



October 31, 2025

Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2026 (Fiscal 2025) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchange: the Tokyo Stock Exchange
Stock code number: 4568
URL: <https://www.daiichisankyo.com>
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Scheduled date to file semi-annual securities report : November 7, 2025
Scheduled date to commence dividend payments: December 10, 2025
Preparation of supplementary material (Reference Data) on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors, analysts and the press)

(All amounts have been rounded down to the nearest million JPY)

1. Consolidated Financial Results for the First Six Months of the Year Ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated Financial Results (cumulative)

(Percentages indicate changes from the same period in the previous fiscal year)

	Revenue		Core operating profit		Operating profit		Profit before tax	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Six months ended September 30, 2025	975,353	10.5	158,563	(4.8)	144,237	(22.8)	163,217	(15.2)
Six months ended September 30, 2024	882,727	21.5	166,588	74.8	186,900	96.6	192,586	88.6

	Profit for the period		Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	JPY	JPY
Six months ended September 30, 2025	130,814	(10.8)	130,814	(10.8)	139,509	26.7	70.55	70.52
Six months ended September 30, 2024	146,675	51.2	146,675	51.2	110,089	(37.5)	76.83	76.79

Note: Daiichi Sankyo discloses core operating profit, which excludes non-recurring gains and losses from operating profit, as an indicator of underlying profitability. For the definition of core operating profit, please refer to “1. Results of Operations (1) Operating Results for the first six months of the year ending March 31, 2026” on page 2 of the attached material.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of JPY	Millions of JPY	Millions of JPY	%	JPY
As of September 30, 2025	3,569,291	1,652,690	1,652,690	46.3	892.84
As of March 31, 2025	3,456,119	1,623,416	1,623,416	47.0	869.69

2. Cash Dividend

	Annual dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 31, 2025	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2026	—	39.00			
Fiscal year ending March 31, 2026 (Forecast)			—	39.00	78.00

Note: Revision of the forecast of cash dividend from most recently announced figures: None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate changes from the previous fiscal year)

	Revenue		Core operating profit		Operating profit		Profit before tax		Profit for the year	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Full year	2,100,000	11.3	350,000	11.9	335,000	0.9	355,000	(0.2)	288,000	(2.6)

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of JPY	%	JPY
Full year	288,000	(2.6)	155.59

Note: Revision of the forecast from most recently announced figures: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None

Excluded: 2 companies (Daiichi Sankyo Propharma Co., Ltd. and Daiichi Sankyo Chemical Pharma Co., Ltd.)

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

(3) Number of ordinary shares issued

1) Number of issued shares at the end of the period (including own shares)

As of September 30, 2025	1,894,350,529 shares
As of March 31, 2025	1,908,322,129 shares

2) Number of own shares at the end of the period

As of September 30, 2025	43,301,456 shares
As of March 31, 2025	41,668,788 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	1,854,172,123 shares
Six months ended September 30, 2024	1,909,037,972 shares

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Disclaimer regarding forward-looking information including appropriate use of forecast financial results

The forecast information included in these materials is based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and results may differ from those forecast due to various factors.

Please see “1. Results of Operations (3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” on page 8 for matters related to the above forecasts.

Attached Material

Index

1. Results of Operations	2
(1) Operating Results for the first six months of the year ending March 31, 2026	2
1) Overview	2
[Consolidated Financial Results (Core Base)]	2
[Revenue by Business Unit]	4
2) Status of R&D	5
(2) Analysis of Financial Position as of September 30, 2025	7
(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements	8
(4) Information about Return to Shareholders	8
2. Condensed Interim Consolidated Financial Statements with Primary Notes	10
(1) Condensed Interim Consolidated Statement of Financial Position	10
(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income	12
Condensed Interim Consolidated Statement of Profit or Loss	12
Condensed Interim Consolidated Statement of Comprehensive Income	13
(3) Condensed Interim Consolidated Statement of Changes in Equity	14
(4) Condensed Interim Consolidated Statement of Cash Flows	16
(5) Notes to Condensed Interim Consolidated Financial Statements	18
Going Concern Assumption	18
Changes in Presentation	18
Operating Segment Information	18
Significant Subsequent Events	18

1. Results of Operations

(1) Operating Results for the first six months of the year ending March 31, 2026

1) Overview

[Consolidated Financial Results (Core Base)]

(Millions of JPY; all amounts have been rounded down to the nearest million JPY.)

