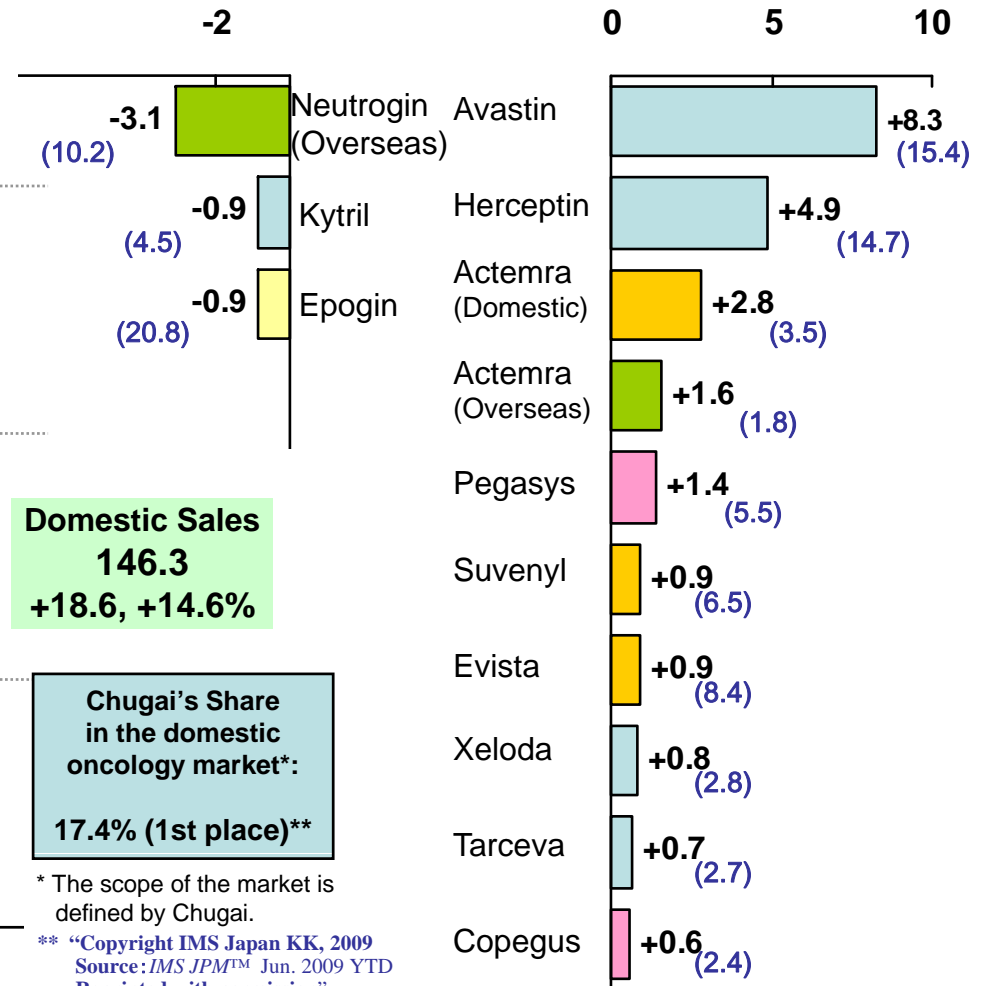
Average rate
 (JPY, Jan. 1 – Jun. 30, 2008) CHF: 99.95, EUR: 160.54, USD: 104.98, GBP: 207.31
 (JPY, Jan. 1 – Jun. 30, 2009) CHF: 84.52, EUR: 127.19, USD: 95.46, GBP: 142.14

