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 Code number: 4519 (1st Section of Tokyo Stock Exchange)
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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

July 21, 2011 (Tokyo) - Chugai Pharmaceutical Co., Ltd. [Head Office: Chuo-ku, Tokyo; President: Osamu Nagayama] announced today the differences between the consolidated half year financial outlook for the fiscal year 2011 (January - June, 2011) originally released on April 21, 2011 and the actual results for the same period. In addition, the company has revised its full year consolidated financial outlook for the fiscal year 2011 (January - December, 2011) originally released on April 21, 2011, considering the half year results.

(Millions of yen)

1. Difference between the consolidated half year financial outlook for the fiscal year 2011 and the actual results (January - June, 2011)

	Revenues	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Outlook (A) (Released on Apr. 21, 2011)	190,000	34,000	34,500	12,500	¥22.97
Actual results(B)	181,938	35,191	36,182	17,087	¥31.40
Variance (B-A)	(8,062)	1,191	1,682	4,587	
(% Change)	(4.2)	3.5	4.9	36.7	
Half year ended Jun. 30, 2010	182,379	27,562	26,158	16,376	¥30.09

2. Revision of the consolidated full year financial outlook for the fiscal year 2011 (January – December, 2011)

	Revenues	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Original Outlook (A) (Released on Apr. 21, 2011)	403,000	75,000	75,500	37,000	¥67.99
Revised Outlook (B)	395,200	72,000	73,100	37,000	¥67.99
Variance (B-A)	(7,800)	(3,000)	(2,400)	0	
(% Change)	(1.9)	(4.0)	(3.2)	0	
Full year ended Dec. 31, 2010	379,509	66,238	65,088	41,433	¥76.14

3. Reason for the difference and revisions

Revenues in the half year results underperformed our outlook due to weaker than expected sales of some products such as Tamiflu (anti-influenza agent), which the sales volume depends on the annual influenza epidemic size, and Epogin (recombinant human erythropoietin), affected by the increasingly competitive market situation. On the other hand, operating income and ordinary income outperformed our outlook as SG&A expenses decreased due to the limited sales and marketing activities constrained by the Great East Japan Earthquake. Net income largely exceeded our outlook because the one-time deterioration of deferred tax assets assumed as a result of the corporate tax rate reduction reform included in the forecast did not materialize, as well as the lower than originally projected loss on disaster.

The company revised its full year consolidated financial outlook for the fiscal year 2011 (January - December, 2011) considering its first half business performance, updated impact of the Great East Japan Earthquake, and sales outlook of Mircera (continuous erythropoietin receptor activator) which was launched on July 20, 2011. The outlook for revenues, operating income and ordinary income have been revised downward while net income has been left unchanged.

The revised outlook is based on the updated foreign exchange rate assumption of 1CHF = 95 JPY. In addition, the company continues to assume a one-time write-off of deferred tax assets by the corporate tax rate reduction reform.

<Reference> Revision of the full year sales outlook by products for the fiscal year 2011

(Billions of yen)

	Original Outlook	Revised Outlook	Variance	(% Change)
Sales	391.7	384.5	(7.2)	(1.8)
Excl. Tamiflu	379.5	374.3	(5.2)	(1.4)
Domestic	340.8	337.2	(3.6)	(1.1)
Oncology field	153.5	150.6	(2.9)	(1.9)
Avastin	64.8	62.4	(2.4)	(3.7)
Herceptin	24.6	24.6	-	-
Rituxan	23.5	23.5	-	-
Xeloda	11.7	11.7	-	-
Neutrogen	10.4	10.1	(0.3)	(2.9)
Tarceva	8.8	8.8	-	-
Kytril	3.9	3.7	(0.2)	(5.1)
Femara	3.8	3.8	-	-
Other products	2.0	2.0	-	-
Bone and joint diseases field	70.9	69.0	(1.9)	(2.7)
Actemra	21.8	19.9	(1.9)	(8.7)
Evista	17.5	17.5	-	-
Suvenyl	14.4	13.7	(0.7)	(4.9)
Alfarol	11.1	11.1	-	-
Edirol	2.1	2.1	-	-
Other products	4.0	4.8	0.8	+20.0
Renal diseases field	56.7	58.9	2.2	+3.9
Epogin	39.2	30.5	(8.7)	(22.2)
Mircera	-	12.4	12.4	-
Oxarol	12.4	12.4	-	-
Renagel	4.6	3.1	(1.5)	(32.6)
Other products	0.5	0.5	-	-
Transplant, immunology & infectious diseases field	25.2	25.1	(0.1)	(0.4)
Pegasys	10.7	10.3	(0.4)	(3.7)
Copegus	4.7	4.4	(0.3)	(6.4)
CellCept	5.8	5.8	-	-
Rocephin	3.7	4.4	0.7	+18.9
Other products	0.3	0.3	-	-
Others field	34.6	33.6	(1.0)	(2.9)
Sigmart	12.6	11.6	(1.0)	(7.9)
Other products	21.9	21.9	-	-
Overseas	38.7	37.2	(1.5)	(3.9)
Actemra	21.7	19.7	(2.0)	(9.2)
Neutrogen	13.6	14.1	0.5	+3.7
Sigmart	2.2	2.2	-	-
Other products	1.1	1.1	-	-
Tamiflu	12.2	10.2	(2.0)	(16.4)
Ordinary sales	7.8	6.7	(1.1)	(14.1)
Govt. stockpile etc.	4.4	3.5	(0.9)	(20.5)
Other operating revenues	11.3	10.7	(0.6)	(5.3)
Revenues (Total)	403.0	395.2	(7.8)	(1.9)

Note: Amounts are rounded to the nearest 0.1 billion yen. Variance and % are calculated based on amounts shown.