	Six months ended September 30, 2024	Six months ended September 30, 2025	YoY change
Revenue	882,727	975,353	92,626 10.5%
Cost of sales*	193,011	218,775	25,763 13.3%
Selling, general and administrative expenses*	329,851	381,197	51,346 15.6%
Research and development expenses*	193,275	216,817	23,542 12.2%
Core operating profit*	166,588	158,563	-8,025 -4.8%
Temporary income*	20,311	4,199	-16,112 -79.3%
Temporary expenses*	0	18,524	18,524 —
Operating profit	186,900	144,237	-42,662 -22.8%
Profit before tax	192,586	163,217	-29,368 -15.2%
Profit attributable to owners of the Company	146,675	130,814	-15,861 -10.8%
Total comprehensive income	110,089	139,509	29,420 26.7%

* Daiichi Sankyo Group (hereinafter, “the Group”) discloses core operating profit, which excludes temporary income and expenses from operating profit, as an indicator of ordinary profitability. Temporary income and expenses include gains/losses on sale of non-current assets, gains/losses associated with business restructuring (excluding gains/losses on sales of developed products and products on the market), impairment losses on property, plant and equipment, intangible assets, and goodwill, compensation for damages or settlement, and non-recurring and large gains/losses.

This table shows the actual results of cost of sales, selling, general and administrative expenses, and research and development expenses, exclusive of temporary income and expenses. The adjustment table from operating profit to core operating profit is stated in the Reference Data.

<JPY exchange rates for major currencies (average rate for the period)>

	Six months ended September 30, 2024	Six months ended September 30, 2025
USD/JPY	152.62	146.04
EUR/JPY	165.93	168.06

a. Revenue

- Revenue in the first six months of the year ending March 31, 2026 increased by JPY92.6 billion, or 10.5% year on year, to JPY975.4 billion.
- Despite the negative effect from foreign exchange by the appreciation of JPY, revenue increased due to the growth of global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, T-DXd/DS-8201) and the sales contribution of Datroway (generic name: datopotamab deruxtecan: Dato-DXd/DS-1062).
- The negative effect on revenue from foreign exchange was JPY17.1 billion in total.

b. Core operating profit

- Core operating profit decreased by JPY8.0 billion, or 4.8% year on year, to JPY158.6 billion.
- Cost of sales was JPY218.8 billion, constituting an increase of JPY25.8 billion, or 13.3% year on year, due to an increase in revenue.
- Selling, general and administrative expenses increased by JPY51.3 billion, or 15.6%, to JPY381.2 billion due to the cost increase by an increase in profit sharing with AstraZeneca.
- Research and development expenses increased by JPY23.5 billion, or 12.2% year on year, to JPY216.8 billion due to increased R&D investment in 5DXd ADCs (trastuzumab deruxtecan, datopotamab deruxtecan, patritumab deruxtecan: HER3-DXd/U3-1402, ifinatamab deruxtecan: I-DXd/DS-7300, raludotatug deruxtecan: R-DXd/DS-6000).
- The negative effect on core operating profit from foreign exchange was JPY2.3 billion in total.

c. Operating profit

- Operating profit decreased by JPY42.7 billion, or 22.8% year on year, to JPY144.2 billion.
- A temporary income as a result of the gain on share transfer of Daiichi Sankyo Espha Co., Ltd. was recorded in the six months ended September 30, 2024. Without this gain in the current period, temporary income decreased, and compensation for losses paid to the contract manufacturer related to HER3-DXd, and others were recorded as temporary expenses in the current period, resulting in a larger decline in operating profit compared to core operating profit.

d. Profit before tax

- Profit before tax decreased by JPY29.4 billion, or 15.2% year on year, to JPY163.2 billion.
- The smaller decrease compared to operating profit was a result of an improvement of the financial balance by an improvement in loss (gain) on exchange differences.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company decreased by JPY15.9 billion, or 10.8% year on year, to JPY130.8 billion.

f. Total comprehensive income

- Total comprehensive income increased by JPY29.4 billion, or 26.7% year on year, to JPY139.5 billion due to the increase in the currency translation difference related to net assets of overseas subsidiaries and other factors.

[Revenue by Business Unit]

Revenue by business unit in the first six months of the year ending March 31, 2026 is as follows. Revenue by product is stated in the Reference Data.

a. Japan Business Unit

Revenue from Japan Business Unit includes revenue from products generated by the innovative pharmaceuticals business and the vaccine business.

Revenue from the Unit increased by JPY10.3 billion, or 4.3% year on year, to JPY249.9 billion due to the growth of Lixiana, Tarlige and others, and the sales contribution of Datroway and Belsomra.

