

Supplementary Materials for
Consolidated Financial Results for
the 1st Quarter of Fiscal Year 2015. 12 (IFRS)



CHUGAI PHARMACEUTICAL CO., LTD.



A member of the Roche group

- Notes: 1. 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 results may materially differ from these forecasts due to potential risks and uncertainties.
2. Amounts shown in this report are rounded to the nearest 0.1 billion yen. Variance and % are calculated based on the amounts
3. Exchange rates used for each period are as follows.

QTR

(Yen)

Average		Actual				Actual			
		FY2014				FY2015			
		1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
		QTR	QTR	QTR	QTR	QTR	QTR	QTR	QTR
CHF		115.17	114.91	113.72	118.74	124.98			
EUR		140.90	140.12	137.79	143.01	134.38			
USD		102.81	102.16	103.92	114.47	119.15			
SGD		81.03	81.56	83.04	88.38	87.88			

YTD

Average	Actual	Actual				Actual				Forecast
	FY2013	FY2014				FY2015				FY2015
	1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12	1-12
	Full-year	YTD	YTD	YTD	Full-year	YTD	YTD	YTD	Full-year	Full-year
CHF	105.24	115.17	115.04	114.59	115.69	124.98				116.00
EUR	129.51	140.90	140.51	139.58	140.49	134.38				142.00
USD	97.54	102.81	102.49	102.96	105.84	119.15				119.00
SGD	77.97	81.03	81.29	81.87	83.54	87.88				91.00

Period-end

As of	Actual	Actual				Actual			
	FY2013	FY2014				FY2015			
	31 Dec.	31 Mar.	30 Jun.	30 Sep.	31 Dec.	31 Mar.	30 Jun.	30 Sep.	31 Dec.
CHF	118.42	115.93	113.79	115.08	120.81	124.13			
EUR	145.16	141.40	138.37	138.88	145.26	130.09			
USD	105.16	102.82	101.38	109.49	119.48	120.08			
SGD	82.96	81.70	81.12	85.94	90.41	87.24			

Financial highlights (YTD)

(Billions of yen)

	Actual	Actual				Actual							
	FY2013	FY2014				FY2015							
	1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)
	YTD	YTD	YTD	YTD	YTD	YTD		YTD		YTD		YTD	
Revenues	423.7	124.0	222.0	333.4	461.1	117.1	(5.6)						
Sales	401.3	114.2	208.1	315.1	436.9	113.4	(0.7)						
excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)						
Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)						
Sales to Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5						
Overseas	18.1	5.2	9.5	14.3	19.3	4.8	(7.7)						
Tamiflu sales	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)						
Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)						
Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)						
Royalties and other operating income	22.4	9.8	13.9	18.3	24.2	3.7	(62.2)						
Cost of sales	(187.0)	(55.5)	(102.6)	(157.3)	(218.1)	(57.7)	+4.0						
(% of Sales)	46.6	48.6	49.3	49.9	49.9	50.9	-						
Gross profit	236.7	68.5	119.4	176.1	243.0	59.3	(13.4)						
(% of Revenues)	55.9	55.2	53.8	52.8	52.7	50.6	-						
Operating expenses	(157.9)	(37.5)	(76.3)	(117.0)	(167.2)	(38.6)	+2.9						
(% of Revenues)	37.3	30.2	34.4	35.1	36.3	33.0	-						
Marketing and distribution	(71.6)	(16.6)	(34.3)	(51.7)	(71.7)	(16.6)	0.0						
(% of Revenues)	16.9	13.4	15.5	15.5	15.5	14.2	-						
Research and development	(74.3)	(18.3)	(36.7)	(55.5)	(80.8)	(19.0)	+3.8						
(% of Revenues)	17.5	14.8	16.5	16.6	17.5	16.2	-						
General and administration	(12.1)	(2.6)	(5.2)	(9.7)	(14.6)	(3.0)	+15.4						
(% of Revenues)	2.9	2.1	2.3	2.9	3.2	2.6	-						
Operating profit	78.7	31.1	43.1	59.1	75.9	20.7	(33.4)						
(% of Revenues)	18.6	25.1	19.4	17.7	16.5	17.7	-						
Financing costs	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0						
Other financial income (expense)	(1.8)	0.2	0.3	0.3	0.3	0.5	+150.0						
Profit before taxes	76.9	31.3	43.4	59.4	76.2	21.2	(32.3)						
(% of Revenues)	18.1	25.2	19.5	17.8	16.5	18.1	-						
Income taxes	(25.1)	(12.2)	(14.0)	(18.8)	(24.1)	(6.4)	(47.5)						
Net income	51.9	19.1	29.4	40.6	52.1	14.8	(22.5)						
(% of Revenues)	12.2	15.4	13.2	12.2	11.3	12.6	-						
Attributable to													
Chugai shareholders	50.9	18.8	28.9	39.7	51.0	14.6	(22.3)						
Non-controlling interests	1.0	0.3	0.5	0.8	1.1	0.2	(33.3)						
Earnings per share													
Basic (yen)	93.47	34.46	53.03	72.90	93.53	26.73	(22.4)						
Diluted (yen)	93.35	34.41	52.95	72.79	93.38	26.68	(22.5)						

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (QTR)

(Billions of yen)

