



Roche Roche Group

FY2009 1Q Consolidated Financial Overview

CHUGAI PHARMACEUTICAL CO., LTD.
General Manager
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April 24, 2009

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: +43.1%, Sales excl. Tamiflu: +12.6%
 - Solid domestic sales
 - Oncology sales: +36.0% (#1 share in the domestic market*)
 - Overseas sales: -19.2% due to the impact of strong yen and biosimilars
 - Operating Income : +73.3%
 - Gross Profit: +23.8% due to increase in Revenues
 - Gross Margin: -9.2 percent points due to increase of Roche product sales etc.
 - SG&A expenses: +7.4 %
 - Doubled in Recurring Profit and Net Income
 - 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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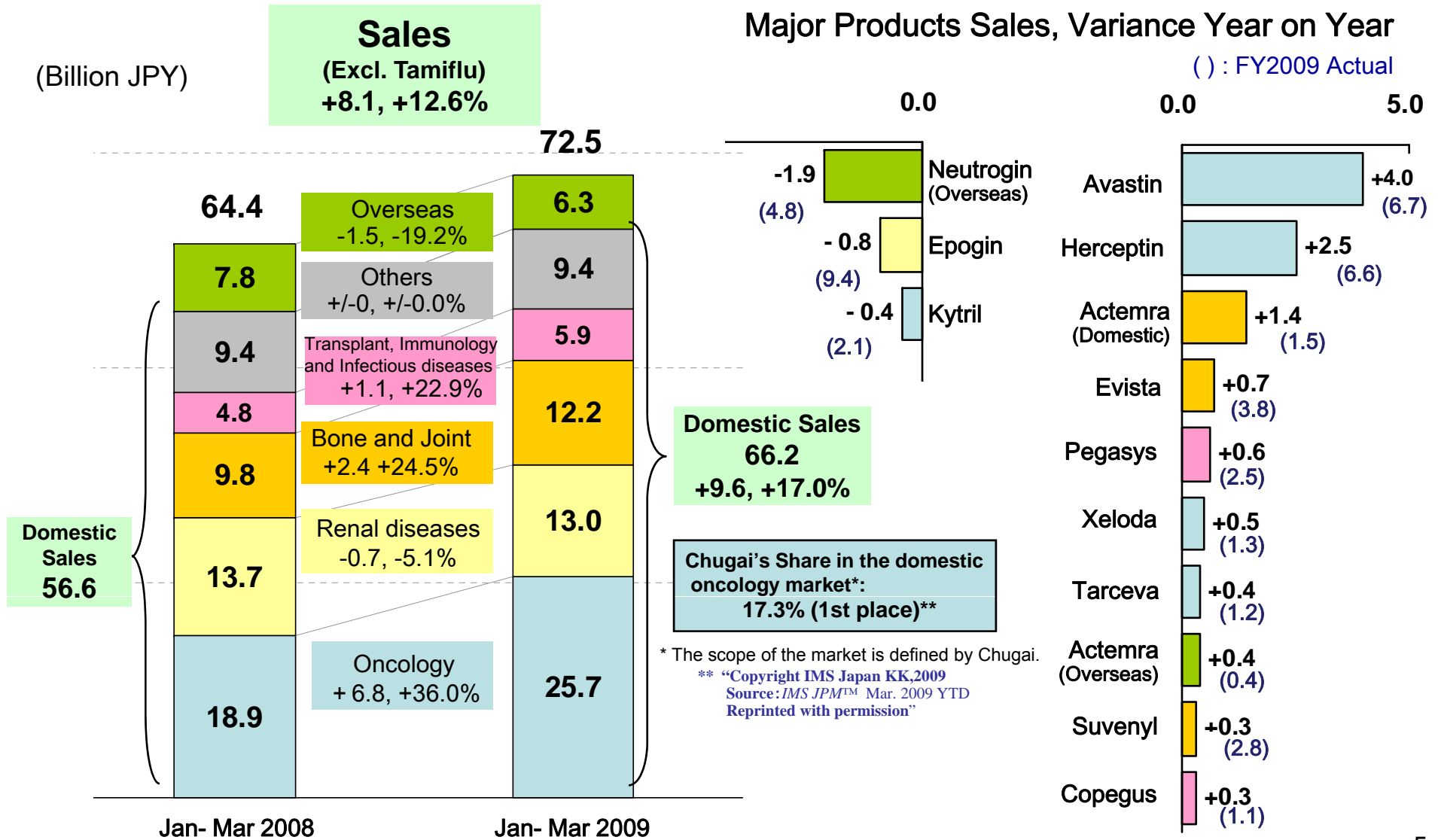
Financial Overview Jan-Mar

