

FY2015 1Q Consolidated Financial Overview (IFRS based)

CHUGAI PHARMACEUTICAL CO., LTD.

Vice President

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April 22, 2015



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 shown in this report are rounded to the nearest 0.1 billion yen
Variance and % are calculated based on the amounts shown



1Q Results Summary

■ Revenues: 117.1 billion yen (-6.9, -5.6% YoY)

- Domestic sales excl. Tamiflu: steady increase if the impact of last year's temporary demand prior to the consumption tax increase is excluded (-1.3, -1.5%)
- Overseas sales: increase due to yen depreciation and growth in Actemra export (+0.7, +3.2%)
- Royalties and other operating income: decrease due to milestone income in the previous year, etc. (-6.1, -62.2%)

■ Cost of sales / Operating expenses (Core basis)

- Cost of sales: the ratio to sales worsened due primarily to yen depreciation (+2.2% points, from 48.4% to 50.6%)
- Operating expenses: increase mainly in research and development expenses and general and administration expenses (+0.9, +2.4%)

■ Profits

- IFRS results: operating profit 20.7 billion yen (-10.4, -33.4%)
net income 14.8 billion yen (-4.3, -22.5%)
- Core results: operating profit 21.5 billion yen (-9.9, -31.5%)
EPS (JPY) 27.54 (-7.28, -20.9%)



IFRS and Core Results Jan – Mar

(Billions of JPY)

(Billions of JPY)	IFRS results		Non-core items		Core results
	2015 Jan – Mar	Intangible assets and Business combinations	Other eliminated items	2015 Jan – Mar	
Revenues	117.1			117.1	
Sales	113.4			113.4	
Royalties and other operating income	3.7			3.7	
Cost of sales	-57.7	+0.3		-57.4	
Gross profit	59.3	+0.3		59.7	
Operating expenses	-38.6	+0.4	+0.1	-38.2	
Marketing and distribution	-16.6	+0.0		-16.6	
Research and development	-19.0	+0.3		-18.6	
General and administration	-3.0		+0.1	-3.0	
Operating profit	20.7	+0.7	+0.1	21.5	
Financing costs	-0.0			-0.0	
Other financial income (expense)	0.5			0.5	
Profit before taxes	21.2	+0.7	+0.1	21.9	
Income taxes	-6.4	-0.2	-0.0	-6.6	
Net income	14.8	+0.4	+0.0	15.3	
Chugai shareholders	14.6	+0.4	+0.0	15.1	
Non-controlling interests	0.2			0.2	

Non-Core items

- Intangible/Business combinations
 - Amortization of intangible assets +0.4
 - Impairment of intangible assets +0.3
 - No business combinations
- Other eliminated items
 - Environmental costs +0.1

Core net income
attributable to Chugai
shareholders 15.1 ①

(Millions of shares)

Weighted average number
of shares and equity
securities in issue used to
calculate diluted earnings
per share

547 ②

(JPY)

Core EPS 27.54 ③/④

Year on Year (Core)

Financial Overview Jan – Mar

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(Billions of JPY)	2014		2015		Growth	
	Jan - Mar		Jan - Mar			
	vs. Revenues		vs. Revenues			
Revenues	124.0		117.1		-6.9	-5.6%
Sales	114.2		113.4		-0.8	-0.7%
excl. Tamiflu	107.3		106.7		-0.6	-0.6%
Domestic	85.2		83.9		-1.3	-1.5%
Export to Roche	16.9		18.0		+1.1	+6.5%
Other overseas	5.2		4.8		-0.4	-7.7%
Tamiflu	6.9		6.7		-0.2	-2.9%
Ordinary	6.8		6.7		-0.1	-1.5%
Govt. stockpiles etc.	0.1		0.0		-0.1	-100.0%
Royalties and other operating income	9.8		3.7		-6.1	-62.2%
Cost of sales	-55.3	44.6%	-57.4	49.0%	-2.1	+3.8%
Gross profit	68.8	55.5%	59.7	51.0%	-9.1	-13.2%
Operating expenses	-37.3	30.1%	-38.2	32.6%	-0.9	+2.4%
Operating profit	31.4	25.3%	21.5	18.4%	-9.9	-31.5%
Financing costs	-0.0		-0.0		0.0	0.0%
Other financial income (expense)	0.2		0.5		+0.3	+150.0%
Income taxes	-12.3		-6.6		+5.7	-46.3%
Net income	19.3	15.6%	15.3	13.1%	-4.0	-20.7%
EPS (JPY)	34.82		27.54		-7.28	-20.9%

(Billions of JPY)

Royalties and other operating income -6.1
milestone income decreased, etc.