	Actual FY2014				Actual FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)						
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)						
excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)						
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)						
Sales to Roche	16.9	9.3	13.2	15.6	18.0	+6.5						
Overseas	5.2	4.3	4.8	5.0	4.8	(7.7)						
Tamiflu sales	6.9	0.2	0.1	5.8	6.7	(2.9)						
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)						
Govt. stockpiles etc.	0.1	–	0.1	0.0	0.0	(100.0)						
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)						
Cost of sales	(55.5)	(47.1)	(54.7)	(60.7)	(57.7)	+4.0						
(% of Sales)	48.6	50.2	51.1	49.9	50.9	–						
Gross profit	68.5	50.9	56.7	66.9	59.3	(13.4)						
(% of Revenues)	55.2	51.9	50.9	52.4	50.6	–						
Operating expenses	(37.5)	(38.8)	(40.7)	(50.2)	(38.6)	+2.9						
(% of Revenues)	30.2	39.6	36.5	39.3	33.0	–						
Marketing and distribution	(16.6)	(17.7)	(17.4)	(20.0)	(16.6)	0.0						
(% of Revenues)	13.4	18.1	15.6	15.7	14.2	–						
Research and development	(18.3)	(18.4)	(18.8)	(25.3)	(19.0)	+3.8						
(% of Revenues)	14.8	18.8	16.9	19.8	16.2	–						
General and administration	(2.6)	(2.7)	(4.5)	(4.9)	(3.0)	+15.4						
(% of Revenues)	2.1	2.8	4.0	3.8	2.6	–						
Operating profit	31.1	12.0	16.0	16.7	20.7	(33.4)						
(% of Revenues)	25.1	12.2	14.4	13.1	17.7	–						
Financing costs	(0.0)	0.0	0.0	0.0	(0.0)	0.0						
Other financial income (expense)	0.2	0.1	(0.0)	0.0	0.5	+150.0						
Profit before taxes	31.3	12.2	16.0	16.7	21.2	(32.3)						
(% of Revenues)	25.2	12.4	14.4	13.1	18.1	–						
Income taxes	(12.2)	(1.8)	(4.8)	(5.2)	(6.4)	(47.5)						
Net income	19.1	10.3	11.1	11.5	14.8	(22.5)						
(% of Revenues)	15.4	10.5	10.0	9.0	12.6	–						
Attributable to												
Chugai shareholders	18.8	10.1	10.8	11.3	14.6	(22.3)						
Non-controlling interests	0.3	0.2	0.3	0.3	0.2	(33.3)						
Earnings per share												
Basic (yen)	34.46	18.57	19.87	20.63	26.73	(22.4)						
Diluted (yen)	34.41	18.54	19.84	20.60	26.68	(22.5)						

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (Core results YTD)

(Billions of yen)

	Actual	Actual				Actual								Forecast (Jan 28th Announced)	
	FY2013	FY2014				FY2015								FY2015	
	1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)	1-12	Change (%)
	YTD	YTD	YTD	YTD	YTD	YTD		YTD		YTD		YTD		YTD	
Revenues	423.7	124.0	222.0	333.4	461.1	117.1	(5.6)							486.5	+5.5
Sales	401.3	114.2	208.1	315.1	436.9	113.4	(0.7)							460.8	+5.5
excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)							453.4	+7.0
Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)							360.9	+3.3
Sales to Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5							74.7	+35.6
Overseas	18.1	5.2	9.5	14.3	19.3	4.8	(7.7)							17.8	(7.8)
Tamiflu sales	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)							7.4	(43.1)
Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)							7.4	(42.6)
Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)							-	(100.0)
Royalties and other operating income	22.4	9.8	13.9	18.3	24.2	3.7	(62.2)							25.6	+5.8
Cost of sales	(186.1)	(55.3)	(102.1)	(156.5)	(217.0)	(57.4)	+3.8							(230.2)	+6.1
(% of Sales)	46.4	48.4	49.1	49.7	49.7	50.6	-							50.0	-
Gross profit	237.6	68.8	119.9	176.9	244.2	59.7	(13.2)							256.3	+5.0
(% of Revenues)	56.1	55.5	54.0	53.1	53.0	51.0	-							52.7	-
Operating expenses	(157.7)	(37.3)	(76.2)	(116.9)	(166.8)	(38.2)	+2.4							(171.3)	+2.7
(% of Revenues)	37.2	30.1	34.3	35.1	36.2	32.6	-							35.2	-
Marketing and distribution	(71.5)	(16.6)	(34.3)	(51.7)	(71.7)	(16.6)	0.0								
(% of Revenues)	16.9	13.4	15.5	15.5	15.5	14.2	-								
Research and development	(74.1)	(18.2)	(36.6)	(55.4)	(80.6)	(18.6)	+2.2								
(% of Revenues)	17.5	14.7	16.5	16.6	17.5	15.9	-								
General and administration	(12.1)	(2.6)	(5.2)	(9.7)	(14.6)	(3.0)	+15.4								
(% of Revenues)	2.9	2.1	2.3	2.9	3.2	2.6	-								
Operating profit	79.9	31.4	43.7	60.1	77.3	21.5	(31.5)							85.0	+10.0
(% of Revenues)	18.9	25.3	19.7	18.0	16.8	18.4	-							17.5	-
Financing costs	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0								
Other financial income (expense)	(1.8)	0.2	0.3	0.3	0.3	0.5	+150.0								
Profit before taxes	78.1	31.6	44.1	60.4	77.6	21.9	(30.7)								
(% of Revenues)	18.4	25.5	19.9	18.1	16.8	18.7	-								
Income taxes	(25.5)	(12.3)	(14.2)	(19.2)	(24.6)	(6.6)	(46.3)								
Net income	52.6	19.3	29.8	41.2	53.0	15.3	(20.7)								
(% of Revenues)	12.4	15.6	13.4	12.4	11.5	13.1	-								
Attributable to															
Chugai shareholders	51.6	19.0	29.3	40.3	51.9	15.1	(20.5)								
Non-controlling interests	1.0	0.3	0.5	0.8	1.1	0.2	(33.3)								
Weighted average number of shares in issue used to calculate diluted earnings per share (Millions of shares)	545	546	546	546	546	547	+0.2								
Core earnings per share (diluted) (yen)	94.69	34.82	53.66	73.85	95.04	27.54	(20.9)							104.42	+9.9
Core payout ratio (%)	47.5				50.5									49.8	-
Dividend per share (Full year) (yen)	45				48									52	-
Dividend per share (Half year) (yen)	22				22									26	-

Please see page 5 "Reconciliation of IFRS results to Core results" for the detail of the adjustments.

