

## Translation

# Amendment of Business Arrangements Regarding the Conditions for Out-Licensing Chugai Products Based on the Strategic Alliance between Chugai and Roche

August 28, 2014 (Tokyo) - Chugai Pharmaceutical Co., Ltd. [Main Office: Chuo-ku, Tokyo. Chairman & CEO: Osamu Nagayama (hereafter, "Chugai")] announced today that it has amended the business arrangements with F. Hoffmann-La Roche Ltd. [Head Office: Basel, Switzerland. CEO: Severin Schwan (hereafter, "Roche")] regarding the terms and conditions for out-licensing Chugai products based on the strategic alliance between Chugai and Roche.

Pursuant to the Basic Alliance Agreement concluded between Chugai and Roche in 2001, Chugai and Roche have agreed to the terms and conditions under which they may mutually license-in and license-out their products.

Chugai and Roche have agreed to amend the business arrangements regarding the terms and conditions under which Roche may license-in Chugai products as follows.

### Business arrangements originally agreed in 2001:

Roche has the first refusal rights to develop/sell Chugai products in such countries whenever Chugai seeks for a partner in any countries of the world excluding Japan and South Korea

### Amendment of business arrangements:

Roche has first refusal rights to develop/sell Chugai products in all countries of the world

- excluding Japan, South Korea and Taiwan
- all products will be offered to Roche at the achievement of early PoC.
- Chugai will retain co-promotion rights in the UK, Germany and France (a co-promotion right in China to be discussed for each product)

By this amendment, Roche will have an advantage of receiving an offer for all the Chugai products uniformly at the achievement of early PoC, across all countries in the world excluding Japan, South Korea and Taiwan. On the other hand, Chugai can expect maximization of the product potential in the overseas market by concentrating its relevant resources on global development of its products towards the achievement of early PoC, and by subsequently utilizing Roche's development / marketing capabilities overseas. Chugai will immediately decide whether to develop the product by itself or seek other partners if Roche does not exercise the first refusal right or no license terms are agreed between Roche and Chugai after Roche's exercising such right.

Regarding Roche products, there are no changes to the terms and conditions regarding Chugai's first refusal rights to develop/sell Roche products in Japan.

Since the strategic alliance with Roche, Chugai has contributed to the development of cancer treatment in Japan by in-licensing innovative medicines such as Avastin, Perjeta, and Kadcyca which were developed and marketed globally by Roche. At the same time, Roche has globally developed and marketed Actemra - the first antibody drug originating from Japan and created by Chugai, which is now approved in more than one hundred countries and successfully achieved a blockbuster status last year. Furthermore, Roche has in-licensed Alecensa - an ALK inhibitor created by Chugai's Kamakura research laboratory, to develop this compound and seek for approval as a new global product after Actemra. The amendment of this agreement will further strengthen the WIN-WIN relationship between Chugai and Roche.

Chugai and Roche will continue its dedication to create innovative medical products and provide services for the benefit of the medical community and human health around the world.