Sales (Excl. Tamiflu) Jan-Jun



Major Products Sales, Variance Year on Year

() : FY2009 Actual

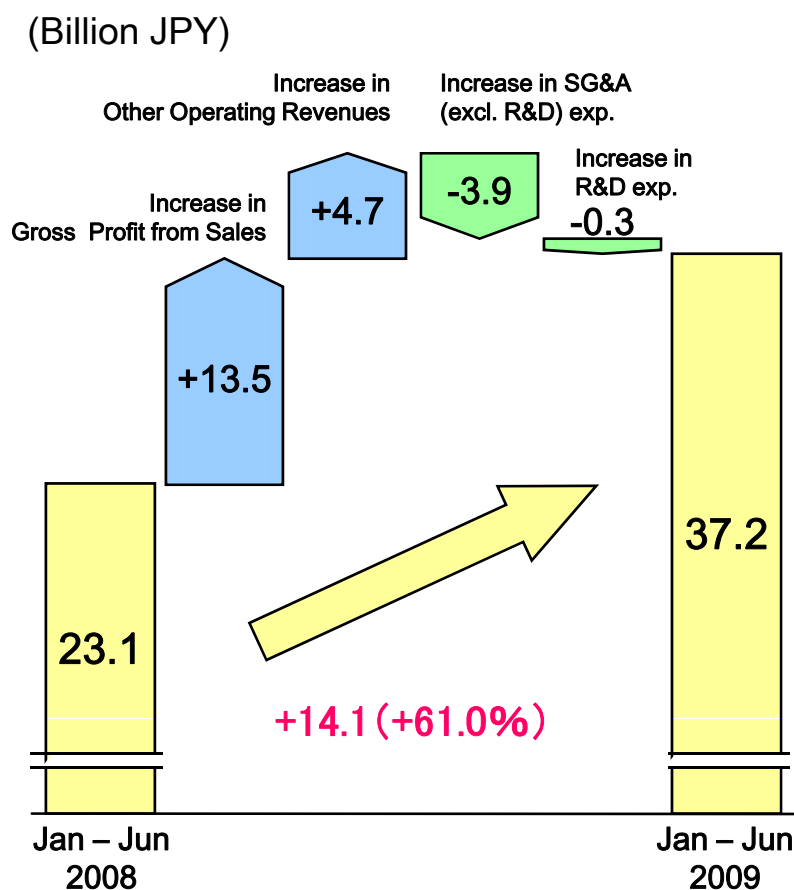


Tamiflu sales performance

| (Billion JPY) | | Fiscal Term Sales | | | | | | | | | | | | Seasonal Sales | Number of Patients* (millions) |
|-----------------------------|-----------|-------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-----------|----------------|--------------------------------|
| | | FY2004.12 | | FY2005.12 | | FY2006.12 | | FY2007.12 | | FY2008.12 | | FY2009.12 | | | |
| | | Jan.-Jun. | Jul.-Dec. | Jan.-Jun. | Jul.-Dec. | Jan.-Jun. | Jul.-Dec. | Jan.-Jun. | Jul.-Dec. | Jan.-Jun. | Jul.-Dec. | Jan.-Jun. | Jul.-Dec. | | |
| Ordinary Sales | 2004/2005 | | 1.4 | 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 | | | | | | | | | | | | n.a. | | |
| Ordinary Sales | | 8.6 | | 35.1 | | 13.6 | | 10.2 | | 7.1 | | | | | |
| 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 | | | | | | | | | | | | n.a. | | |
| Govt. Stockpile etc. | | | | 0.2 | | 24.4 | | 28.5 | | 1.3 | | | | | |
| Total Sales | | 7.2 | 1.4 | 23.2 | 12.0 | 16.3 | 21.6 | 23.8 | 14.8 | 1.6 | 6.8 | 25.4 | | | |
| | | 8.6 | | 35.2 | | 38.0 | | 38.7 | | 8.4 | | 53.0 | | | |

*Total patients number of the controlled samples in the infectious Diseases Weekly Report, period between late October and mid-April, published by Japan's National Institute of Infectious Diseases.