Core earnings per share (diluted) (yen) : Net income attributable to Chugai shareholders / Weighted average number of shares in issue used to calculate diluted earnings per share.

Other financial income (expense) includes net amount of FX related gains/losses.

Financial highlights (Core results QTR)

(Billions of yen)

	Actual				Actual							
	FY2014				FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)						
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)						
excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)						
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)						
Sales to Roche	16.9	9.3	13.2	15.6	18.0	+6.5						
Overseas	5.2	4.3	4.8	5.0	4.8	(7.7)						
Tamiflu sales	6.9	0.2	0.1	5.8	6.7	(2.9)						
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)						
Govt. stockpiles etc.	0.1	–	0.1	0.0	0.0	(100.0)						
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)						
Cost of sales	(55.3)	(46.8)	(54.4)	(60.5)	(57.4)	+3.8						
(% of Sales)	48.4	49.8	50.8	49.7	50.6	–						
Gross profit	68.8	51.1	57.0	67.2	59.7	(13.2)						
(% of Revenues)	55.5	52.1	51.2	52.6	51.0	–						
Operating expenses	(37.3)	(38.9)	(40.7)	(50.0)	(38.2)	+2.4						
(% of Revenues)	30.1	39.7	36.5	39.2	32.6	–						
Marketing and distribution	(16.6)	(17.7)	(17.4)	(20.0)	(16.6)	0.0						
(% of Revenues)	13.4	18.1	15.6	15.7	14.2	–						
Research and development	(18.2)	(18.4)	(18.8)	(25.1)	(18.6)	+2.2						
(% of Revenues)	14.7	18.8	16.9	19.7	15.9	–						
General and administration	(2.6)	(2.7)	(4.5)	(4.9)	(3.0)	+15.4						
(% of Revenues)	2.1	2.8	4.0	3.8	2.6	–						
Operating profit	31.4	12.3	16.3	17.2	21.5	(31.5)						
(% of Revenues)	25.3	12.6	14.6	13.5	18.4	–						
Financing costs	(0.0)	0.0	0.0	0.0	(0.0)	0.0						
Other financial income (expense)	0.2	0.1	(0.0)	0.0	0.5	+150.0						
Profit before taxes	31.6	12.4	16.3	17.3	21.9	(30.7)						
(% of Revenues)	25.5	12.7	14.6	13.5	18.7	–						
Income taxes	(12.3)	(1.9)	(5.0)	(5.4)	(6.6)	(46.3)						
Net income	19.3	10.5	11.3	11.8	15.3	(20.7)						
(% of Revenues)	15.6	10.7	10.1	9.2	13.1	–						
Attributable to												
Chugai shareholders	19.0	10.3	11.0	11.6	15.1	(20.5)						
Non-controlling interests	0.3	0.2	0.3	0.3	0.2	(33.3)						
Core earnings per share (diluted) (yen)	34.82	18.85	20.19	21.19	27.54	(20.9)						

Other financial income (expense) includes net amount of FX related gains/losses.

Reconciliation of IFRS results to Core results

(Billions of yen)

	FY2014				FY2015			
	1-3				1-3			
	IFRS results	Intangible assets and Business combinations	Other eliminated items	Core results	IFRS results	Intangible assets and Business combinations	Other eliminated items	Core results
Revenues	124.0	–	–	124.0	117.1	–	–	117.1
Sales	114.2	–	–	114.2	113.4	–	–	113.4
Royalties and other operating income	9.8	–	–	9.8	3.7	–	–	3.7
Cost of sales	(55.5)	0.2	–	(55.3)	(57.7)	0.3	–	(57.4)
Gross profit	68.5	0.2	–	68.8	59.3	0.3	–	59.7
Operating expenses	(37.5)	0.0	0.1	(37.3)	(38.6)	0.4	0.1	(38.2)
Marketing and distribution	(16.6)	0.0	–	(16.6)	(16.6)	0.0	–	(16.6)
Research and development	(18.3)	0.0	0.1	(18.2)	(19.0)	0.3	–	(18.6)
General and administration	(2.6)	–	0.0	(2.6)	(3.0)	–	0.1	(3.0)
Operating profit	31.1	0.3	0.1	31.4	20.7	0.7	0.1	21.5
Financing costs	(0.0)	–	–	(0.0)	(0.0)	–	–	(0.0)
Other financial income (expense)	0.2	–	–	0.2	0.5	–	–	0.5
Profit before taxes	31.3	0.3	0.1	31.6	21.2	0.7	0.1	21.9
Income taxes	(12.2)	(0.1)	(0.0)	(12.3)	(6.4)	(0.2)	(0.0)	(6.6)
Net income	19.1	0.2	0.1	19.3	14.8	0.4	0.0	15.3
Attributable to								
Chugai shareholders	18.8	0.2	0.1	19.0	14.6	0.4	0.0	15.1
Non-controlling interests	0.3	–	–	0.3	0.2	–	–	0.2

Core results

Chugai discloses its results on a Core basis from 2013 in conjunction with its decision to apply IFRS. Core results are the results after adjusting non-Core items to IFRS results, and are consistent with the Core concept disclosed by Roche. Core results are used by Chugai as an internal performance indicator, for explaining the underlying business performance both internally and externally, and as the basis for payment-by-results such as a return to shareholders.

