

January 30, 2020

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
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Notice of Distribution of Retained Earnings

[Chugai Pharmaceutical Co., Ltd.](#) announced today 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, 2019, as described below. This matter will be submitted to the 109th Annual General Meeting of Shareholders scheduled to be held on March 30, 2020.

1. Contents of Dividends

	Amount decided	Latest forecast for dividend (October 24, 2019)	Actual in the previous fiscal year (ended Dec. 31, 2018)
Record date	December 31, 2019	December 31, 2019	December 31, 2018
Dividends per share	JPY92.00	Undecided	JPY55.00
Total dividends	JPY50,372 million	—	JPY30,097 million
Effective date	March 31, 2020	—	March 29, 2019
Dividend resource	Accumulated profit	—	Accumulated profit

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.

In the fiscal year ended December 31, 2019, the Company achieved the highest results in the past and increased Core EPS by 73.3% year-on-year.

Reflecting the favorable results and based on our principles of “aiming a consolidated dividend payout ratio of 50% on average in comparison with Core EPS to provide a stable allocation of profit,” year-end dividend for the fiscal year ended December 31, 2019 is planned to be JPY92 per share, which is sum of JPY48 as regular dividend and JPY44 as special dividend. As a result, total dividend for the fiscal year under review will be JPY140 per share, and the Core dividend payout ratio is 45.8% (an average of 47.4% 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. 2019	JPY48.00	JPY92.00	JPY140.00
Fiscal year ended Dec. 2018	JPY31.00	JPY55.00	JPY86.00

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