

January 28, 2020

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
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Notice Concerning Execution of Settlement Agreement on Arbitration against Chugai

TOKYO, January 28, 2020 -- [Chugai Pharmaceutical Co., Ltd.](#) announces today that it has executed a formal settlement agreement as of January 27, 2020 with United Kingdom Research and Innovation - formerly Medical Research Council and LifeArc - formerly Medical Research Council Technology (hereafter collectively, the Claimants) to end the arbitration against Chugai requested by the Claimants on May 10, 2017 in the United Kingdom.

Arbitration is a private and confidential dispute resolution procedure, however the parties have agreed to this disclosure. The Claimants sought sums 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 was claimed Chugai was obliged to pay royalties to the Claimants pursuant to the collaboration agreement. Chugai considered that the claims were without merit and had been contesting the Claimants' claims in the arbitration proceedings. Chugai, however, after comprehensively considering this matter, has judged that it will serve its best interests to resolve this matter by settlement.

Chugai will make a lump-sum payment to the Claimants as a sole settlement payment. The terms and conditions of this settlement agreement, including the amount of the settlement payment, are confidential.

The financial cost regarding the settlement will be recognized as an expense for fiscal year 2019, but Chugai estimates no impact to its revised full-year consolidated forecasts for the same period that has already been announced on October 24, 2019.

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