The table above shows the reconciliation of IFRS results into Core results. The detail is as below.

Intangible assets and Business combinations

Amortization of intangible assets (0.3 billion yen in 2014 and 0.4 billion yen in 2015)

Impairment of intangible assets (none in 2014 and 0.3 billion yen in 2015)

Business combinations (none in 2014 and 2015)

Other eliminated items

Restructuring expenses, (0.1 billion yen in 2014 and none in 2015)

Legal costs (none in 2014 and 2015), environmental costs (immaterial in 2014 and 0.1 billion yen in 2015)

Discontinued operations (none in 2014 and 2015)

Other profit or losses occurred from non-pharma business (none in 2014 and 2015)

Statements of revenues (YTD)

(Billions of yen)															
		Actual	Actual				Actual								Forecast (Jan 28th announced)
		FY2013	FY2014				FY2015								FY2015
		1-12	1-3	1-6	1-9	1-12	1-3	Change (%)	1-6	Change (%)	1-9	Change (%)	1-12	Change (%)	1-12
		YTD	YTD	YTD	YTD	YTD	YTD		YTD		YTD		YTD		Full-year
Sales		401.3	114.2	208.1	315.1	436.9	113.4	(0.7)							460.8
	Excl. Tamiflu	390.2	107.3	201.0	308.0	423.8	106.7	(0.6)							453.4
	Domestic	329.2	85.2	165.3	254.2	349.5	83.9	(1.5)							360.9
	Oncology	172.4	45.4	87.2	135.8	188.9	47.7	+5.1							204.5
	Avastin	75.4	20.1	38.2	59.4	82.3	20.9	+4.0							88.2
	Herceptin	30.9	8.1	14.9	22.9	31.2	7.5	(7.4)							29.6
	Rituxan	26.2	6.4	12.0	18.9	26.2	6.4	0.0							27.9
	Tarceva	10.4	2.9	5.6	8.4	11.5	2.5	(13.8)							14.1
	Xeloda	11.3	2.8	5.0	7.6	10.4	2.6	(7.1)							10.0
	Perjeta	2.4	2.0	4.3	6.6	9.1	2.3	+15.0							9.9
	Kadcyla	—	—	1.0	2.4	4.0	1.5	—							8.8
	Alecensa	—	—	—	0.2	1.4	1.3	—							5.2
	Neutrogen	8.1	1.3	2.8	4.2	5.9	1.0	(23.1)							4.7
	Zelboraf	—	—	—	—	—	0.1	—							0.2
	Other products	7.6	1.8	3.4	5.1	6.9	1.6	(11.1)							5.8
	Bone and joint diseases	60.6	17.6	33.0	50.3	69.6	17.6	0.0							75.9
	Actemra	20.4	5.9	11.2	17.4	24.1	5.9	0.0							26.3
	Edirol	15.0	5.0	8.7	13.6	19.2	4.9	(2.0)							21.2
	Suvenyl	11.9	2.6	5.2	7.9	10.7	2.3	(11.5)							10.8
	Bonviva	0.5	0.7	1.3	2.3	3.4	1.1	+57.1							4.9
	Alfarol	6.4	1.2	2.5	3.7	4.9	1.0	(16.7)							4.2
	Other products	6.3	2.1	4.0	5.5	7.4	2.4	+14.3							8.5
	Renal diseases	48.9	11.7	21.5	32.9	44.7	9.9	(15.4)							44.3
	Mircera	22.5	5.9	10.8	16.5	22.6	5.0	(15.3)							24.5
	Oxarol	12.2	3.0	5.8	8.9	12.2	2.8	(6.7)							11.7
	Epogin	10.5	1.8	3.3	4.9	6.6	1.4	(22.2)							5.2
	Other products	3.7	0.9	1.6	2.5	3.4	0.7	(22.2)							2.9
	Transplant, Immunology, and Infectious diseases	18.8	4.7	10.6	16.1	20.8	3.4	(27.7)							13.0
	CellCept	7.2	1.6	3.2	4.8	6.5	1.6	0.0							6.4
	Pegasys	5.5	1.5	3.7	5.7	7.0	0.8	(46.7)							2.1
	Copegus	1.3	0.6	1.7	2.6	3.1	0.2	(66.7)							1.1
	Other products	4.8	1.0	2.0	3.1	4.2	0.9	(10.0)							3.3
	Others	28.6	5.9	13.0	19.1	25.6	5.3	(10.2)							23.2
	Sigmart	8.6	1.7	3.3	4.8	6.4	1.3	(23.5)							4.7
	Other products	20.0	4.2	9.7	14.3	19.2	4.0	(4.8)							18.5
	Overseas	61.1	22.1	35.7	53.7	74.3	22.8	+3.2							92.5
	Actemra	43.2	17.0	26.5	39.9	55.7	18.3	+7.6							75.7
	To Roche	42.9	16.9	26.3	39.5	55.1	18.0	+6.5							74.7
	Neutrogen	14.7	4.2	7.7	11.5	15.7	3.7	(11.9)							14.0
	Aloxi	—	—	—	—	—	0.1	—							0.2
	Other products	3.1	0.8	1.6	2.3	2.9	0.8	0.0							2.5
	Tamiflu	11.0	6.9	7.1	7.2	13.0	6.7	(2.9)							7.4
	Ordinary use	10.1	6.8	7.0	7.0	12.9	6.7	(1.5)							7.4
	Govt. stockpiles etc.	0.9	0.1	0.1	0.2	0.2	0.0	(100.0)							—
Royalties and other operating income		22.4	9.8	13.9	18.3	24.2	3.7	(62.2)							25.6
Revenues		423.7	124.0	222.0	333.4	461.1	117.1	(5.6)							486.5
	Domestic	350.8	98.7	179.6	269.1	372.9	90.8	(8.0)							372.2
	Overseas	72.9	25.3	42.5	64.3	88.2	26.2	+3.6							114.3

