




CHUGAI PHARMACEUTICAL CO., LTD.

 A member of the Roche group

CONSOLIDATED FINANCIAL STATEMENTS (Japan GAAP) (Non-audited) (for the second quarter of fiscal year 2011)

Name of Company: **Chugai Pharmaceutical Co., Ltd.** July 21, 2011
 Stock Listing: Tokyo Stock Exchange, First Section
 Security Code No.: 4519 (URL <http://www.chugai-pharm.co.jp/english>)
 Representative: Mr. Osamu Nagayama, President and CEO, Chairman of the Board of Directors
 Contact: Mr. Nobuyuki Chiba, General Manager of Corporate Communications Department
 Phone: +81-(0) 3-3273-0881
 Date of Submission of Marketable Securities Filings: August 5, 2011
 Date on which Dividend Payments to Commence: September 1, 2011
 Supplementary Materials Prepared for the Quarterly Financial Statements: Yes
 Presentation Held to Explain the Quarterly Financial Statements: Yes (for institutional investors, analysts, and media representatives)

1. Consolidated Operating Results through the Second Quarter of FY 2011 (January 1, 2011–June 30, 2011)

(1) Consolidated Operating Results (cumulative)

Note: Amounts of less than one million yen are omitted.

	Revenues	% change	Operating Income	% change	Ordinary Income	% change
First six months of FY 2011	¥181,938 million	(0.2)	¥35,191 million	27.7	¥36,182 million	38.3
First six months of FY 2010	¥182,379 million	(4.9)	¥27,562 million	(25.9)	¥26,158 million	(39.8)

	Net Income	% change	Net Income per Share (Basic)	Net Income per Share (Fully Diluted)
First six months of FY 2011	¥17,087 million	4.3	¥31.40	¥31.39
First six months of FY 2010	¥16,376 million	(37.7)	¥30.09	¥30.09

Note: Percentages represent changes compared with the same period of the previous fiscal year.

(2) Consolidated Financial Condition

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of June 30, 2011	¥529,359 million	¥455,266 million	85.6%	¥832.45
As of Dec. 31, 2010	¥508,016 million	¥449,394 million	88.0%	¥821.87

Reference: Shareholders' equity at June 30, 2011: ¥453,012 million

Shareholders' equity at Dec. 31, 2010: ¥447,256 million

2. Dividends

	Annual Dividends				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Total
FY ended Dec. 2010	—	¥17.00	—	¥23.00	¥40.00
FY ending Dec. 2011	—	¥20.00			
FY ending Dec. 2011 (Forecast)			—	¥20.00	¥40.00

Note: Whether the dividend forecast under review has been revised: No

3. Forecast of Consolidated Results for FY 2011 (January 1, 2011–December 31, 2011)

	Revenues	% Change	Operating Income	% Change	Ordinary Income	% Change
FY 2011	¥395,200 million	4.1	¥72,000 million	8.7	¥73,100 million	12.3

	Net Income	% Change	Net Income per Share (Basic)
FY 2011	¥37,000 million	(10.7)	¥67.99

Notes: 1. % change figures for revenues, operating income, ordinary income, and net income are presented in comparison with the same period of the previous fiscal year.

2. Whether the forecasts for consolidated figures under review have been revised: Yes

Reference: Regarding the revised forecast of consolidated results, please refer to “Differences between Consolidated Financial Outlook and Actual Results of Half Year ended June 30, 2011, and Revision of Consolidated Financial Outlook for Fiscal Year 2011 ending December 31, 2011” announced today July 21, 2011.

4. Others (For details, see the “Other Information” section on page 6.)

(1) Changes in the state of material subsidiaries during the period: None

Note: Changes in the state of specific subsidiaries during the period attendant with change in scope of consolidation

(2) Application of simplified accounting methods and/or special accounting method: Yes

Note: Application of simplified accounting methods and/or special accounting methods for preparation of the quarterly consolidated financial statements

(3) Changes in principles, procedures, methods of presentation, etc.