Other financial income (expense) +0.3

Exchange gains/losses -1.0

Gains/Losses on derivatives +1.4

(Gains/Losses on foreign exchange forward contracts)

Cost of sales ratio vs. Sales

2014 Jan - Mar	2015 Jan - Mar
48.4%	50.6%

Average exchange rate (JPY)

	2014 Jan - Mar	2015 Jan - Mar
CHF	115.17	124.98
EUR	140.90	134.38
USD	102.81	119.15
SGD	81.03	87.88

Year on Year

Sales (excl. Tamiflu) Jan - Mar

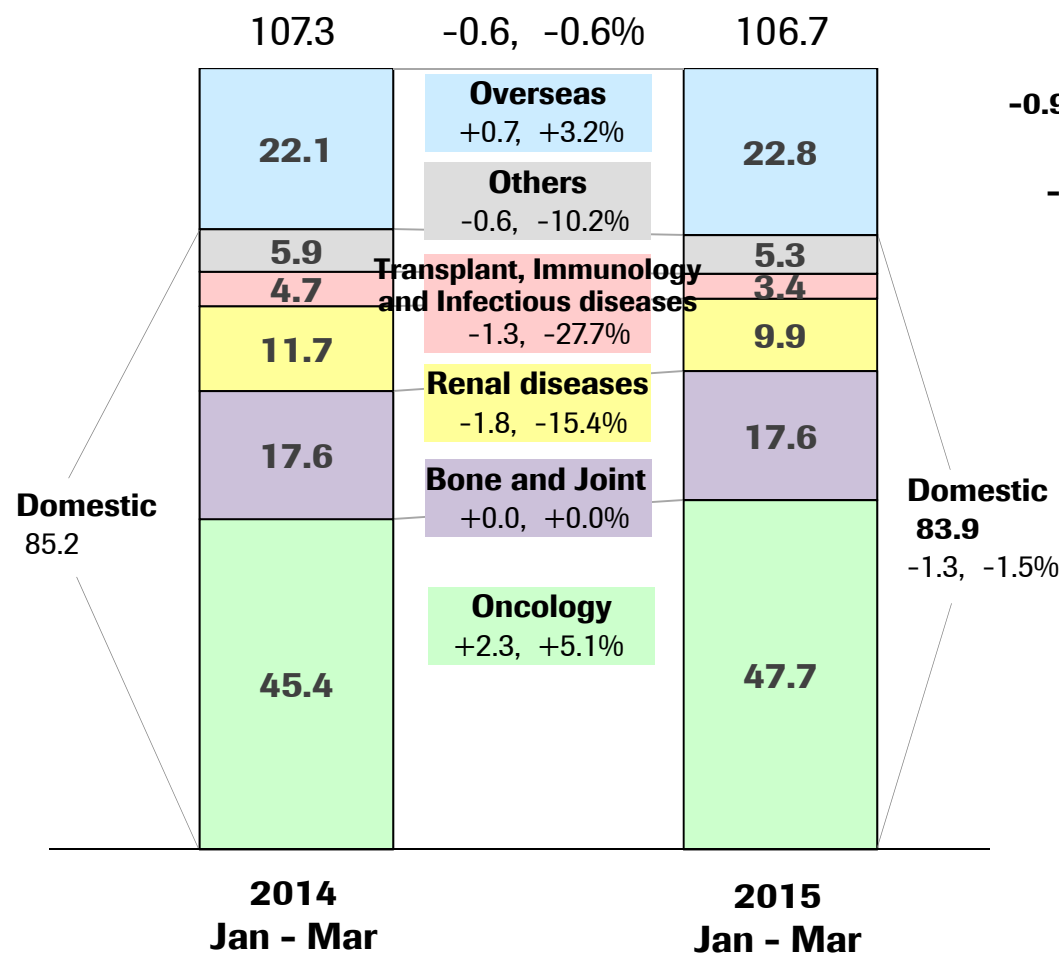
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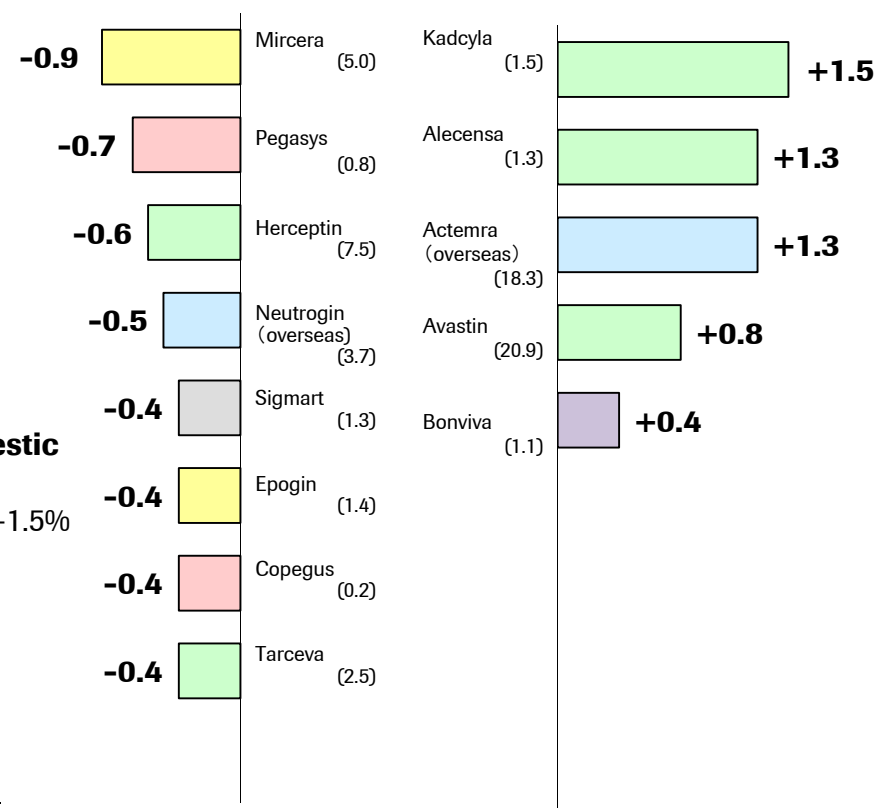
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Sales by Disease Area,
Year on Year Comparisons

