

February 4, 2021

Name of listed company: Chugai Pharmaceutical Co., Ltd.

Code number: 4519 (1<sup>st</sup> Section of Tokyo Stock Exchange)

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## Notice of Distribution of Retained Earnings

Chugai Pharmaceutical Co., Ltd. announced that the Company resolved at the meeting of its Board of Directors held today to distribute retained earnings with the record date being December 31, 2020, as described below.

### 1. Contents of Dividends

	Amount decided	Latest forecast for dividend (January 30, 2020)	Actual in the previous fiscal year (ended Dec. 31, 2019)
Record date	December 31, 2020	December 31, 2020	December 31, 2019
Dividends per share	JPY30.00	JPY25.00	JPY92.00
Total dividends	JPY49,316 million	—	JPY50,372 million
Effective date	March 24, 2021	—	March 31, 2020
Dividend resource	Retained earnings	—	Retained earnings

Note: Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. The dividend for the fiscal year ended December 31, 2019 present the amount prior to the stock split.

### 2. Reasons for the Revision

Taking into account strategic funding needs and earnings prospects, Chugai sets a target for consolidated dividend payout ratio of 45% on average in comparison with Core EPS, with an aim to continuously provide a stable allocation of profit to all shareholders. In addition, internal reserves will be used to increase corporate value through investments to attain further growth in existing strategic domains and to identify future business opportunities.

In the fiscal year ended December 31, 2020, Chugai achieved the highest results in the past, which resulted in Core EPS increasing by 30.9% year on year.

Reflecting the favorable results and based on our principles of “a stable allocation of profit” and “aiming for a consolidated dividend payout ratio of 45% on average in comparison with Core EPS,” year-end dividends for the fiscal year ended December 31, 2020 are planned to be ¥30 per share. As a result, interim dividends will be ¥75 (prior to the stock split), year-end dividends will be ¥30 (after the stock split), total dividends calculated based on the assumption that the stock split was implemented at the beginning of the fiscal year will be ¥55 per share, and the Core dividend payout ratio is 41.2% (an average of 44.9% for the past five years).

(For reference) Contents of annual dividends:

	Dividend per share		
	End of second quarter	End of fiscal year	Total
Fiscal year ended Dec. 31, 2020	JPY75.00	JPY30.00	-
Fiscal year ended Dec. 31, 2019	JPY48.00	JPY92.00	JPY140.00

Note: Effective July 1, 2020, Chugai has implemented a three-for-one stock split of its common stock. The dividend for the fiscal year ended December 31, 2019 and the second quarter of the fiscal year 2020 presents the amount prior to the stock split. The annual dividend per share for the fiscal year ended December 31, 2020 is not stated because the amounts cannot be simply combined due to the implementation of the stock split. The annual dividend per share is ¥165 when calculated based on the assumption of no stock split, and ¥55 when calculated with the stock split taken into account.

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