(a) Changes accompanying revisions in accounting principles: Yes

(b) Changes other than those in (a) above: None

Note: Changes in principles, procedures, methods of presentation, etc., related to “changes in material items that form the basis for the preparation and presentation of the quarterly consolidated financial statements”

(4) Number of shares issued (common stock):

(a) Number of shares at the end of the period (including treasury stock)

(b) Number of treasury stock at the end of the period

(c) Average number of shares issued during the period (six months)

Second quarter of FY 2011	559,685,889 shares	FY 2010	559,685,889 shares
Second quarter of FY 2011	15,492,654 shares	FY 2010	15,491,466 shares
Second quarter of FY 2011	544,193,784 shares	Second quarter of FY 2010	544,191,490 shares

Note: Items related to the status of the implementation of quarterly reviews

At the time of disclosure of these quarterly consolidated financial statements, review procedures were in progress for the quarterly financial statements based on the Financial Instruments and Exchange Act.

Note: Explanation of the appropriate use of performance forecasts and other related items

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 financial results may materially differ from these forecasts due to potential risks and uncertainties.

For the specifics of the above forecasts, please refer to the item “(3) Qualitative Information Regarding the Forecast for Consolidated Performance” in the “Qualitative Information” section of on page 6.

Index of the Attachment

1. Qualitative Information	4
(1) Qualitative Information Regarding Operating Results (Consolidated)	4
(2) Qualitative Information Regarding Financial Condition (Consolidated)	5
(3) Qualitative Information Regarding the Forecast for Consolidated Performance	6
2. Other Information	6
(1) Summary of Changes in the State of Material Subsidiaries	6
(2) Summary of Application of Simplified Accounting Methods and/or Special Accounting Method	6
(3) Summary of Changes in Principles, Procedures, Methods of Preparation, etc.	6
3. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income	10
(3) Consolidated Statements of Cash Flows	11
(4) Notes Regarding Assumptions as a Going Concern	12
(5) Segment Information	12
(6) Notes Regarding Major Changes in Shareholders' Equity	12

Note: The Company is scheduled to hold a conference call for investors as noted below. The materials used for the call, the voice portion, the Q&A, and other related documents will be posted on the Company's website immediately following the conclusion of the conference call.

Teleconference for institutional investors and analysts: July 22, 2011, Friday (Japan time)

1. Qualitative Information

(1) Qualitative Information Regarding Operating Results (Consolidated)

(Billions of Yen)

	First six months of FY 2010.12 (Jan. 1, 2010–June 30, 2010)	First six months of FY 2011.12 (Jan. 1, 2011–June 30, 2011)	% Change
Revenues	182.4	181.9	(0.3)
Sales (excluding Tamiflu)	168.6	170.2	+0.9
Cost of sales	80.5	74.5	(7.5)
Gross profit	101.8	107.4	+5.5
SG&A (excl. R&D) expenses	47.7	45.3	(5.0)
R&D expenses	26.6	26.9	+1.1
Operating income	27.6	35.2	+27.5
Ordinary income	26.2	36.2	+38.2
Net income	16.4	17.1	+4.3

Consolidated revenues through the second quarter under review were ¥181.9 billion (a decrease of 0.3% year on year).

Sales of the anti-influenza agent Tamiflu, which vary widely from year to year, amounted to ¥4.6 billion (a decline of 61.7% year on year). After the exclusion of sales of Tamiflu and other operating revenues, which amounted to ¥7.2 billion (representing about a fourfold increase year on year), sales amounted to ¥170.2 billion (an increase of 0.9% year on year).

Domestic Sales (Excluding Tamiflu)

In the oncology field, sales amounted to ¥67.9 billion (an increase of 5.1% year on year). This gain in sales was due to growth in sales of Avastin (an anti-vascular endothelial growth factor (VEGF) receptor humanized monoclonal antibody anti-cancer agent), after it received the approval for an additional indication of non-small cell lung cancer in November 2009, and Herceptin (an anti-HER-2-humanized monoclonal antibody and anti-cancer agent).

In the bone and joint disease field, sales were ¥30.4 billion (an increase of 6.3% year on year), thus remaining on an upward trend. This increase was driven by substantial growth in sales of Actemra (a humanized anti-human IL-6 receptor monoclonal antibody), which received an additional indication in April 2008 for the treatment of rheumatoid arthritis, and Ediol, an active vitamin D₃ derivative, which we launched in April 2011.