(Billions of JPY)



Sales by Products,
Year on Year Changes



(): FY2015 Actual



Tamiflu Sales Performance

(Billions of JPY)		Fiscal Term Sales														Forecast		Seasonal Sales	Cases per sentinel* (millions)
		FY2009.12		FY2010.12		FY2011.12		FY2012.12		FY2013.12		FY2014.12		FY2015.12					
		Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Mar	Apr-Dec				
Ordinary	2008-09	11.0															16.7	1.27	
	2009-10		25.2	1.4													26.6	2.02	
	2010-11				0.2	4.1											4.3	1.26	
	2011-12						1.3	7.8									9.1	1.63	
	2012-13								2.4	8.2							10.6	1.11	
	2013-14										1.9	7.0					9.0	1.44	
	2014-15												5.8	6.7			12.6	1.37	
	2015-16														0.7		-	-	
Ordinary		36.2 (+29.1)		1.6 (-34.6)		5.4 (+3.8)		10.2 (+4.8)		10.1 (-0.1)		12.9 (+2.8)		7.4 (-5.5)					
Govt. Stockpiles etc.	2008-09	14.4															15.5		
	2009-10		25.6	10.6													36.2		
	2010-11				5.9	0.5											6.4		
	2011-12						2.8	0.4									3.2		
	2012-13								1.5	0.8							2.3		
	2013-14										0.1	0.1					0.2		
	2014-15												0.1	0.0			0.1		
	2015-16														-		-		
Govt. Stockpile etc.		40.0 (+38.7)		16.6 (-23.4)		3.3 (-13.3)		1.9 (-1.4)		0.9 (-1.0)		0.2 (-0.7)		0.0 (-0.2)					
Total		25.4	50.8	12.0	6.1	4.6	4.1	8.1	3.9	9.0	2.0	7.1	5.9	6.7	0.7				
		76.2 (+67.8)		18.2 (-58.0)		8.7 (-9.5)		12.0 (+3.3)		11.0 (-1.0)		13.0 (+2.0)		7.4 (-5.6)		() Year on year			