Zelboraf sales forecast has been individually disclosed from consolidated financial results announcement for the 1st quarter on April 22nd 2015. The total sales forecast for this fiscal year is unchanged from the announcement of January 28th 2015.

Statements of revenues (QTR)

(Billions of yen)

	Actual				Actual							
	FY2014				FY2015							
	1-3	4-6	7-9	10-12	1-3	Change (%)	4-6	Change (%)	7-9	Change (%)	10-12	Change (%)
	QTR	QTR	QTR	QTR	QTR		QTR		QTR		QTR	
Sales	114.2	93.9	107.0	121.7	113.4	(0.7)						
Excl. Tamiflu	107.3	93.7	106.9	115.9	106.7	(0.6)						
Domestic	85.2	80.1	88.9	95.3	83.9	(1.5)						
Oncology	45.4	41.8	48.6	53.1	47.7	+5.1						
Avastin	20.1	18.1	21.2	22.9	20.9	+4.0						
Herceptin	8.1	6.9	8.0	8.3	7.5	(7.4)						
Rituxan	6.4	5.6	6.9	7.2	6.4	0.0						
Tarceva	2.9	2.7	2.8	3.0	2.5	(13.8)						
Xeloda	2.8	2.3	2.6	2.8	2.6	(7.1)						
Perjeta	2.0	2.2	2.3	2.5	2.3	+15.0						
Kadcyla	–	1.0	1.4	1.7	1.5	–						
Alecensa	–	–	0.2	1.2	1.3	–						
Neutrogin	1.3	1.5	1.5	1.7	1.0	(23.1)						
Zelboraf	–	–	–	–	0.1	–						
Other products	1.8	1.6	1.7	1.8	1.6	(11.1)						
Bone and joint diseases	17.6	15.4	17.4	19.2	17.6	0.0						
Actemra	5.9	5.3	6.2	6.7	5.9	0.0						
Edirol	5.0	3.7	4.9	5.5	4.9	(2.0)						
Suvenyl	2.6	2.7	2.6	2.8	2.3	(11.5)						
Bonviva	0.7	0.6	0.9	1.1	1.1	+57.1						
Alfarol	1.2	1.2	1.2	1.2	1.0	(16.7)						
Other products	2.1	1.9	1.5	1.9	2.4	+14.3						
Renal diseases	11.7	9.8	11.4	11.9	9.9	(15.4)						
Mircera	5.9	4.9	5.7	6.1	5.0	(15.3)						
Oxarol	3.0	2.7	3.1	3.3	2.8	(6.7)						
Epogin	1.8	1.5	1.6	1.6	1.4	(22.2)						
Other products	0.9	0.7	0.9	0.8	0.7	(22.2)						
Transplant, Immunology, and Infectious diseases	4.7	5.9	5.5	4.7	3.4	(27.7)						
CellCept	1.6	1.6	1.6	1.8	1.6	0.0						
Pegasys	1.5	2.1	2.0	1.3	0.8	(46.7)						
Copegus	0.6	1.1	0.9	0.5	0.2	(66.7)						
Other products	1.0	1.0	1.0	1.1	0.9	(10.0)						
Others	5.9	7.1	6.1	6.5	5.3	(10.2)						
Sigmart	1.7	1.6	1.5	1.6	1.3	(23.5)						
Other products	4.2	5.5	4.6	4.9	4.0	(4.8)						
Overseas	22.1	13.6	18.0	20.6	22.8	+3.2						
Actemra	17.0	9.5	13.4	15.8	18.3	+7.6						
To Roche	16.9	9.3	13.2	15.6	18.0	+6.5						
Neutrogin	4.2	3.4	3.8	4.2	3.7	(11.9)						
Aloxi	–	–	–	–	0.1	–						
Other products	0.8	0.7	0.8	0.6	0.8	0.0						
Tamiflu	6.9	0.2	0.1	5.8	6.7	(2.9)						
Ordinary use	6.8	0.2	0.0	5.8	6.7	(1.5)						
Govt. stockpiles etc.	0.1	–	0.1	0.0	0.0	(100.0)						
Royalties and other operating income	9.8	4.1	4.4	5.9	3.7	(62.2)						
Revenues	124.0	98.0	111.4	127.7	117.1	(5.6)						
Domestic	98.7	80.8	89.5	103.8	90.8	(8.0)						
Overseas	25.3	17.2	21.9	23.9	26.2	+3.6						

Movements of assets and liabilities (Assets, Liabilities, and Net Assets)

(Billions of yen)

