

Name of listed company: Chugai Pharmaceutical Co., Ltd.
Code number: 4519 (1st Section of Tokyo Stock Exchange)
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Toll Manufacturing Agreement for the Bulk Drug Substance of Actemra[®], a Humanized Anti-Human IL-6 Receptor Monoclonal Antibody

July 31, 2008 (Tokyo) - Chugai Pharmaceutical Co., Ltd. [Head Office: Chuo-ku, Tokyo; President Osamu Nagayama (hereafter, "Chugai")] announced today that on July 30 (Eastern Daylight Time), the company executed a toll manufacturing and supply agreement for the bulk drug substance of Actemra[®], a humanized anti-human IL-6 receptor monoclonal antibody, with Genentech, Inc. [Head Office: California, USA; Chairman & CEO Arthur D. Levinson (hereafter, "Genentech")], which is majority-owned by F. Hoffmann-La Roche Ltd. [Head Office: Basel, Switzerland; CEO: Severin Schwan (hereafter "Roche")]. Genentech, as a toll manufacturer for Chugai, will manufacture Actemra[®] bulk drug substance following the completion of a manufacturing licensing transfer from Chugai. The Utsunomiya Plant of Chugai Pharma Manufacturing Co., Ltd., a wholly-owned subsidiary of Chugai, will also continue producing Actemra[®] bulk drug substance to its final formulation.

Initially, the entire supply of Actemra[®] for the global market was to be manufactured at the Utsunomiya Plant of Chugai Pharma Manufacturing Co., Ltd. However, a detailed analysis based on the demand estimate for Actemra[®] revealed that additional investment in manufacturing facilities for bulk drug substance would become necessary in the near future. Together with the consideration of location risk with all manufacturing processes being performed at a single plant in Japan, it was concluded that outsourcing the manufacture of bulk drug substance to Genentech, which has leading experience in manufacturing and supplying antibody drugs, would be the preferred approach. Under this agreement, Actemra[®] bulk drug substance will be manufactured at Genentech's cell culture facilities based in Vacaville, California, in addition to cell culture facilities at the Utsunomiya Plant. Chugai will continue to ensure the quality and stable supply of products based on its accumulated biopharmaceutical manufacturing experience.

Actemra[®] was created by Chugai in collaboration with Osaka University and was launched in Japan in June 2005 as the world's first treatment for Castleman's disease. In April 2008, Actemra[®] was approved for additional indications of rheumatoid arthritis (RA) (including inhibition of progression of structural joint damage), polyarticular-course juvenile idiopathic arthritis (pJIA), and systemic juvenile idiopathic arthritis (sJIA). Applications were also filed for the indication of RA in Europe and the US in November 2007 as a result of a co-development effort between Chugai and Roche. After gaining approval, Actemra[®] will be marketed by Roche in regions other than Japan, South Korea and Taiwan and Chugai will co-promote in the UK, Germany and France.