In the renal diseases field, sales amounted to ¥24.3 billion (a decline of 10.7% year on year), as sales of Epogin (a recombinant human erythropoietin) decreased because of the effects of increased competition.

In the transplant, immunology, and infectious disease fields (excluding Tamiflu), sales were ¥11.5 billion (a decline of 3.4% year on year), as sales of Pegasys (a peginterferon- α -2a) and Copegus (an anti-viral agent) declined owing to the continuing effect of the shrinkage in the market for the treatment of chronic hepatitis C.

As a result, domestic sales (excluding Tamiflu) amounted to ¥150.9 billion (an increase of 0.2% year on year).

Tamiflu Anti-influenza Agent

Sales of Tamiflu for ordinary use through the second quarter amounted to ¥4.1 billion (an increase of 192.9% year on year). Sales to government stockpiles through the second quarter amounted to ¥0.5 billion (a decrease of 95.3%).

Overseas Sales

Overseas sales were ¥19.3 billion (an increase of 6.6% year on year). Although sales of Neutrogin, a recombinant human granulocyte-colony stimulating factor (G-CSF), decreased because of the adverse effects of competition from follow-on biologics and currency fluctuations, exports of Actemra to F. Hoffman-La Roche Ltd. increased.

Profit (Loss) Condition

Gross profit through the second quarter amounted to ¥107.4 billion (an increase of 5.5%). This increase was due to an improvement in gross margins on sales and a major rise in other operating revenues that accompanied a lump-sum payment received along with the in-licensing of GC33, an increase in revenues related to Actemra, and other factors.

Selling, general and administrative expenses excluding R&D expenses amounted to ¥45.3 billion (a decrease of 5.0% year on year) owing to the constraints on operating activities that emerged following the Great East Japan Earthquake. R&D expenses were ¥26.9 billion (an increase of 1.1% year on year), reflecting progress on development themes.

As a result, operating income amounted to ¥35.2 billion (an increase of 27.5% year on year), and ordinary income was ¥36.2 billion (an increase of 38.2% year on year). Net income through the second quarter amounted to ¥17.1 billion (an increase of 4.3% year on year). This figure reflects the reporting of extraordinary losses of ¥7.6 billion due to losses incurred in connection with the Great East Japan Earthquake and the application of Accounting Standards for Asset Retirement Obligations.

Note: In this item, amounts less than ¥100 million have been rounded off. Figures for changes in amounts and percentage increases and decreases have been calculated using data denominated in ¥100 million units.

(2) Qualitative Information Regarding Financial Condition (Consolidated)**Assets, Liabilities, and Net Assets**

At the end of the second quarter under review, total assets on a consolidated basis amounted to ¥529.4 billion, representing an increase of ¥21.4 billion in comparison with the end of the previous fiscal year. This gain was mainly due to a rise in cash and deposits of ¥33.0 billion and an increase in raw materials and supplies of ¥10.5 billion, which were partially offset by a decline of ¥7.6 billion in trade notes and accounts receivable as well as a decrease in merchandise and finished goods of ¥5.0 billion.

Total liabilities on a consolidated basis stood at ¥74.1 billion, representing an increase of ¥15.5 billion compared with the end of the previous fiscal year. Principal factors accounting for this increase were a gain in trade notes and accounts payable of ¥9.0 billion and an increase in income taxes payable of ¥7.2 billion.

Total net assets on a consolidated basis were ¥455.3 billion, representing an increase of ¥5.9 billion compared with the end of the previous fiscal year. Principal factors accounting for this increase were an increase in retained earnings of ¥4.6 billion due to the reporting of ¥17.1 billion in net income through the second quarter, which was partially offset by the payment of dividends from retained earnings of ¥12.5 billion.

As a result, the consolidated shareholders' equity ratio stood at 85.6%, compared with 88.0% at the end of the previous fiscal year.

Cash Flows

Cash and cash equivalents at the end of the second quarter under review amounted to ¥99.1 billion (versus ¥69.9 billion at the end of the same quarter of the previous fiscal year).