(Billion JPY)	2008		2009		Variance	
	Jan-Mar	As % of Revenues	Jan-Mar	As % of Revenues		(%)
Revenues	66.2		94.7		+28.5	+43.1
Sales	65.9		92.9		+27.0	+41.0
excl. Tamiflu	64.4		72.5		+8.1	+12.6
Tamiflu	1.6		20.4		+18.8	+1,175.0
Other Operating Revenues	0.2		1.8		+1.6	+800.0
Operating Income	10.1	15.3	17.5	18.5	+7.4	+73.3
Non-operating Income	1.3		5.4		+4.1	+315.4
Non-operating Expenses	1.1		0.2		▲0.9	▲81.8
Recurring Profit	10.2	15.4	22.8	24.1	+12.6	+123.5
Extraordinary Gain	0.9		0.3		▲0.6	▲66.7
Extraordinary Loss	0.1		0.0		▲0.1	▲100.0
Net Income	6.7	10.1	13.8	14.6	+7.1	+106.0

	(Billion JPY)
> Sales of Tamiflu	+18.8
Govt. stockpile etc.	+14.2
> Sales excl. Tamiflu	+8.1
Refer to P.5	
> Other Operating Revenues	+1.6
Milestone income	
> Operating Income	+7.4
Refer to P.6	
> Non-operating Inc. / Exp.	+5.1
Unrealized gain on exchange forward contract	

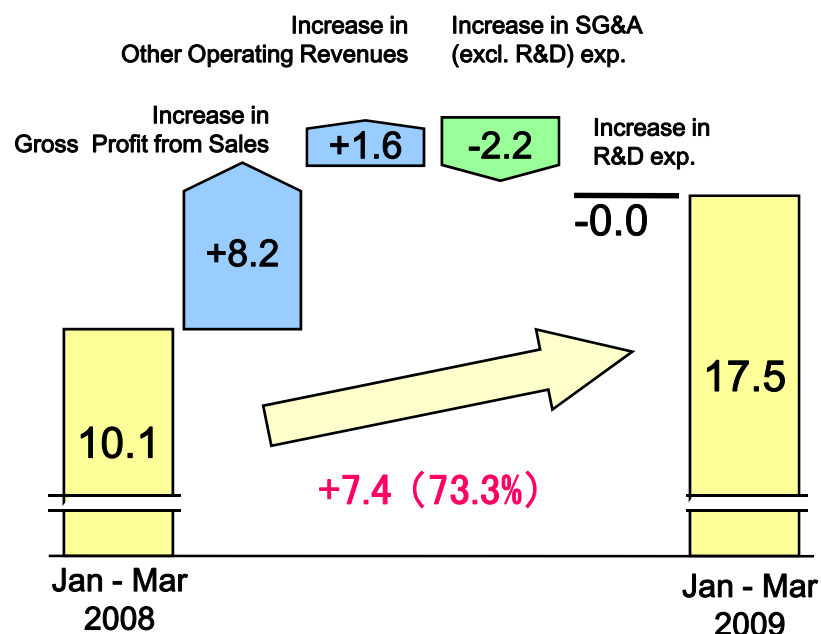
Average rate (Yen, Jan. 1 – Mar. 31, 2008) USD: 105.43, GBP: 208.56, CHF: 98.58, EUR: 157.85
 Average rate (Yen, Jan. 1 – Mar. 31, 2009) USD: 93.51, GBP: 134.34, CHF: 81.55, EUR: 122.06