	Actual	Actual				Actual										
	FY2013	FY2014				FY2015										
	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	vs. Mar. 31, 2014	vs. Dec. 31, 2014	Jun. 30	vs. Jun. 30, 2014	vs. Dec. 31, 2014	Sep. 30	vs. Sep. 30, 2014	vs. Dec. 31, 2014	Dec. 31	vs. Dec. 31, 2014
Trade accounts receivable	111.1	121.4	106.6	120.9	141.3	120.6	(0.8)	(20.7)								
Inventories	128.5	129.5	141.8	151.0	139.6	147.8	18.3	8.2								
Trade accounts payable	(35.9)	(43.9)	(42.9)	(42.1)	(35.4)	(49.2)	(5.3)	(13.8)								
Other net working capital	(26.6)	(19.9)	(21.1)	(29.6)	(36.2)	(30.1)	(10.2)	6.1								
Net working capital	177.1	187.0	184.4	200.2	209.4	189.0	2.0	(20.4)								
Property, plant and equipment	140.4	139.4	140.0	139.1	140.2	140.7	1.3	0.5								
Intangible assets	9.5	9.4	9.6	10.4	11.3	11.8	2.4	0.5								
Other long-term assets – net	(1.8)	(1.9)	(1.6)	(3.2)	(3.2)	(3.1)	(1.2)	0.1								
Long-term net operating assets	148.1	147.0	147.9	146.3	148.4	149.4	2.4	1.0								
Net operating assets	325.2	333.9	332.3	346.4	357.7	338.4	4.5	(19.3)								
Debt	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	0.0	0.0								
Marketable securities	119.6	115.5	115.1	114.9	116.0	114.3	(1.2)	(1.7)								
Cash and cash equivalents	115.1	115.0	128.8	108.1	114.0	123.6	8.6	9.6								
Net cash	234.4	230.3	243.6	222.8	229.9	237.8	7.5	7.9								
Other non-operating assets – net	13.6	13.1	9.5	14.5	10.2	18.8	5.7	8.6								
Net non-operating assets	248.0	243.4	253.1	237.3	240.0	256.6	13.2	16.6								
Total net assets	573.2	577.4	585.4	583.7	597.8	594.9	17.5	(2.9)								
Total net assets																
Total assets	697.2	701.6	708.2	713.9	739.5	727.3	25.7	(12.2)								
Total liabilities	(124.0)	(124.2)	(122.8)	(130.2)	(141.8)	(132.3)	(8.1)	9.5								
Attributable to																
Chugai shareholders	571.7	576.0	584.4	582.4	596.1	593.8	17.8	(2.3)								
Non-controlling interests	1.5	1.4	1.0	1.3	1.7	1.2	(0.2)	(0.5)								

Trade accounts receivable: trade receivable and notes receivable

Trade accounts payable: trade payable and notes payable

Other net working capital: accrued receivable (other receivable), accrued payable (other payable), accrued expenses (other current liabilities) etc.

Other long-term assets – net: long-term prepaid expenses, long-term provisions etc.

Other non-operating assets – net: deferred income tax assets, current income tax liabilities etc.

Movements of assets and liabilities

The consolidated balance sheet has been prepared in accordance with the IAS No. 1, "Presentation of Financial Statements." On the other hand, "Movements of assets and liabilities" including net operating assets (NOA) are a reconfiguration of the consolidated balance sheet as internal indicators and are identical to the indicators disclosed by Roche. Furthermore, no items from the assets and liabilities of IFRS have been excluded, as the Core results concept only applies to the income statement.

Movements of free cash flows

(Billions of yen)

	Actual	Actual				Actual			
	FY2013	FY2014				FY2015			
	1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Operating profit – IFRS basis	78.7	31.1	43.1	59.1	75.9	20.7			
Depreciation and impairment of property, plant and equipment	15.2	3.4	6.8	12.0	15.5	3.5			
Amortization and impairment of intangible assets	1.1	0.3	0.6	0.9	1.4	0.7			
Other cash adjustment on operating profit	2.3	1.4	1.4	3.2	3.7	0.2			
Operating profit, net of operating cash adjustments	97.3	36.1	51.9	75.2	96.4	25.0			
(Increase) decrease in trade accounts receivable	4.9	(10.3)	4.5	(9.8)	(30.2)	20.6			
(Increase) decrease in inventories	(20.5)	(1.9)	(14.3)	(23.6)	(12.2)	(8.5)			
Increase (decrease) in trade accounts payable	(6.0)	8.0	7.0	6.2	(0.6)	13.9			
Change in other net working capital etc.	1.9	(3.2)	(2.8)	4.6	9.7	(4.5)			
Total (increase) decrease in net working capital etc.	(19.7)	(7.4)	(5.6)	(22.6)	(33.3)	21.4			
Investment in property, plant and equipment	(11.3)	(5.6)	(9.2)	(12.1)	(16.2)	(5.1)			
Investment in intangible assets	(3.4)	(0.7)	(1.3)	(2.4)	(2.9)	(2.1)			
Operating free cash flow	63.0	22.4	35.8	38.0	43.9	39.2			
as % of revenues	14.9%	18.1%	16.1%	11.4%	9.5%	33.5%			
Treasury activities (interest income/expenses, foreign exchange gains/losses etc.)	(0.2)	(0.3)	0.4	0.6	0.3	1.7			
Tax paid	(23.8)	(12.9)	(13.3)	(24.8)	(25.2)	(15.5)			
Dividends paid	(23.9)	(12.8)	(12.9)	(25.4)	(25.5)	(14.6)			
Free cash flow	15.0	(3.6)	10.0	(11.5)	(6.5)	10.8			
Transaction in own equity instruments	0.8	0.3	0.5	0.9	1.2	0.4			
Net effect of currency translation on net cash	6.9	(0.8)	(1.3)	(1.0)	0.7	(3.2)			
Net change in net cash	22.7	(4.1)	9.2	(11.6)	(4.5)	7.9			

Other cash adjustment on operating profit: adjustments for all non-cash income and expense items other than amortization expenses and impairment included in operating profit (such as loss on inventory differences, reserve for doubtful accounts, stock option expenses, loss on asset retirement, and increase/decrease in reserves) as well as all non-operating income and expense cash flows relating to net operating assets (NOA) (including proceeds from the sales of assets and reserve payments).