Net cash provided by operating activities through the second quarter amounted to ¥50.2 billion (compared with ¥6.8 billion provided by operating activities for the same period of the previous fiscal year). This was primarily due to income before income taxes and minority interests of ¥28.6 billion, an increase in notes and accounts payable of ¥9.0 billion, and a decrease in notes and accounts receivable of ¥7.7 billion.

Net cash used in investing activities was ¥3.7 billion (compared with ¥16.6 billion used in investing activities for the same period of the previous fiscal year). Principal factors accounting for this were as follows: Purchases of noncurrent assets of ¥6.1 billion, a net inflow of ¥1.7 billion from payments into time deposits and proceeds from withdrawal of time deposits, and a net inflow of ¥0.7 billion from the purchase of marketable securities and proceeds from sales of marketable securities.

Net cash used in financing activities was ¥13.2 billion (compared with ¥13.2 billion also used in financing activities for the same period of the previous fiscal year). This was primarily due to cash dividends paid of ¥12.5 billion.

Note: In this item, amounts less than ¥100 million have been rounded off. Figures for changes in amounts and percentage increases and decreases have been calculated using data denominated in ¥100 million units.

(3) Qualitative Information Regarding the Forecast for Consolidated Performance

The full year consolidated forecasts were revised as the Company updated its estimate for extraordinary loss resulting from the Great East Japan Earthquake on March 11, 2011. The Company's business performance up to the first half was also reflected. The assumptions for the revised forecasts are as follows:

- foreign exchange rate (Jul. – Dec. 2011) was updated: ¥95/CHF, ¥110/EUR, ¥85/USD, and ¥131/GBP;
- statutory tax rate (five-percentage-point) reduction reform and associating one-time deterioration of deferred tax assets reflected in the previous forecasts was maintained; and,
- expected magnitude of the influenza epidemic was unchanged, assuming it would be about the same as the average for the past 10 years, excluding the epidemic of the new strain of influenza in the 2009/2010 season.

2. Other Information

(1) Summary of Changes in the State of Material Subsidiaries

None

(2) Summary of Application of Simplified Accounting Methods and/or Special Accounting Method

(a) Simplified method of accounting

(Valuation of inventories)

In calculating the amount of inventories at the end of the second consolidated quarter, the amount of inventories based on on-site inspections reported at the end of the previous consolidated fiscal year is taken as a base, and the value of inventories is determined according to reasonable methods. In addition, in calculating write-downs in the book value of inventories, only for those inventories whose profitability has clearly declined, the net sale value is estimated, and the method of reducing book value to net sales value is used.

(Method for calculating depreciation of noncurrent assets)

For assets that are depreciated using the declining-balance method, the amount of depreciation for each quarter is calculated by dividing the amount of depreciation for the consolidated fiscal year into four equal installments and charging such installments as an expense for each quarter.

(Calculation of income taxes and deferred tax assets and deferred tax liabilities)

For certain consolidated subsidiaries, the method of increasing or decreasing material calculation items and material deduction items for income tax purposes is employed in calculating the amount of income taxes payable and in calculating deferred tax assets and deferred tax liabilities.

In making judgments regarding the recoverability of deferred income tax assets, in cases where it is recognized that there have been no major changes in the management environment since the end of the previous consolidated fiscal year and no major temporary differences, the Company applies the method of using the forecast for future performance and tax planning employed at the time of the preparation of the accounts for the end of the previous consolidated fiscal year, and, in cases where it is recognized that there have been major changes in the management environment since the end of the previous consolidated fiscal year and/or major temporary differences, the Company employs the method of taking account of such changes in the forecast for future performance and tax planning.

(b) Special accounting methods for preparation of the quarterly consolidated financial statements

None

(3) Summary of Changes in Principles, Procedures, Methods of Preparation, etc.

(a) Application of “Accounting Standards for Asset Retirement Obligations”

Beginning with the first quarter of the fiscal year ending December 31, 2011, “Accounting Standards for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, issued on March 31, 2008) and “Guidance on

Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008) have been applied.

As a result, both consolidated operating income and ordinary income for the six months through the second quarter declined ¥45 million and income before income taxes and minority interests decreased ¥1,063 million.

