

Name of listed company: Chugai Pharmaceutical Co., Ltd.  
 Code number: 4519 (1<sup>st</sup> Section of Tokyo Stock Exchange)  
 Head office: 1-1, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo  
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## Notice of Distribution of Retained Earnings

Chugai Pharmaceutical Co., Ltd. (the Company) 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, 2014, as described below.

### 1. Contents of Dividends

	Decided amount	The latest forecast (Released on January 30, 2014)	Actual of previous year (FY ended Dec. 2013)
Record date	December 31, 2014	December 31, 2014	December 31, 2013
Dividend per share	¥26.00	¥23.00	¥23.00
Total dividends	¥14,181 million	-	¥12,529 million
Effective date	March 27, 2015	-	March 28, 2014
Source of dividends	Retained earnings	-	Retained earnings

### 2. Reasons for the Revision

Regarding income distribution, taking into account the strategic funding needs and earnings prospects, Chugai aims for a consolidated dividend payout ratio of 50% on average in comparison with Core EPS to 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.

Based on the dividends policy of the Company, year-end regular dividends for the fiscal year ended December 31, 2014, are planned to be ¥26 per share which is higher by ¥3 than forecasted. As a result, total dividends for the year will be ¥48 per share, and the Core dividend payout ratio is 50.5% (an average of 50.8% 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. 2014	¥22.00	¥26.00	¥48.00
Fiscal Year ended Dec. 2013	¥22.00	¥23.00	¥45.00