() Year on year

* Total number of patients of the controlled samples in the "Infectious Diseases Weekly Report" (IDWR) for the period from late October to mid-April (from the 44th week of every year to the 16th week of the next year; from early July 2009 and mid-March 2010 for 2009/2010). IDWR is published by Japan's National Institute of Infectious Diseases. 2014/2015 consist of the period from late October (the 44th week) to early April (the 14th week).

Year on Year (Core)

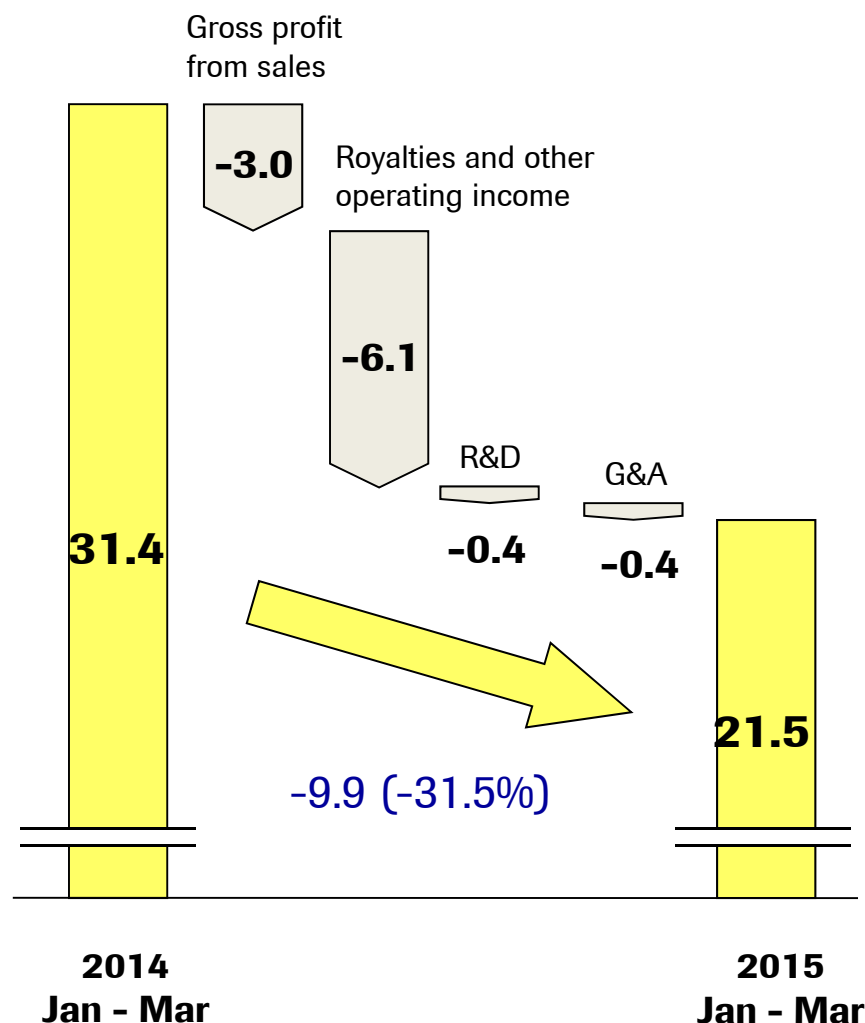
Operating Profit Jan – Mar

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(Billions of JPY)