Sales (Excl. Tamiflu) Jan-Mar



Operating Income Jan -Mar

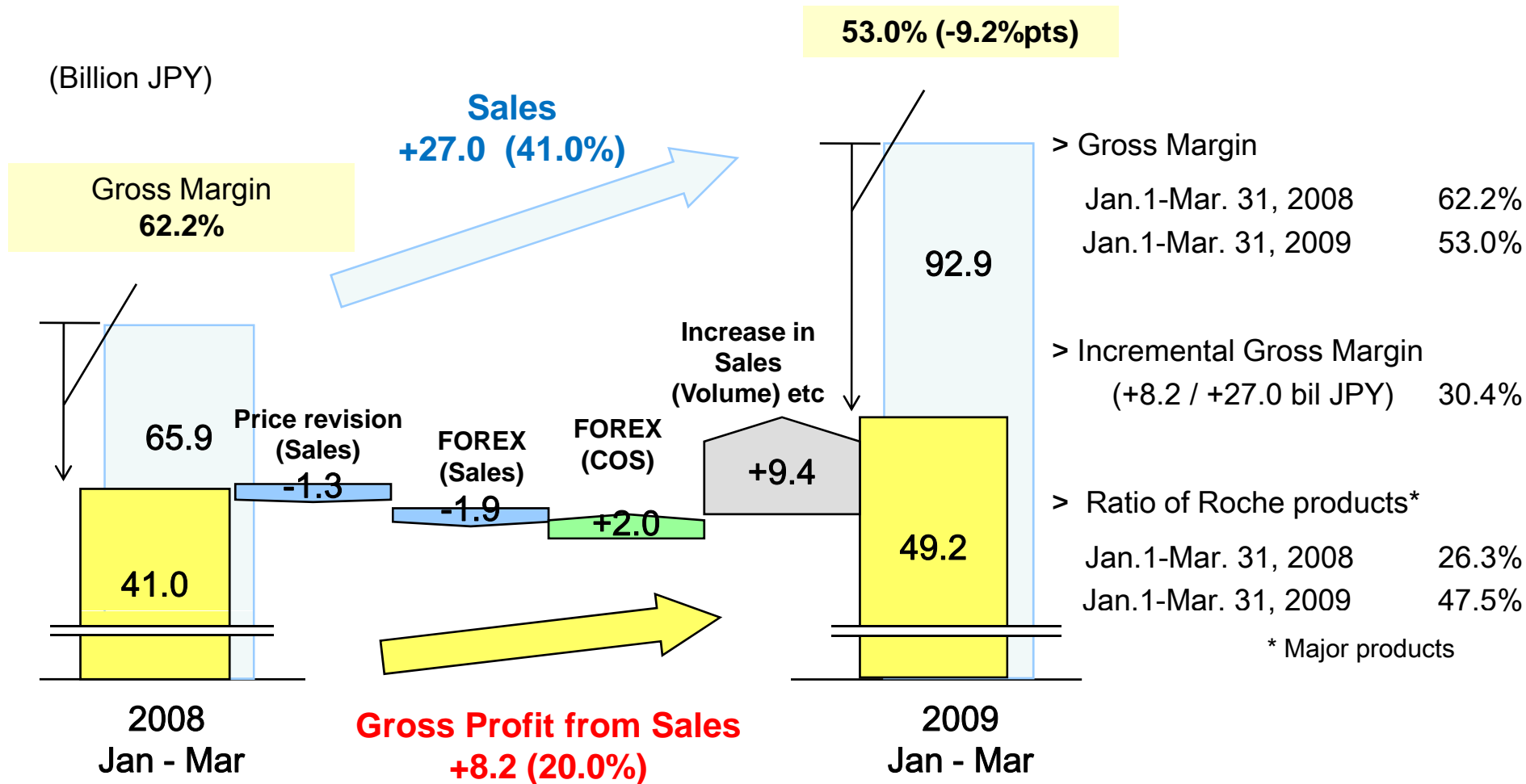
(Billion JPY)



(Billion JPY)	2008 Jan-Mar	2009 Jan-Mar	Variance	
				(%)
Revenues	66.2	94.7	+28.5	+43.1
Cost of Sales	25.0	43.7	+18.7	+74.8
Gross Profit	41.2	51.0	+9.8	+23.8
Sales	41.0	49.2	+8.2	+20.0
Other Operating Revenues	0.2	1.8	+1.6	+800.0
SG&A (excl. R&D) exp.	19.4	21.6	+2.2	+11.3
R&D exp.	11.8	11.8	+0.0	+0.0
Operating Income	10.1	17.5	+7.4	+73.3