Operating Income Jan-Jun



| (Billion JPY) | 2008 Jan-Jun | 2009 Jan-Jun | Variance | (%) |
|--------------------------|--------------|--------------|--------------|--------------|
| Revenues | 145.9 | 191.7 | +45.8 | +31.4 |
| Cost of Sales | 56.3 | 83.9 | +27.6 | +49.0 |
| Gross Profit | 89.6 | 107.8 | +18.2 | +20.3 |
| Sales | 88.6 | 102.1 | +13.5 | +15.2 |
| Other Operating Revenues | 1.0 | 5.7 | +4.7 | +470.0 |
| SG&A (excl. R&D) exp. | 42.2 | 46.1 | +3.9 | +9.2 |
| R&D exp. | 24.2 | 24.5 | +0.3 | +1.2 |
| Operating Income | 23.1 | 37.2 | +14.1 | +61.0 |

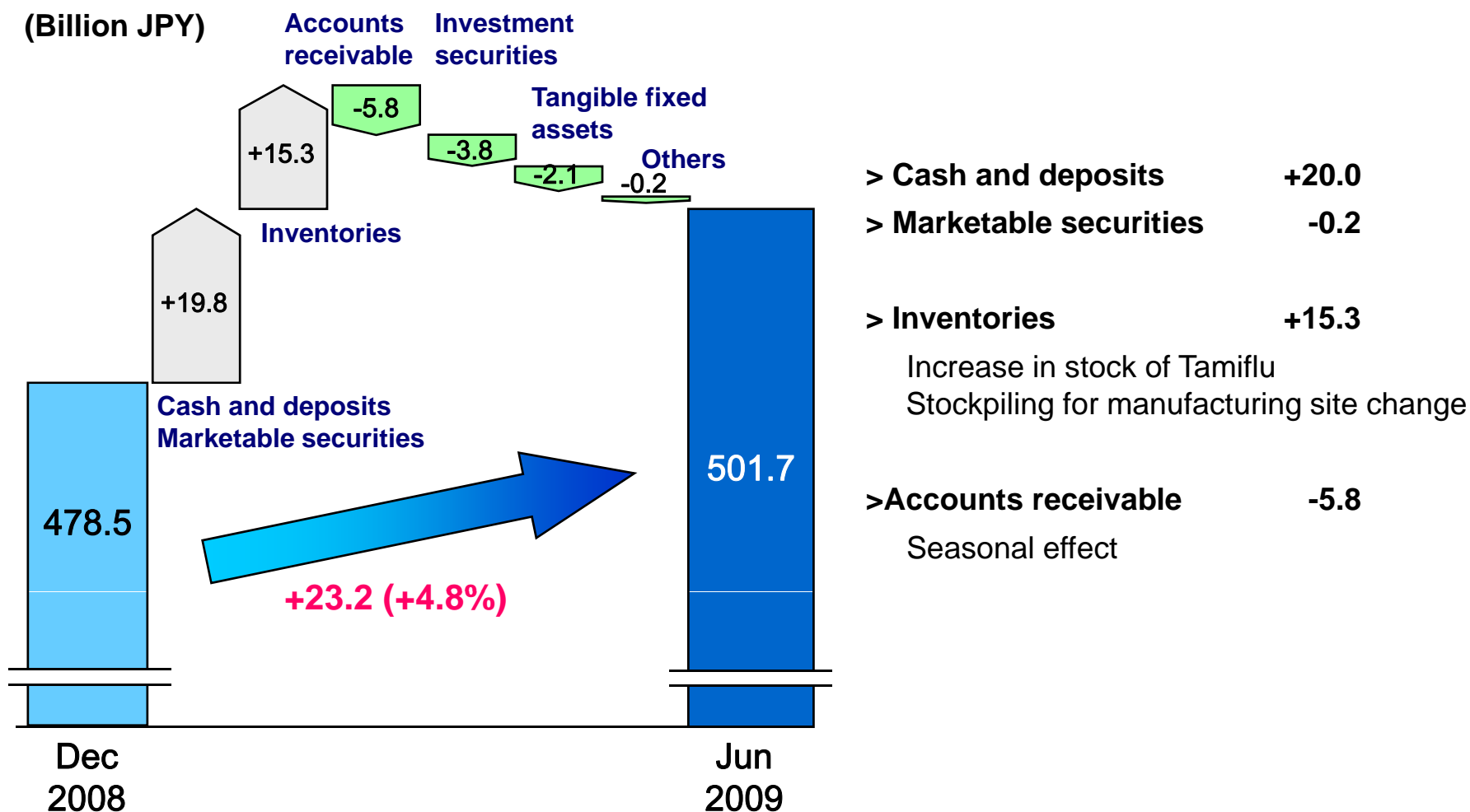
- Increase in Gross Profit from Sales +13.5
 - Increase in Tamflu, Oncology product sales
- Increase in SG&A (excl. R&D) expenses -3.9
 - Sales promotion and PMS expenses for new products etc. (Avastin, Actemra etc.)
 - Increase in personnel (pension etc.) and IT expenses