(Billions of JPY)	2014 Jan - Mar	2015 Jan - Mar	Growth
Revenues	124.0	117.1	-6.9
Cost of sales	-55.3	-57.4	-2.1
Gross profit	68.8	59.7	-9.1
of which Sales	59.0	56.0	-3.0
Royalties, etc.	9.8	3.7	-6.1
Marketing and distribution	-16.6	-16.6	0.0
Research and development	-18.2	-18.6	-0.4
General and administration	-2.6	-3.0	-0.4
Operating profit	31.4	21.5	-9.9

Decrease in gross profit from sales	-3.0
Cost of sales ratio to sales worsened due to yen depreciation, etc.	
Decrease in royalties and other operating income	-6.1
Change in Marketing and distribution	0.0
Increase in research and development	-0.4
Negative foreign exchange impact, etc.	
Increase in general and administration	-0.4
Increase in miscellaneous expenses due primarily to communication activities to raise corporate brand awareness	

vs. Forecast (Core)

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Financial Progress Jan – Mar

(Billions of JPY)	Actual	Forecast on Jan 28		2014 Progress*
	2015 Jan - Mar	2015 Jan - Dec	Progress	
Revenues	117.1	486.5	24.1%	26.9%
Sales	113.4	460.8	24.6%	26.1%
excl. Tamiflu	106.7	453.4	23.5%	25.3%
Domestic	83.9	360.9	23.2%	24.4%
Export to Roche	18.0	74.7	24.1%	30.7%
Other overseas	4.8	17.8	27.0%	26.9%
Tamiflu	6.7	7.4	90.5%	53.1%
Royalties and other operating income	3.7	25.6	14.5%	40.5%
Cost of sales	-57.4	-230.2	24.9%	25.5%
Gross profit	59.7	256.3	23.3%	28.2%
Operating expenses	-38.2	-171.3	22.3%	22.4%
Operating profit	21.5	85.0	25.3%	40.6%
EPS (JPY)	27.54	104.42	26.4%	36.6%

* Jan - Mar progress versus Jan - Dec.

vs. Forecast (Core)

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Sales Progress (excl. Tamiflu) Jan – Mar

(Billions of JPY)	Actual 2015 Jan - Mar	Full-year forecast 2015 Jan - Dec		2014 Progress*
			Progress	
Sales excl. Tamiflu	106.7	453.4	23.5%	25.3%
Domestic	83.9	360.9	23.2%	24.4%
Oncology	47.7	204.5	23.3%	24.0%
Avastin	20.9	88.2	23.7%	24.4%
Herceptin	7.5	29.6	25.3%	26.0%
Tarceva	2.5	14.1	17.7%	25.2%
Xeloda	2.6	10.0	26.0%	26.9%
Perjeta	2.3	9.9	23.2%	22.0%
Kadcyla	1.5	8.8	17.0%	-
Alecensa	1.3	5.2	25.0%	-
Zelboraf **	0.1	0.2	50.0%	-
Bone and Joint	17.6	75.9	23.2%	25.3%
Actemra	5.9	26.3	22.4%	24.5%
Edirol	4.9	21.2	23.1%	26.0%
Bonviva	1.1	4.9	22.4%	20.6%
Renal	9.9	44.3	22.3%	26.2%
Mircera	5.0	24.5	20.4%	26.1%
Epogin	1.4	5.2	26.9%	27.3%
Transp., Immun., Infectious	3.4	13.0	26.2%	22.6%
Pegasys	0.8	2.1	38.1%	21.4%
Copegus	0.2	1.1	18.2%	19.4%
Others	5.3	23.2	22.8%	23.0%
Overseas	22.8	92.5	24.6%	29.7%
Export to Roche	18.0	74.7	24.1%	30.7%
Other overseas	4.8	17.8	27.0%	26.9%

* Jan - Mar progress versus Jan - Dec. ** Forecast for Zelboraf was disclosed on Apr. 22.

vs. Forecast (Core)

