

August 10, 2017

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
Chairman & CEO: Osamu Nagayama
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Announcement of a Commencement of Arbitration against Chugai

Chugai Pharmaceutical Co., Ltd. (Head office: Chuo-ku, Tokyo / Chairman & CEO: Osamu Nagayama, "Chugai") announces that an arbitration against Chugai has been commenced as follows.

1. Description of the Arbitration

- i. Location of Arbitration etc.
Location: The United Kingdom
Governing Law: English Law
Date of the service of the Request for Arbitration: May 10, 2017
Date of appointment of the Arbitrator: August 9, 2017
- ii. Parties Who Requested Arbitration
Name: Medical Research Council and LifeArc (formerly, Medical Research Council Technology)
Location: The United Kingdom
- iii. The Arbitration Claim
Arbitration is a private and confidential dispute resolution procedure, however the parties have agreed to this disclosure. Sums are sought from Chugai for alleged breach of obligations under a collaboration agreement dated 15 August, 1990 in connection with the development of the humanized anti-human IL-6 receptor monoclonal antibody, ACTEMRA[®]. It is claimed that Chugai is obliged to pay royalties to the Claimants pursuant to the collaboration agreement.

2. Prospects

Chugai considers that the claims are without merit and Chugai will vigorously defend itself in the arbitration. At this moment, no change is expected to the financial prospects of Chugai.