Financial Overview Apr-Jun

| (Billion JPY) | 2008 | | 2009 | | | |
|--------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | Jan-Mar | Apr-Jun | Jan-Mar | Apr-Jun | Variance | |
| | | | | | | (%) |
| Revenues | 66.2 | 79.7 | 94.7 | 97.0 | +17.3 | +21.7 |
| Sales | 65.9 | 79.0 | 92.9 | 93.0 | +14.0 | +17.7 |
| excl. Tamiflu | 64.4 | 78.9 | 72.5 | 88.1 | +9.2 | +11.7 |
| Tamiflu | 1.6 | 0.0 | 20.4 | 5.0 | +5.0 | - |
| Other Operating Revenues | 0.2 | 0.8 | 1.8 | 4.0 | +3.2 | +400.0 |
| Cost of sales | 25.0 | 31.3 | 43.7 | 40.1 | +8.8 | +28.1 |
| Gross Profit | 41.2 | 48.4 | 51.0 | 56.9 | +8.5 | +17.6 |
| SG&A (excl. R&D) exp. | 19.4 | 22.8 | 21.6 | 24.5 | +1.7 | +7.5 |
| R&D exp. | 11.8 | 12.5 | 11.8 | 12.7 | +0.2 | +1.6 |
| Operating Income | 10.1 | 13.1 | 17.5 | 19.6 | +6.5 | +49.6 |
| Recurring Profit | 10.2 | 14.1 | 22.8 | 20.7 | +6.6 | +46.8 |
| Net Income | 6.7 | 12.2 | 13.8 | 12.5 | +0.3 | +2.5 |

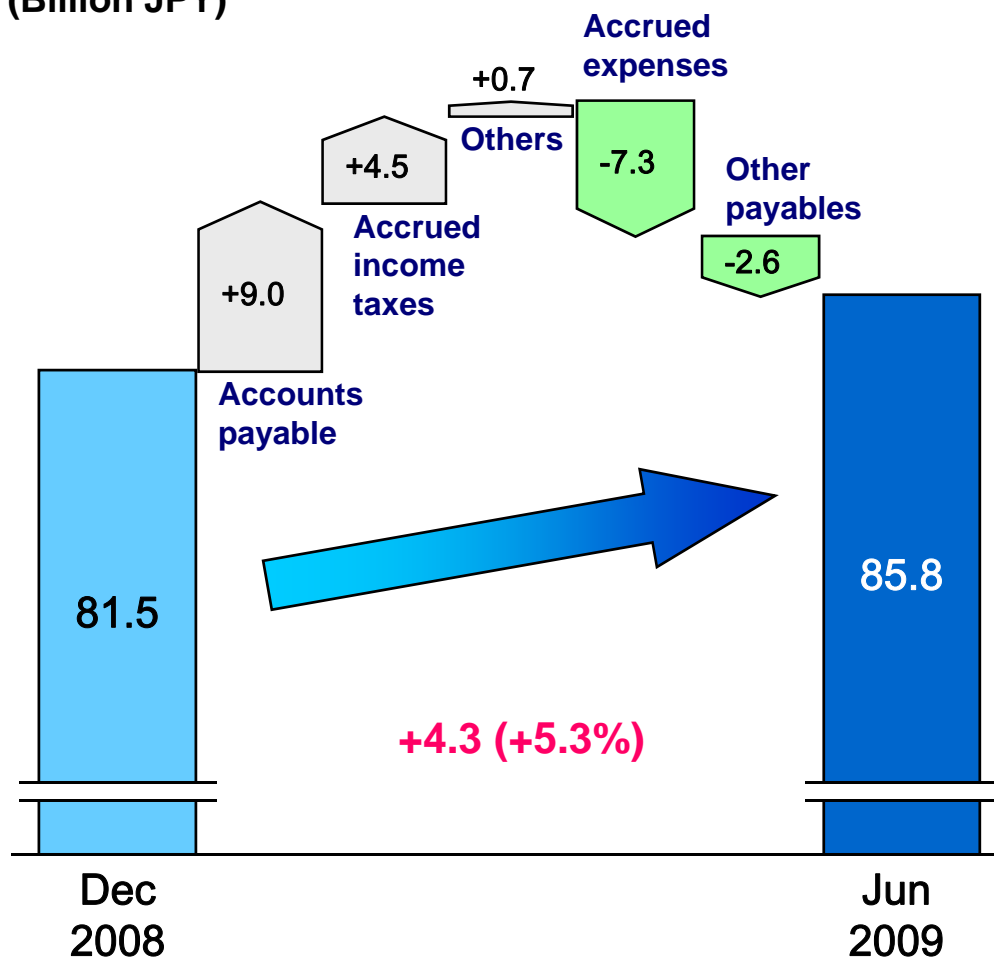
- Sales excl. Tamiflu +17.3
 - Avastin +4.2
 - Herceptin +2.4
 - Actemra(Domestic) +1.4
 - Actemra(Overseas) +1.2
 - Neutrogin(Overseas) -1.2
- Sales of Tamiflu +5.0
 - Govt. stockpile etc. +0.0
- Other Operating Revenues +3.2
 - Milestone Income
 - Co-promotion income
- Increase in SG&A expenses -1.9
- Extraordinary Gain -6.1
 - Gain on settlement of co-development costs for Actemra (April 2008)