Operating free cash flow (FCF): pretax cash flow after adjusting changes in working capital and operating investments in assets (tangible and intangible) to "operating profit, net of operating cash adjustments," which shows the company's cash generation ability from operating activities.

Free cash flow: the ability to generate net cash from a management perspective after deducting tax, dividends, and other payments from operating FCF.

Net change in net cash: increases and decreases in marketable securities and interest-bearing debt are included.

The concepts of operating profit, operating FCF and movements of assets and liabilities including NOA presented in the previous page are mutually consistent.

Movements of free cash flows

The consolidated statement of cash flows has been prepared in accordance with the IAS No. 7, "Statement of Cash Flows." The FCF is a reconfiguration of the consolidated statement of cash flows as internal indicators and is identical to the indicators disclosed by Roche. Furthermore, no items from the FCF have been excluded, as the Core results concept only applies to the income statement.

Performance indicators

	Units	Actual	Actual					Actual				Forecast (Jan 28th announced)
		FY2013	FY2014					FY2015				FY2015
		1-12	1-3	1-6	1-9	1-12	1-3	1-6	1-9	1-12	1-12	1-12
		As of Dec. 31	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	As of Mar. 31	As of Jun. 30	As of Sep. 30	As of Dec. 31	As of Dec. 31	As of Dec. 31
Ratio of net income to equity attributable to Chugai shareholders (ROE)	%	9.3	3.3	5.0	6.9	8.7	2.5					
Ratio of profit before taxes to total assets (ROA)	%	11.5	4.5	6.2	8.4	10.6	2.9					
Ratio of equity attributable to Chugai shareholders	%	82.0	82.1	82.5	81.6	80.6	81.6					
Equity per share attributable to Chugai shareholders (BPS)	Yen	1,049.47	1,057.03	1,072.08	1,068.10	1,092.90	1,088.25					
Ratio of dividends to equity attributable to Chugai shareholders (DOE)	%	4.5	4.5									
Core return on net operating assets (Core RONO)	%	16.2	5.8	9.0	11.9	14.8	4.5					
Cash conversion cycle (CCC)	Months	9.3	7.8	8.9	9.7	9.6	8.3					
Net cash turnover period	Months	6.6	5.6	6.6	6.0	6.0	6.1					
Number of employees		6,872	6,904	7,036	7,027	7,023	7,009					
Investment on property, plant and equipment	Billions of yen	13.0	2.5	6.5	11.4	16.3	4.0					18.5
Depreciation	Billions of yen	13.5	3.4	6.8	10.2	13.7	3.4					14.0
Investment on intangible assets	Billions of yen	4.0				3.1						
Amortization	Billions of yen	1.0				1.2						

Core RONO: Core operating profit / Net operating assets

CCC: [Trade accounts receivable/Sales + (Inventories - Trade accounts payable)/Cost of sales]* passed months

Net cash turnover period: Net cash/Revenue* passed months

Ratio of net income to equity attributable to Chugai shareholders (ROE), Ratio of profit before taxes to total assets (ROA), and Core return on net operating assets (Core RONO) are not annualized.

Development pipeline (as of April 22, 2015)

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
<u>Oncology</u>					
RG7204 (RO5185426)	Melanoma	Launched (15/02)	vemurafenib Zelboraf Oral	Roche Zelboraf	BRAF inhibitor
RG340 (RO09-1978)	Gastric cancer (adjuvant) #	Filed (14/12)	capecitabine Xeloda Oral	Roche Xeloda (Yakult Honsha)	Antimetabolite, 5-FU derivative
RG1273 (RO4368451)	Breast cancer (adjuvant) #	Phase III Multinational study	pertuzumab Perjeta Injection	Roche Perjeta	HER2 dimerization inhibitory humanized monoclonal antibody
	Gastric cancer #	Phase III Multinational study			
RG3502 (RO5304020)	Breast cancer (adjuvant) #	Phase III Multinational study	trastuzumab emtansine Kadcyla Injection	Roche Kadcyla	Anti-HER2 antibody-tubulin polymerization inhibitor conjugate
	Gastric cancer #	Phase II/III Multinational study			
GA101 / RG7159 (RO5072759)	Aggressive non-Hodgkin's lymphoma (NHL)	Phase III Multinational study	obinutuzumab Injection	Roche Gazyva/Gazyvaro (EU) (Nippon Shinyaku)	Glycoengineered type II anti-CD20 monoclonal antibody
	Indolent NHL	Phase III Multinational study			
RG7446 (MPDL3280A)	Non-small cell lung cancer (NSCLC)	Phase III Multinational study	Injection	Roche	Engineered anti-PDL1 monoclonal antibody
	Bladder cancer	Phase III Multinational study			
AF802 / RG7853 (CH5424802/RO5424802)	NSCLC	Phase III Overseas	alectinib Alecensa Oral	In-house (Roche)	ALK inhibitor
RG435 (RO4876646)	Cervical cancer #	Phase II	bevacizumab Avastin Injection	Roche Avastin	Anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody
GC33 / RG7686 (GC33/RO5137382)	Hepatocellular carcinoma	Phase II Multinational study	codrituzumab	In-house	Anti-Glypican-3 humanized monoclonal antibody
			Injection	(Roche)	