Impact from Foreign Exchange

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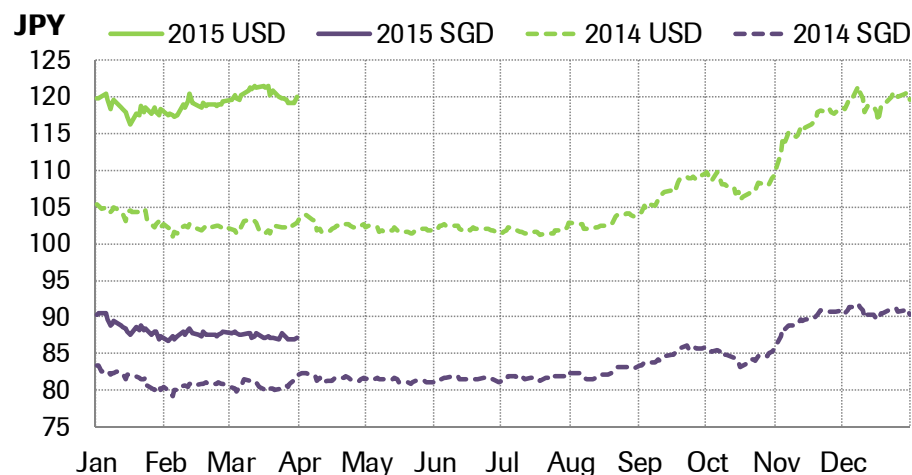
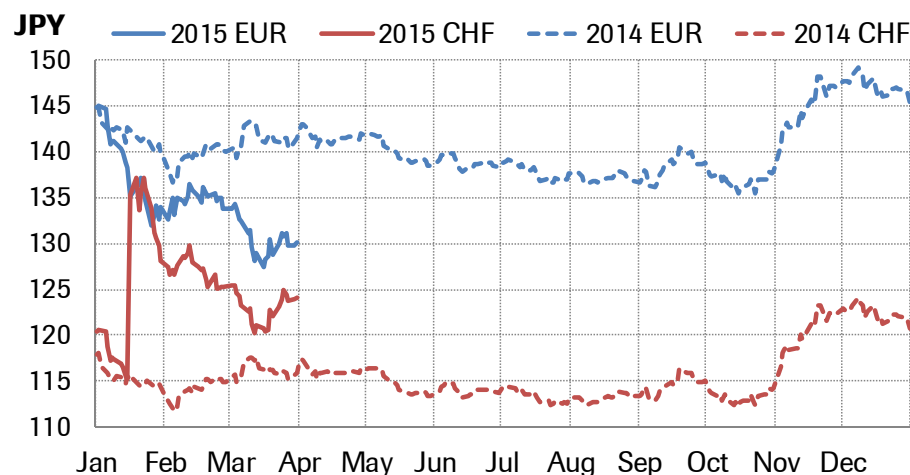
(Billions of JPY)	FX impact Jan - Mar (vs. Forecast on Jan. 28)	
Revenues	+0.6	
	Sales	+0.7
	Royalties and other operating income	-0.1
Cost of sales	Cost of sales	-0.2
Operating expenses	Expenses	+0.1
Operating profit	+0.5	

FX rate to the JPY *	Actual Jan - Mar avg. (2014)	Assumption Jan - Dec (as of Jan. 28)	Actual Jan - Mar avg. (2015)
1CHF	115.17	116.00	124.98
1EUR	140.90	142.00	134.38
1USD	102.81	119.00	119.15
1SGD	81.03	91.00	87.88

* Actual: average exchange rate for the period of Jan - Mar

[Reference]

Historical exchange rate to the JPY



Overview of Development Pipeline

CHUGAI PHARMACEUTICAL CO., LTD.

Associate Vice President

Deputy Head of Project & Lifecycle Management Unit

Department Manager of R&D Portfolio Management Dept.