Balance Sheet Items (Assets)



Balance Sheet Items (Liabilities)

(Billion JPY)

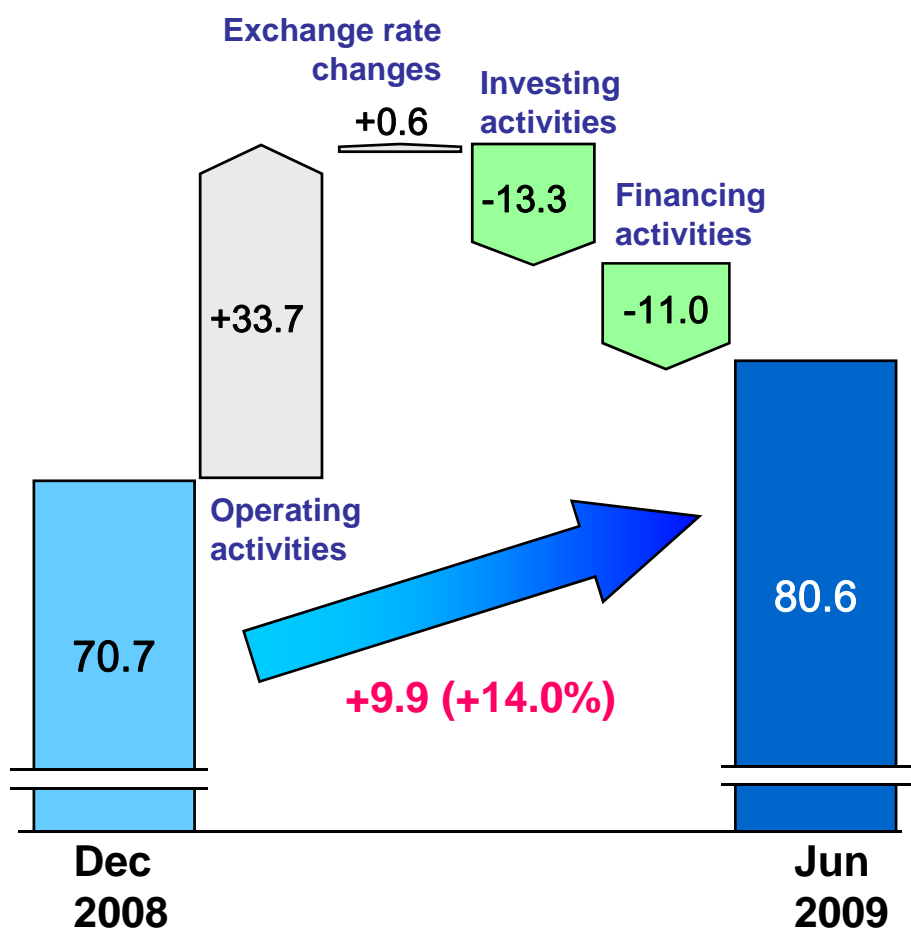


- > **Accounts payable** **+9.0**
Increase in purchase of Tamiflu
- > **Accrued expenses** **-7.3**
Seasonal effect
- > **Other payables** **-2.6**
Decrease in capital expenditures

| Equity Ratio | | |
|--------------|-----------|----------|
| Dec. 2008 | Jun. 2009 | Variance |
| 82.6% | 82.5% | -0.1%pts |

Cash Flow Statement Jan-Jun

(Billion JPY)



> Cash flow from operating activities +33.7

| | |
|--|-------|
| Income before taxes and minority interests | +43.7 |