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
CKI27 / RG7304 (RO5126766)	Solid tumors	Phase I	Oral	In-house (Roche)	Raf and MEK dual inhibitor
		Phase I Overseas			
RG7321 (GDC-0941)	Solid tumors	Phase I	pictilisib Oral	Roche	PI3K inhibitor
RG7596 (RO5541077)	NHL	Phase I	polatuzumab vedotin Injection	Roche	Anti-CD79b antibody-drug conjugate
RG7604 (GDC-0032)	Solid tumors	Phase I	taselisib Oral	Roche	PI3K inhibitor
<u>Bone and Joint Diseases</u>					
RG484 (Ro200-5450po)	Osteoporosis	Filed (15/02)	ibandronic acid Bonviva Oral	Roche Bonviva/Boniva (US) (Taisho Pharmaceutical)	Bisphosphonate
<u>Autoimmune Diseases</u>					
MRA / RG1569 (RO4877533)	Large-vessel vasculitis #	Phase III	tocilizumab Actemra Injection	In-house Actemra/RoActemra (EU) (Roche)	Humanized anti-human IL-6 receptor monoclonal antibody
	Giant cell arteritis #	Phase III Overseas			
	Systemic sclerosis #	Phase II Overseas			
SA237 (SA237)	Neuromyelitis optica (NMO)	Phase III Multinational study*	Injection	In-house	Anti-IL-6 receptor humanized monoclonal antibody
<u>Central Nervous System</u>					
RG1450 (RO4909832)	Alzheimer's disease	Phase III Multinational study	gantenerumab Injection	Roche/MorphoSys	Anti-amyloid-beta human monoclonal antibody
RG7090 (RO4917523)	Major depressive disorder	Phase II Multinational study	basimglurant Oral	Roche	mGluR5 antagonist

Development code (Compound number)	Indication # Additional indication	Stage (Date)	Generic name Product name Dosage form	Origin Overseas name (Collaborator)	Mode of Action
RG1577 (RO4602522)	Alzheimer's disease	Phase I	Oral	Roche	MAO-B inhibitor
RG1662 (RO5186582)	Improvement of intellectual ability in individuals with Down syndrome	Phase I	Oral	Roche	GABA _A α5 receptor antagonist
<u>Respiratory Diseases</u>					
RG3637 (RO5490255)	Asthma	Phase III Multinational study	lebrikizumab	Roche	Anti-IL-13 humanized monoclonal antibody
	Idiopathic pulmonary fibrosis	Phase II Multinational study	Injection		
<u>Others</u>					
CIM331 (CIM331)	Atopic dermatitis	Phase II Multinational study*	Injection	In-house	Anti-IL-31 receptor humanized monoclonal antibody
URC102 (URC102)	Gout	Phase II Overseas	Oral	In-house/JW Pharmaceutical (JW Pharmaceutical)	URAT1 inhibitor
ACE910 / RG6013 (ACE910)	Hemophilia A	Phase I/II	Injection	In-house (Roche)	Anti-FIXa/FX bispecific antibody

In principle, completion of first dose is regarded as the start of clinical studies in each phase.

* Multinational study managed by Chugai

Changes from the last announcement on January 28, 2015

Oncology

-RG7204

Approved → Launched (Melanoma)

Bone and Joint Diseases

-RG484 (Oral)

Phase III → Filed (Osteoporosis)

R&D Activities (Jan. 1, 2015 - Apr. 22, 2015)

As for clinical development activities, Chugai saw progress as described below:

Oncology

- We launched the BRAF inhibitor RG7204 (product name: Zelboraf) for the indication of unresectable melanoma with BRAF mutation in February.
- We started a Phase III multinational study (expected indication: bladder cancer) for the engineered anti-PDL1 monoclonal antibody, RG7446 in January.
- We started a Phase II study (expected indication: cervical cancer) for the anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody (product name: Avastin) in January.

Bone and Joint Diseases

- We filed an application for the expected indication of osteoporosis for bisphosphonate, RG484 (oral) in February.

Major clinical trials in oncology field currently running in Japan

Theme	Expected Indication	Regimen	Stage	Planned Filing Date
RG1273 (pertuzumab) Perjeta	Breast cancer (adjuvant)	Herceptin + chemotherapy ± RG1273	APHINITY study Phase III multinational study	2017
	Gastric cancer	Herceptin + chemotherapy ± RG1273	JACOB study Phase III multinational study	Post 2018
RG3502 (trastuzumab emtansine) Kadcyla	Breast cancer [1st line]	Herceptin + chemotherapy vs. Kadcyla ± Perjeta	MARIANNE study Phase III multinational study	-
	Breast cancer (adjuvant)	Kadcyla + Perjeta vs. Herceptin + Perjeta + chemotherapy	KAITLIN study Phase III multinational study	Post 2018
	Gastric cancer	Kadcyla vs. chemotherapy	GATSBY study Phase II/III multinational study	2016
GA101/ RG7159 (obinutuzumab)	Aggressive NHL	GA101 + CHOP vs. Rituxan + CHOP (G-CHOP vs R-CHOP)	GOYA study Phase III multinational study	2017
	Indolent NHL	GA101 + chemotherapy vs. Rituxan + chemotherapy (G-chemo vs R-chemo)	GALLIUM study Phase III multinational study	2017
RG7446 (MPDL3280A)	NSCLC	RG7446 vs docetaxel	OAK study Phase III multinational study	2016
		RG7446	BIRCH study Phase II multinational study	
	Bladder cancer	RG7446 vs chemotherapy	Phase III multinational study	2017
RG435 (bevacizumab) Avastin	Cervical cancer	Avastin + chemotherapy	Phase II	2015