(b) Application of “Accounting Standards for Business Combinations and Related Matters”

Beginning with the first quarter of the fiscal year ending December 31, 2011, the Company has applied the following accounting standards. All of these accounting standards, partial amendments to existing accounting standards, and guidance were issued by ASBJ on December 26, 2008.

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21)

“Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22)

“Partial Amendments to the Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23)

“Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7)

“Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16)

“Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10)

As a result, the Company made the transition from the partial mark-to-market valuation method for the assets and liabilities of its consolidated subsidiaries to the full mark-to-market valuation method. This change in valuation method had no effect on the quarterly consolidated financial statements.

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of Yen)

	As of June 30, 2011	As of December 31, 2010 (Summary)
Assets		
Current assets:		
Cash and deposits	109,226	76,212
Trade notes and accounts receivable	105,847	113,391
Marketable securities	58,994	59,699
Merchandise and finished goods	84,373	89,447
Work in process	196	20
Raw materials and supplies	25,871	15,417
Deferred tax assets	18,492	19,926
Other	9,107	12,427
Reserve for doubtful accounts	(5)	(5)
Total current assets	412,104	386,537
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures (net)	48,415	50,284
Other (net)	35,117	37,669
Total property, plant and equipment	83,533	87,954
Intangible assets:	2,378	2,362
Investments and other assets:		
Investment securities	6,915	7,587
Deferred tax assets	15,222	14,939
Other	9,377	8,821
Reserve for doubtful accounts	(173)	(186)
Total investments and other assets	31,342	31,161
Total noncurrent assets	117,254	121,478
Total assets	529,359	508,016

(Millions of Yen)

	As of June 30, 2011	As of December 31, 2010 (Summary)
Liabilities		
Current liabilities:		
Trade notes and accounts payable	28,455	19,489
Income taxes payable	10,915	3,679
Reserve for bonuses to employees	4,926	4,588
Other reserves	4,422	2,650
Other	20,062	24,173
Total current liabilities	68,782	54,580
Noncurrent liabilities:		
Reserves	3,013	3,325
Other	2,297	716
Total noncurrent liabilities	5,311	4,041
Total liabilities	74,093	58,621
Net assets		
Shareholders' equity:		
Common stock	72,966	72,966
Additional paid-in capital	92,815	92,815
Retained earnings	332,213	327,642
Treasury stock, at cost	(36,258)	(36,256)
Total shareholders' equity	461,736	457,167
Valuation and translation adjustments:		
Net unrealized gain on securities	948	1,341
Foreign currency translation adjustments	(9,673)	(11,252)
Total valuation and translation adjustments	(8,724)	(9,911)
New share warrants	883	775
Minority interests	1,370	1,363
Total net assets	455,266	449,394
Total liabilities and net assets	529,359	508,016

(2) Consolidated Statements of Income

(Millions of Yen)

	First six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)	First six months of FY 2011 (Jan. 1, 2011 – June 30, 2011)
Revenues:		
Sales	180,643	174,760
Other operating revenues	1,736	7,177
Total revenues	182,379	181,938
Cost of sales:	80,546	74,542
Gross profit	101,832	107,395
Selling, general and administrative expenses:		
Sales promotion expenses	7,301	6,153
Salaries and allowances	14,634	14,538
Reserve for bonuses	2,794	2,913
R&D expenses	26,563	26,941
Retirement benefits	1,319	1,191
Other	21,657	20,464
Total selling, general and administrative expenses	74,270	72,204
Operating income	27,562	35,191
Non-operating income:		
Interest income	163	169
Gain on foreign exchange	2,063	—
Dividends income of Life insurance	—	341
Gain on valuation of derivatives	—	107
Other	732	729
Total non-operating income	2,959	1,347
Non-operating expenses:		
Interest expenses	1	1
Loss on valuation of derivatives	3,955	—
Loss on retirement of noncurrent assets	—	95
Loss on foreign exchange	—	54
Other	406	205
Total non-operating expenses	4,363	357
Ordinary income	26,158	36,182
Extraordinary gain:		
Subsidy	50	—
Total extraordinary gain	50	—
Extraordinary loss:		
Impairment loss	2	17
Loss on disaster	—	6,532
Restructuring loss	67	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,018
Other	4	26
Total extraordinary loss	75	7,594
Income before income taxes and minority interests	26,133	28,587
Income taxes—current	9,260	9,526
Income taxes—deferred	(97)	1,422
Total income taxes	9,163	10,949
Income before minority interests	—	17,638
Minority interests in income	593	551
Net income	16,376	17,087