Minoru Watanabe

2015.4.22

Oncology Field

Projects under Development (as of 22 April, 2015)



	Phase I	Phase II	Phase III	Filed
Oncology	CKI27 / RG7304 (Japan / overseas) - solid tumors RG7321 / pictilisib - solid tumors RG7596 / polatuzumab vedotin - NHL RG7604 / taselisib - solid tumors	RG435 / Avastin - cervical cancer GC33 / RG7686 - hepatocellular carcinoma	AF802 (RG7853) / Alecensa (overseas) - NSCLC RG1273 / Perjeta - breast cancer (adjuvant) - gastric cancer RG3502 / Kadcyra - breast cancer (adjuvant) - gastric cancer (PII/III) GA101 (RG7159) / obinutuzumab - aggressive NHL - indolent NHL RG7446 / MPDL3280A - NSCLC - bladder cancer	RG340 / Xeloda - gastric cancer (adjuvant)

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

NHL: non-Hodgkin's lymphoma

NSCLC: non-small cell lung cancer

Letters in orange: in-house projects

★: Projects with advances in stages since 28 January, 2015

Primary Field Projects under Development (as of 22 April, 2015)



	Phase I	Phase II	Phase III	Filed
Bone & Joint				RG484 / Bonviva (oral) - osteoporosis★
Autoimmune		MRA / Actemra (overseas) - systemic sclerosis	MRA / Actemra - large-vessel vasculitis MRA / Actemra (overseas) - giant cell arteritis SA237 - neuromyelitis optica★	
CNS	RG1577 - Alzheimer's disease RG1662 - improvement of intellectual ability in individuals with Down syndrome	RG7090 / basimglurant - major depressive disorder	RG1450 / gantenerumab - Alzheimer's disease	
Others		RG3637 / lebrikizumab - IPF CIM331 - atopic dermatitis★ URC102 (South Korea) - gout ACE910 / RG6013 - hemophilia A (PI/II)	RG3637 / lebrikizumab - asthma	

In principle, completion of first dose is regarded as the start of clinical studies in each phase.
IPF: idiopathic pulmonary fibrosis

Letters in orange: in-house projects

★: Projects with advances in stages since 28 January, 2015

★: Multinational study managed by Chugai



Development Status

In-
licensed

RG7204 / Zelboraf®

Unresectable melanoma with BRAF mutation
Launched in February 2015

In-
licensed

RG484 / Bonviva® (oral)

Osteoporosis
Filed in February 2015

In-
house

MRA / Actemra®

Subcutaneous injection formulation for rheumatoid arthritis
Approved in Taiwan in April 2015

In-
licensed

Copegus®

Improvement of viraemia associated with Serogroup 2 chronic hepatitis C or compensated cirrhosis related to hepatitis C, when administered in combination with sofosbuvir
Approved in March 2015 [additional indication]

Other Progress



In-
licensed

RG7446 / MPDL3280A (Engineered anti-PDL1 antibody)

Non-small cell lung cancer (1st line)

Decided to participate in 3 multinational studies

February 2015

U.S. FDA grants Breakthrough Therapy Designation
in non-small cell lung cancer (Roche)

In-
licensed

RG435 / Avastin[®]

Primary endpoint achieved in P3 study (MERiDiAN Study)
for HER2- metastatic breast cancer (Roche)



Upcoming Events (Planned)

In-
licensed

RG484 / Bonviva® (oral): March 2015

Results of Japanese P3 study for osteoporosis presented at the World Congress on Osteoporosis, Osteoarthritis and Musculoskeletal Diseases

- Primary endpoint achieved by demonstrating a non-inferiority to ibandronate injection
- RG484 was well tolerated with no new safety signals

In-
licensed

MultiStem® (Cell therapy): April 2015

Results of overseas P2 study for ischemic stroke presented at The European Stroke Organisation Conference

In-
house

Alecensa®: May 2015

Updates of overseas P1/2 studies and a Japanese P1/2 study for non-small cell lung cancer will be presented at ASCO 2015