- Increase in Gross Profit from Sales +8.2
 - Increase in Tamflu, Oncology product sales
- Increase in SG&A expenses -2.2
 - Sales promotion and PMS expenses for new products etc. (Avastin, Actemra etc.)
 - Increase in personnel (pension) and IT expenses

Gross Margin Jan-Mar

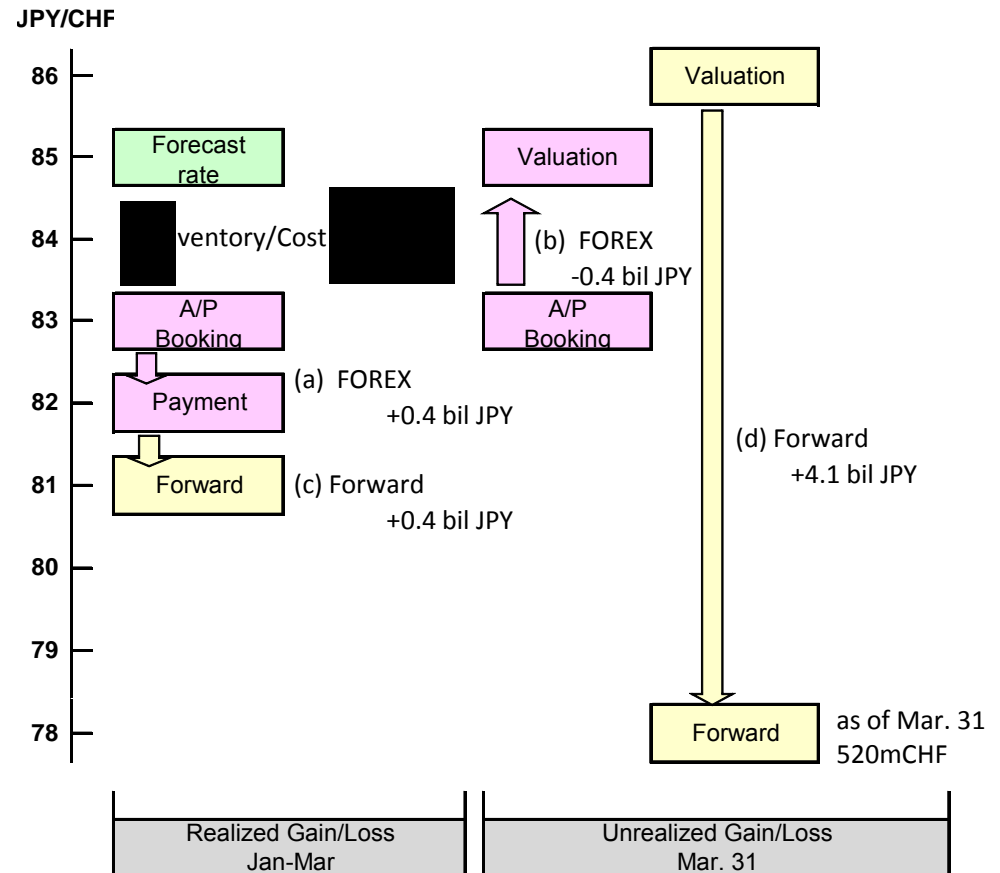


Financial Overview Jan-Mar

(Billion JPY)	(Feb. 4) Forecast 2009 Half Year	2009 Jan-Mar		2009 Jan-Mar
			Progress (%)	Half-year Progress (%)
Revenues	199.5	94.7	47.5	45.4
Sales	194.0	92.9	47.9	45.5
excl. Tamiflu	155.0	72.5	46.8	44.9
Tamiflu	39.0	20.4	52.3	100.0
Other Operating Revenues	5.5	1.8	32.7	20.0
Operating Income	35.0	17.5	50.0	43.7
Recurring Profit	35.5	22.8	64.2	42.0
Net Income	22.0	13.8	62.7	35.4

