

July 5, 2011

Name of listed company: Chugai Pharmaceutical Co., Ltd.  
Code number: 4519 (1<sup>st</sup> Section of Tokyo Stock Exchange)  
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## Roche Returns Development and Marketing Rights of SGLT2 Inhibitor “CSG452”to Chugai

July 5, 2011 (Tokyo) - Chugai Pharmaceutical Co., Ltd. [Head Office: Chuo-ku, Tokyo; President Osamu Nagayama (hereafter, "Chugai")] announced today that F. Hoffmann-La Roche Ltd. [Head Office: Basel, Switzerland. CEO: Severin Schwan (hereafter "Roche")] will return its development and marketing rights for CSG452, a SGLT2 inhibitor, discovered by Chugai and in development for type II diabetes.

A license agreement was concluded on January 2007 and Chugai has granted Roche the overseas development and marketing rights for CSG452, and a global phase II study was conducted as a co-development program. Roche has recently reviewed the priority of its development pipeline, and has decided to return the development and marketing rights of this compound to Chugai.

Chugai will seek for other partner regarding overseas development.

In Japan, Chugai has started phase III clinical development of CSG452 in November 2010, and there is no change to its plan to file for approval in 2013.