

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
Head office: 1-1, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo
President & CEO: Osamu Nagayama
Inquiries to: Nobuyuki Chiba, General Manager,
Corporate Communications Dept.
Tel: +81-(0)3-3273-0881

Update on the Impact of the Great East Japan Earthquake

Chugai expresses deep condolences for victims of the earthquake and sincerely hope for the recovery of the people affected by the disaster.

Following is an update of the recovery status of Chugai Group since our last announcement made on April 4.

1. Utsunomiya Plant (Utsunomiya City, Tochigi) of Chugai Pharma Manufacturing Co., Ltd.

This plant is mainly engaged in the production of API and formulation of biologics. The full resumption of the damaged buildings and facilities, which was previously announced to be completed by September, 2011 is updated as follows:

- (1) Almost all facilities for formulation, packaging, quality control, and shipment have recovered by since the end of June.
- (2) Although the impact of the earthquake on API production facility for Actemra was minor, the production has been suspended due to the blackout. The validation and pilot production has been completed, and production will resume from the end of July. In addition, the supply of Actemra API has not been affected by the earthquake as sufficient level of inventory has been secured prior to the earthquake.

As a result, almost all facilities will fully resume from August, a month earlier than our previous announcement.

Parallel to the above recovery activities, efforts to maintain product supply have been made by switching production to other plants within the Chugai Group or to other contract manufactures. As a result, shipment of almost all products originally manufactured at this plant will resume in July.

2. Contract manufacturers

As some of our contract manufacturers were forced to halt operations by the earthquake, adaptation of alternative contract manufacturers and emergency importation measures were introduced in order to maintain product supply. The production recovery regarding our products is expected to be completed by September and the shipment of almost all products from these contract manufacturers will resume by the middle of October.

3. Impact of insufficient electricity supply

Chugai has two manufacturing plants, Utsunomiya and Ukima, under coverage by Tokyo Electric Power Company.

While efforts to save energy will be made at these plants, following countermeasures have been taken in case of a rolling blackout (several hours) during the extreme hot weather season.

At Utsunomiya, Uninterruptible Power Supply (UPS) and private power generators will be installed to prevent any damage by the blackout on biological API production and biologics formulation.

At Ukima, UPS and private power generators will be installed to prevent any damage on biologics formulation. The impact on biological API production will be avoided by increasing the inventory level through accelerated

production.

4. Impact on business performance

The overall impact from the earthquake on its business performance is still under close review by the Company. If necessary, the Company will announce the impact during the second quarter results for fiscal year 2011 which is planned on July 21, 2011.