FOREX Impact on Profit

(Billion JPY)	2009 Jan-Mar
Revenues	-0.2
Cost of Sales	+0.4
SG&A exp.	+0.0
Operating Income	+0.2
Non-operating Inc./Exp.	+4.5
FOREX	+0.1
Realized	(a) +0.4
Unrealized	(b) -0.4
Exchange Forward Contract	+4.5
Realized	(c) +0.4
Unrealized	(d) +4.1
Recurring Profit	+4.7





Roche Roche Group

Overview of R&D Activities

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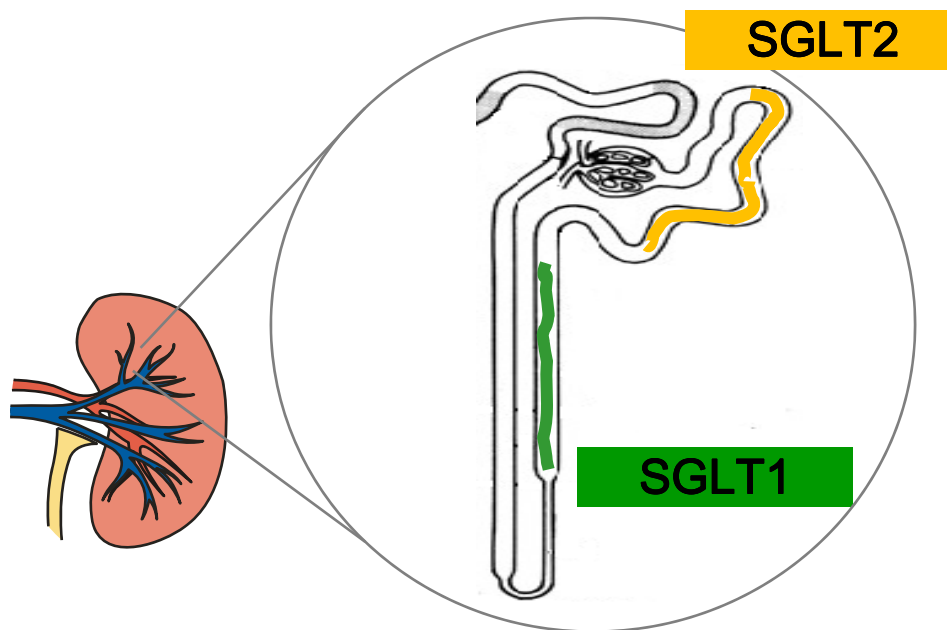
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R&D Topics (January - April 2009)

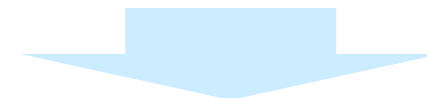
- CSG452 Started a multinational phase II study for type II diabetes
- nitazoxanide In-licensed from Romark Laboratories to conduct development for chronic hepatitis C in Japan
- EPOCH Obtained approval for serum-free API* manufacturing method and new pharmaceutical formulation
*API: active pharmaceutical ingredient
- MRA (Actemra) Out-licensed to ChoongWae Pharma Corporation for development and marketing for rheumatoid arthritis indication in South Korea
- R1273 Decided to join a multinational phase III study for breast cancer; Japanese enrollment is planned to start within the year
- R744 Decided to terminate development for chemotherapy-induced anemia after reviewing priorities of the projects

Mode of Action of CSG452

■ Blood glucose control through direct glucose excretion



- *Sodium glucose co-transporter (SGLT)* causes renal tubular reabsorption of blood glucose after glomerular filtration
- CSG452 prevents reabsorption of glucose by selectively inhibiting SGLT2, which carries larger transportation capacities between the two SGLTs in kidney. The blood glucose level is decreased as a result of glucose excretion in urine.



Insulin-independent blood glucose control is achieved

Expectations for CSG452

- Global project from Chugai Gotemba research laboratories
 - Out-licensed to Roche in 2007 for joint global development

- Expected new therapeutic benefits
 - Differentiation points from existing therapies
 - Reduction in risks of hypoglycemia, a major side effect associated with current treatments
 - No gastrointestinal side effects
 - No weight-gain effects (possibly cause weight-loss)
 - Potential combination with any conventional medicines

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