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Implementation and Results of Early Retirement Incentive Program

TOKYO, April 24, 2019 -- [Chugai Pharmaceutical Co., Ltd.](#) (TOKYO: 4519, hereafter "the Company") announced today that an early retirement incentive program was conducted in April as follows.

1. Background

As thinking about employment and lifestyle diversifies, the trend towards people seeking a second life and next career has been increasing. In the midst of what is called the era of 100-year lifespans, a growing number of employees are looking for new opportunities outside the Company based on their own roadmap for life.

While Chugai reported record-high revenues and operating profit for the fiscal year ended December 31, 2018, the business environment is becoming more severe at an accelerated pace due to the increasing difficulty of new drug development and the fundamental reform of the Japanese drug pricing system. Moreover, with evolving technology including digitalization, the way business activities are conducted is expected to undergo major reforms, making it challenging for the Company to maintain market competitiveness with only existing expertise and technologies. In order to address the changing business environment and business challenges in a timely manner, and to realize continuous innovation and sustainable growth, the Company is required to undertake fundamental restructuring.

The intention of this early retirement incentive program is both to provide support for employees who, due to diversifying views on employment and lifestyles, are considering early retirement to make a new life plan, and also to address the Company's management issues in the fast and dramatically changing business environment.

2. Details of the Program

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| (1) Eligible employees: | Employees aged 45 or over as of June 30, 2019
(Detailed criteria are specified separately) |
| (2) Target number of applicants: | Unspecified as it is a voluntary program |
| (3) Incentives: | (i) Special additional allowance on top of regular retirement allowance
(ii) Reemployment support services through an external outplacing company to retirees in this program upon request |
| (4) Application period: | From April 1 to April 19, 2019 |
| (5) Retirement date: | June 30, 2019 |

3. Result of the offer

Number of applicants: 172 employees

4. Impact on financial performance

Special additional allowance and other expenses related to this program of approximately 5.1 billion yen will be reported as a Non-Core item during the second quarter of the fiscal year ending December 31, 2019. Impact by this program on the forecast for the fiscal year 2019 announced on January 31, 2019 is expected to be slight.

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