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	First six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)	First six months of FY 2011 (Jan. 1, 2011 – June 30, 2011)
Cash flows from operating activities:		
Income before income taxes and minority interests	26,133	28,587
Depreciation and amortization	8,435	7,231
Impairment loss	2	17
Interest and dividend income	(232)	(229)
Interest expense	1	1
Loss on disposal of noncurrent assets	68	95
Loss on sales of noncurrent assets	0	0
Loss on sales and valuation of investment securities	4	20
Loss on disaster	—	6,532
Decrease in notes and accounts receivable	22,093	7,668
(Increase) in inventories	(19,698)	(6,460)
(Decrease) increase in notes and accounts payable	(1,879)	8,951
Other	(6,660)	2,584
Subtotal	28,269	55,000
Interest and dividends received	219	229
Interest paid	(4)	(1)
Payments for loss on disaster	—	(2,047)
Income taxes paid	(21,679)	(2,948)
Net cash provided by operating activities	6,804	50,232
Cash flows from investing activities:		
Payments into time deposits	(12,314)	(9,104)
Proceeds from withdrawal of time deposits	11,201	10,836
Purchase of marketable securities	(66,688)	(58,993)
Proceeds from sales of marketable securities	57,200	59,700
Purchase of investment securities	(2)	(2)
Proceeds from sales of investment securities	1,502	—
Purchases of noncurrent assets	(7,549)	(6,109)
Proceeds from sales of noncurrent assets	0	4
Other	9	(21)
Net cash (used in) investing activities	(16,640)	(3,690)
Cash flows from financing activities:		
Net (increase) in treasury stock	(4)	(1)
Cash dividends paid	(12,508)	(12,509)
Cash dividends paid to minority interests	(672)	(630)
Other	(3)	(13)
Net cash (used in) financing activities	(13,188)	(13,156)
Effect of exchange rate changes on cash and cash equivalents	(1,510)	619
Net (decrease) increase in cash and cash equivalents	(24,534)	34,004
Cash and cash equivalents at beginning of year	94,478	65,143
Cash and cash equivalents at end of the period	69,943	99,148

(4) Notes Regarding Assumptions as a Going Concern

None

(5) Segment Information**Business Segments***For the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

As the Company and its consolidated subsidiaries have been comprised of a single business segment, Pharmaceutical business, the disclosure of business segment information has been omitted.

Geographical Segments*For the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

As revenues of the foreign consolidated subsidiaries were less than 10% of consolidated totals, the disclosure of geographical segment information has been omitted.

Overseas Revenues*For the first six months of FY 2010 (Jan. 1, 2010 – June 30, 2010)*

(Millions of Yen)

	Europe	Other Regions	Total
Overseas revenues	¥18,265	¥1,308	¥ 19,574
Revenues			182,379
% of revenues	10.0	0.7	10.7

Notes: 1. Division by country or region is based on geographical proximity.

2. The countries and regions belonging to geographical classifications are as follows:

(1) Europe: Switzerland, France, the U.K., Germany, etc.

(2) Other Regions: Republic of Korea, Taiwan, People's Republic of China, the U.S., etc.

3. Overseas revenues are defined as revenues made by the Company and its consolidated subsidiaries in countries or regions outside Japan.

Segment Information*For the first six months of FY 2011 (Jan. 1, 2011 – June 30, 2011)*

As the Company Group has been comprised of a single business segment, Pharmaceutical business, the disclosure of segment information has been omitted.

Supplementary Information

Beginning with the first quarter of the fiscal year ending December 31, 2011, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued on March 21, 2008) have been applied.

(6) Notes Regarding Major Changes in Shareholders' Equity

None