| Depreciation and amortization | +8.9 |
| Decrease in working capital | +0.2 |
| Decrease in notes and accounts receivable | +6.1 |
| Increase in inventories | -14.6 |
| Increase in notes and accounts payable | +8.8 |
| Income taxes paid | -11.8 |

> Cash flow from investing activities -13.3

| | |
|--|------|
| Payment into time deposits | -9.2 |
| Decrease of marketable and investment securities | +5.1 |
| Purchases of fixed assets | -9.7 |

> Cash flow from financing activities -11.0

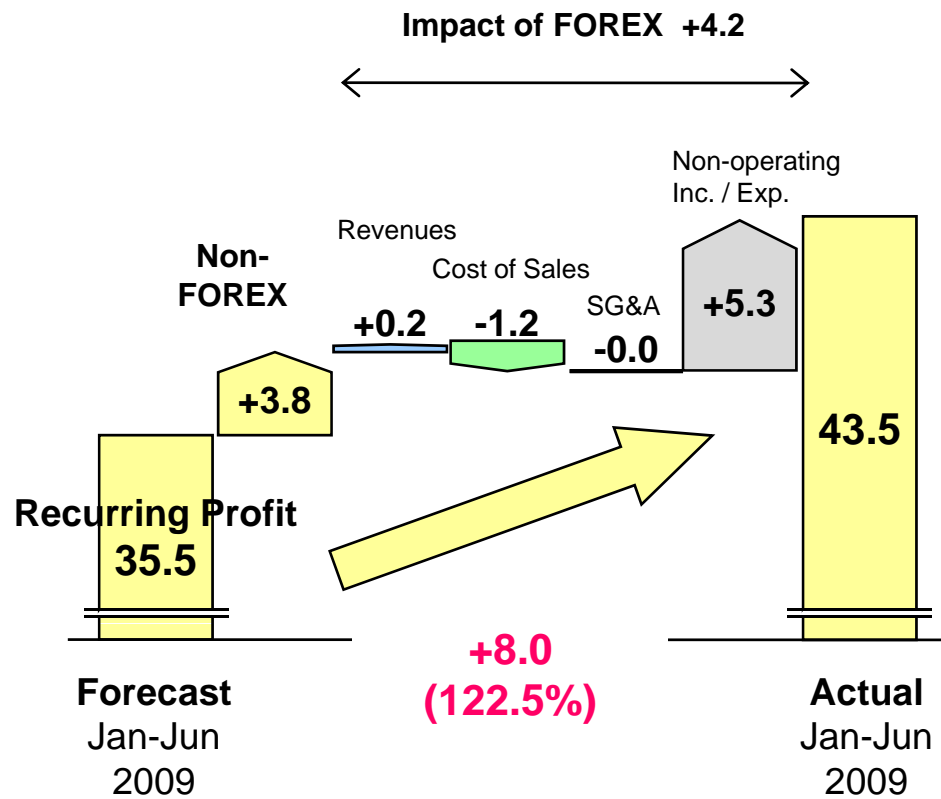
| | |
|----------------------|-------|
| Payment of dividends | -10.4 |
|----------------------|-------|