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In August 2025, Enhertu was approved for chemotherapy naïve HER2 low or HER2 ultralow breast cancer and the promotion started.

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY3.4 billion, or 8.0% year on year, to JPY45.9 billion as a result of the increase in sales of Clean Dental, Minon and others.

c. Oncology Business Unit

Revenue from Oncology Business Unit includes revenue from cancer treatment products generated by Daiichi Sankyo, Inc. (the U.S.) and Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY57.4 billion, or 26.7% year on year, to JPY273.0 billion and the revenue in local currency increased by USD457 million, or 32.4%, to USD1,869 million due to the growth of Enhertu and others, and the sales contribution of Datroway in the U.S. and Europe.

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In June 2025, Datroway was launched in Europe (Indications: HR positive and HER2 negative breast cancer (IHC 0, IHC 1+ or IHC 2+/ISH-) after prior endocrine therapy and chemotherapy).
- In June 2025, Datroway was approved in the U.S. for treatment of EGFR-mutated NSCLC and the promotion started.

d. American Regent Unit

Revenue from American Regent Unit decreased by JPY11.3 billion, or 10.5% year on year, to JPY96.8 billion and the revenue in local currency decreased by USD46 million, or 6.4%, to USD663 million due to decreases in sales of Injectafer and Venofer and others.

e. EU Specialty Business Unit

Revenue from EU Specialty Business Unit includes revenue from products other than from cancer treatment products generated by Daiichi Sankyo Europe GmbH.

Revenue from the Unit increased by JPY18.6 billion, or 15.8% year on year, to JPY136.8 billion and the revenue in local currency increased by EUR102 million, or 14.3%, to EUR814 million due to the growth in sales of Nilemdo/Nustendi, Lixiana and others.

f. ASCA Business Unit

Revenue from ASCA^{*1} Business Unit includes sales to overseas licensees.

Revenue from the Unit increased by JPY18.3 billion, or 18.4% year on year, to JPY117.9 billion due to an increase of Enhertu in China and others.

^{*1} Asia, South & Central America

2) Status of R&D

The Group focuses on accelerating global clinical development and is working on research and development in accordance with the “5DXd ADCs^{*1} and Next Wave” Strategy, which intensively allocates resources to five DXd ADCs for maximizing their product values, and aims to deliver medicines that change SOC^{*2} for realization of sustainable growth (Next Wave).

In the medium to long term, the Group aims to develop therapeutic drugs for various diseases in addition to oncology by utilizing its competitive science and technology, and strives to strengthen drug discovering capabilities by technology research of new modalities^{*3}.

^{*1} ADC: Abbreviation for Antibody Drug Conjugate, drug composed of an antibody drug and a payload (a small molecule drug) linked via appropriate linker. By using a monoclonal antibody that binds to a specific target expressed on cancer cells, a cytotoxic payload is delivered to cancer cells effectively with reducing systemic exposure. DXd ADCs are drugs that combine the Company’s proprietary drugs and linkers with antibodies.

^{*2} Standard of Care: Universally applied best treatment practice in today’s medical science.

^{*3} Modality: Medical treatment such as small molecule drugs, antibody drugs, ADC, nucleic acid drugs and gene therapy.

【5DXd ADCs】

The following describes the Group’s clinical development of 5DXd ADCs projects in the first six months of the year ending March 31, 2026 (from April 1, 2025 to September 30, 2025). The status of each clinical trial is stated in the Reference Data.

The Group is developing trastuzumab deruxtecan and datopotamab deruxtecan jointly with AstraZeneca. In addition, the Group is developing patritumab deruxtecan, ifinatumab deruxtecan, and raludotatug deruxtecan jointly with Merck & Co., Inc., Rahway, NJ, USA (hereinafter “Merck in the U.S.”).

a. Trastuzumab deruxtecan (T-DXd/DS-8201: HER2-directed ADC, brand name: Enhertu)

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In April 2025, the application was approved in Europe and the application for approval was accepted in China for chemotherapy naïve hormone receptor (HR) positive and HER2 low or HER2 ultralow breast cancer.
- In April 2025, the Phase III clinical trial to evaluate triple combination therapy with fluoropyrimidine and pembrolizumab as the first line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric05) was initiated.
- In April 2025, the outline of the interim analysis data of the Phase III clinical trial for the first line treatment for HER2 positive breast cancer (trial name: DESTINY-Breast09) was presented.
- In April 2025, the application for approval was accepted in Japan for HER2 positive advanced or recurrent multiple solid tumors.