In-
house

ACE910 (anti-FIXa/FX bispecific antibody): June 2015

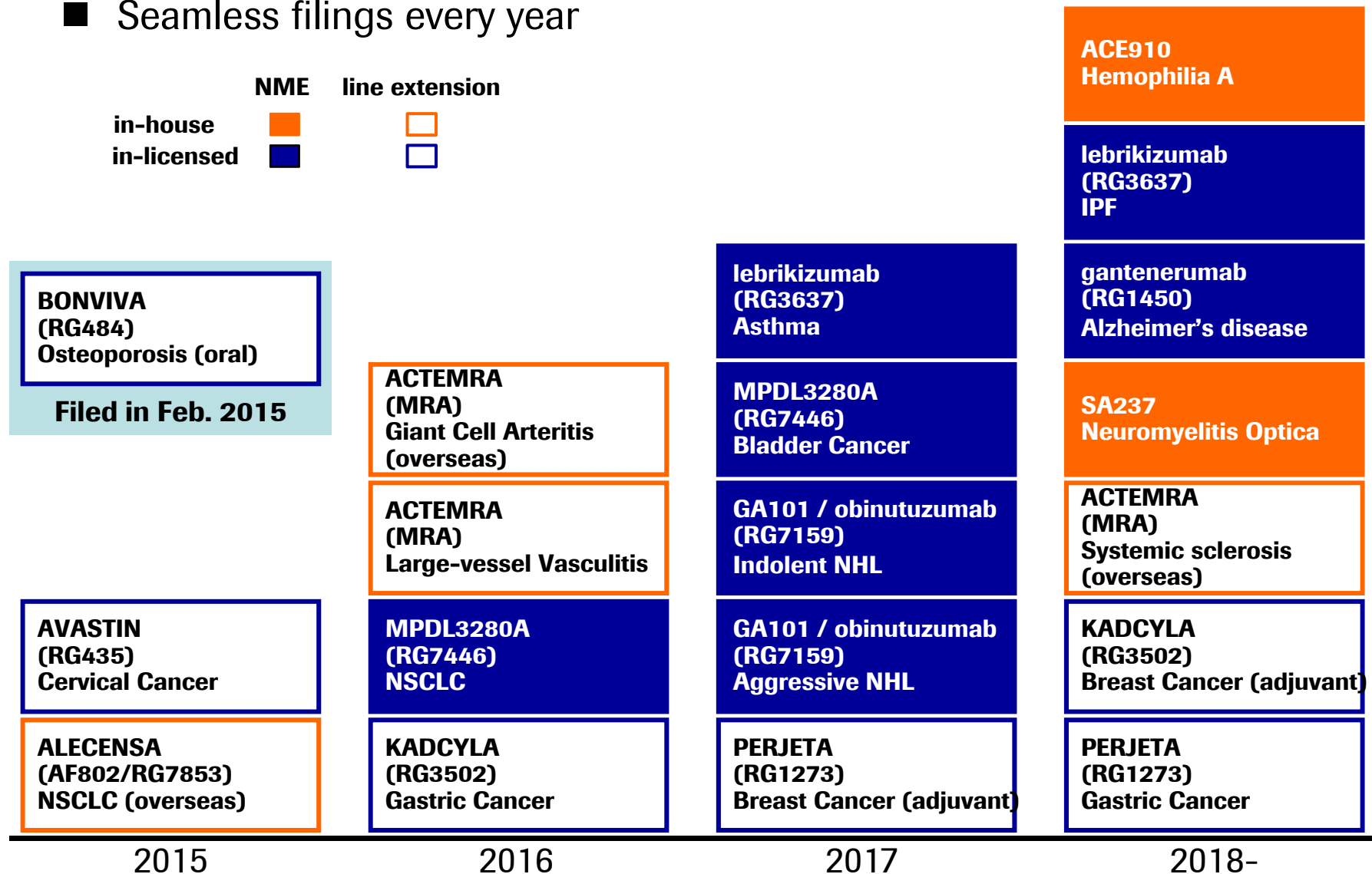
Efficacy and safety data from patients treated long-term in the Japanese P1/2 study for Hemophilia A to be presented at The International Society on Thrombosis and Haemostasis



Projected Submissions (Post PoC NMEs and Products)

Seamless filings every year

NME line extension
 in-house ■ □
 in-licensed ■ □



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