Financial Overview Jan-Jun

| (Billion JPY) | Forecast (Feb.4) 2009 | | Actual 2009 | | | | 2008 Jan-Jun /Jan-Dec (%) |
|--------------------------|--------------------------|--------------|----------------|--------------|--------------|-------------|------------------------------------|
| | Jan-Jun | Jan-Dec | Jan-Jun | Vs. Forecast | | | |
| | | | | Jan-Jun | | Jan-Dec | |
| | | | | Variance | Achiev. (%) | Prog. (%) | |
| Revenues | 199.5 | 400.0 | 191.7 | -7.8 | 96.1 | 47.9 | 44.6 |
| Sales | 194.0 | 390.3 | 185.9 | -8.1 | 95.8 | 47.6 | 45.0 |
| excl. Tamiflu | 155.0 | 337.3 | 160.6 | +5.6 | 103.6 | 47.6 | 45.7 |
| Tamiflu | 39.0 | 53.0 | 25.4 | -13.6 | 65.1 | 47.9 | 19.0 |
| Other Operating Revenues | 5.5 | 9.7 | 5.7 | +0.2 | 103.6 | 58.8 | 19.6 |
| Cost of sales | - | 176.0 | 83.9 | - | - | 47.7 | 44.3 |
| Gross Profit | - | 224.0 | 107.8 | - | - | 48.1 | 44.8 |
| SG&A (excl. R&D) exp. | - | 100.5 | 46.1 | - | - | 45.9 | 44.4 |
| R&D exp. | - | 60.5 | 24.5 | - | - | 40.5 | 45.5 |
| Operating Income | 35.0 | 63.0 | 37.2 | +2.2 | 106.3 | 59.0 | 44.8 |
| Recurring Profit | 35.5 | 63.5 | 43.5 | +8.0 | 122.5 | 68.5 | 42.4 |
| Net Income | 22.0 | 40.0 | 26.3 | +4.3 | 119.5 | 65.8 | 48.1 |

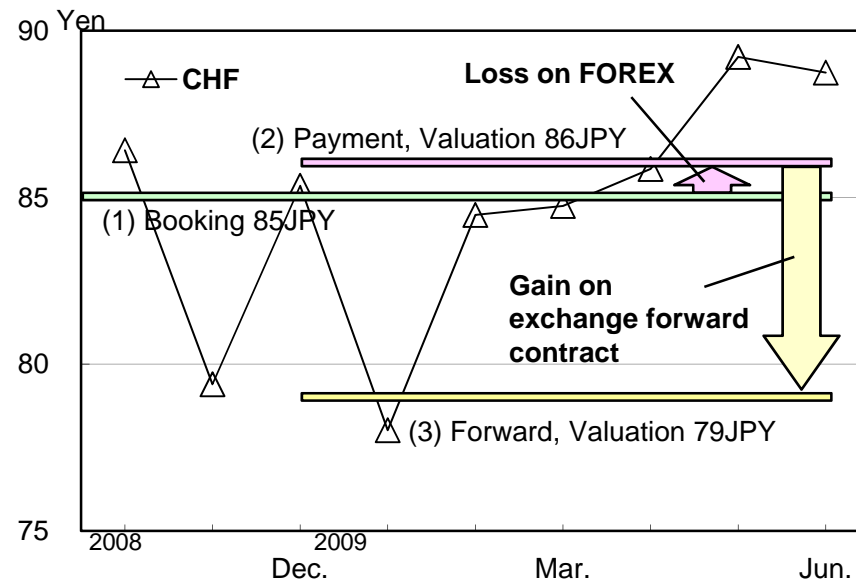
FOREX Impact on Recurring Profit

(Billion JPY)



- > Cost of Sales -1.2
Price revision of Roche products
- > Non-operating Inc. / Exp. +5.3
FOREX and exchange forward contract

Non-operating Inc. / Exp. FOREX impact



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