- In May 2025, the outline of the major analysis data of the Phase III clinical trial for neoadjuvant therapy of high-recurrence-risk HER2 positive early-stage breast cancer (trial name: DESTINY-Breast11) was presented.
- In June 2025, the first data of the Phase III clinical trial for the second line treatment for HER2 positive gastric cancer (trial name: DESTINY-Gastric04) was presented at the American Society of Clinical Oncology (ASCO).
- In June 2025, first data of the DESTINY-Breast09 clinical trial was presented at ASCO.
- In June 2025, the Phase III clinical trial to evaluate combination therapy with rilvegostomig or pembrolizumab as the first line treatment for HER2 expressing (IHC 3+ or 2+) endometrial cancer (trial name: DESTINY-Endometrial01) was initiated.
- In July 2025, the combination therapy with pertuzumab was granted Breakthrough Therapy Designation^{*4} by the U.S. Food and Drug Administration (FDA) for the first line treatment for HER2 positive breast cancer.
- In August 2025, the application was approved in Japan for HR positive and HER2 low or HER2 ultralow breast cancer.
- In September 2025, the application for approval was accepted in Europe for HER2 positive (IHC 3+) advanced or recurrent multiple solid tumors.
- In September 2025, the application for approval for the combination therapy with pertuzumab was accepted and Priority Review Designation^{*5} was granted in the U.S. for the first line treatment for HER2 positive breast cancer.
- In September 2025, the outline of the data of the Phase III clinical trial for patients with HER2 positive breast cancer following neoadjuvant therapy (trial name: DESTINY-Breast05) was presented.

^{*4} A system designed to expedite the development and review of medicines that may demonstrate substantial benefit over currently available treatments in order to ensure that patients with serious diseases have access to new treatments as soon as possible.

^{*5} In the U.S., a system designed for medicines that would be significant improvements in treatment or medicines that offer treatment to patients having currently appropriate treatment. If granted, the review period can be expected to be shorter (targeted 6 months), compared to standard applications review period (targeted 10 months).

b. Datopotamab deruxtecan (Dato-DXd/DS-1062: TROP2-directed ADC, brand name: Datroway)

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In April 2025, the application was approved in Europe for the treatment of HR positive and HER2 negative (IHC 0, IHC 1+, or IHC 2+/ISH-) breast cancer after prior endocrine therapy and one or more chemotherapies.
- In June 2025, the latest data for combination therapy with immune checkpoint inhibitors from the two Phase Ib clinical trials for the first line treatment for NSCLC without actionable gene mutations^{*6} (trial names: TROPION-Lung02, TROPION-Lung04) and from the Phase II clinical trial for neoadjuvant/adjuvant therapy (trial name: NeoCOAST-2) were presented at ASCO.
- In June 2025, the application was approved in the U.S. for NSCLC with EGFR (epidermal growth factor receptor) gene mutations and prior treatment with EGFR-targeted therapy and platinum-based chemotherapy.
- In August 2025, the application was approved in China for the treatment of HR positive and HER2 negative (IHC 0, IHC 1+, or IHC 2+/ISH-) breast cancer after prior endocrine therapy and one or more chemotherapies.

^{*6} Genetic mutations that can be presently targeted for cancer treatment.

c. Patritumab deruxtecan (HER3-DXd/U3-1402: HER3-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In May 2025, the application for approval in the U.S. for EGFR-mutated NSCLC^{*7} was voluntarily withdrawn.
- In June 2025, the first data from the Phase III clinical trial for the second line treatment for EGFR-mutated NSCLC (trial name: HERTHENA-Lung02) was presented at ASCO.
- In August 2025, the Phase III clinical trial for unresectable or metastatic HR positive and HER2 negative (IHC 0, IHC 1+ or IHC 2+/ISH-) breast cancer (trial name: HERTHENA-Breast04) was initiated.

^{*7} The application for approval was based on the results from the Phase II clinical trial (trial name: HERTHENA-Lung01).

d. Ifinatamab deruxtecan (I-DXd/DS-7300: B7-H3-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In April 2025, trial results were obtained from the Phase II clinical trial for the second or later line treatment for extensive-stage small cell lung cancer (trial name: IDEate-Lung01).
- In May 2025, the Phase III clinical trial for the second line treatment for esophageal squamous cell carcinoma (trial name: IDEate-Esophageal01) was initiated.
- In June 2025, the Phase III clinical trial for metastatic castration-resistant prostate cancer with no history of chemotherapy (trial name: IDEate-Prostate01) was initiated.
- In August 2025, Breakthrough Therapy Designation was granted by the FDA for the treatment of extensive-stage small cell lung cancer with disease progression on or after platinum-based chemotherapy.
- In September 2025, the latest data of the Phase II clinical trial for previously treated extensive-stage small cell lung cancer (trial name: IDEate-Lung01) was presented at the World Conference on Lung Cancer (WCLC).

e. Raludotatug deruxtecan (R-DXd/DS-6000: CDH6-directed ADC)

The following describes the major progress in the first six months of the year ending March 31, 2026.

- In September 2025, Breakthrough Therapy Designation was granted by FDA for the treatment of patients with platinum-resistant epithelial ovarian, primary peritoneal or fallopian tube cancers expressing CDH6 who have received prior treatment with bevacizumab.

(2) Analysis of Financial Position as of September 30, 2025

- Total assets as of September 30, 2025 were JPY3,569.3 billion, an increase of JPY113.2 billion from the previous fiscal year-end, mainly due to increases in inventories and property, plant and equipment, which were partially offset by a decrease in cash and cash equivalents.
- Total liabilities as of September 30, 2025 were JPY1,916.6 billion, an increase of JPY83.9 billion from the previous fiscal year-end, mainly due to an increase in bonds and borrowings (current liabilities), which was partially offset by a decrease in trade and other payables.
- Total equity as of September 30, 2025 was JPY1,652.7 billion, an increase of JPY29.3 billion from the previous fiscal year-end, mainly due to profit for the period, which was partially offset by cash dividend payment and purchase of own shares (15.74 million shares at an aggregate purchase cost of JPY58.5 billion).
- The ratio of equity attributable to owners of the Company to total assets was 46.3%, a decrease of 0.7 points from the previous fiscal year-end.

(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

- The differences from the forecasts of consolidated financial results for the year ending March 31, 2026, which were publicly announced on April 25, 2025, are shown below.

Revisions to the forecasts of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

	Revenue	Core operating profit	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company
	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY
Previous forecasts (A)	2,000,000	350,000	350,000	370,000	300,000	300,000
Revised forecasts (B)	2,100,000	350,000	335,000	355,000	288,000	288,000
Change (B-A)	100,000	—	-15,000	-15,000	-12,000	-12,000
Percentage of change (%)	5.0	—	-4.3	-4.1	-4.0	-4.0
(Reference) Year ended March 31, 2025	1,886,256	312,835	331,925	355,631	295,756	295,756

* Assumed exchange rate for the third and fourth quarter: USD/JPY = 150, EUR/JPY = 170

Note: The forecasted statements shown above are based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and other results may differ from these forecasted figures due to various factors.

Reason for the revision

- Revenue has been revised upward by JPY100.0 billion from the previous forecast to JPY2,100.0 billion to reflect the positive effect from foreign exchange by the depreciation of the JPY, and stronger than expected performance in product sales of Datroway in Japan and the U.S. and Enhertu in the U.S.
- Despite an expected increase in gross profit associated with an increase in revenue, core operating profit remains unchanged from the previous forecast due to an expected increase in profit sharing cost associated with sales growth of Enhertu and Datroway, and others.
- Operating profit and profit before tax have been revised downward by JPY15.0 billion from the previous forecast respectively to JPY335.0 billion and JPY355.0 billion due to the recording of JPY18.5 billion as temporary expenses by the end of the second quarter.
- Profit for the year and Profit attributable to owners of the Company have been revised downward by JPY12.0 billion from the previous forecast to JPY288.0 billion.

(4) Information about Return to Shareholders

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of Daiichi Sankyo is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders.
- During the 5-Year Business Plan (fiscal 2021-fiscal 2025) period, the Company aims to maximize shareholder value by further enhancing shareholder returns through dividend increase in line with profit growth and flexible acquisition of its own shares.

<Dividend increase in line with profit growth>

- For fiscal 2024, the Company paid a year-end dividend of JPY30 per share on June 24, 2025. Accordingly, the annual dividend for the fiscal year, together with the interim dividend of JPY30 per share paid on December 10, 2024, was JPY60 per share in total.
- For fiscal 2025, the Company intends to pay the annual dividend of JPY78 per share, an increase of JPY18 from the annual dividend of fiscal 2024 mainly due to the continued expected profit growth following further sales expansion of Enhertu. At the Board of Directors meeting held on October 31, 2025, the Company has resolved to pay an ordinary dividend of JPY39 per share as an interim dividend. The Company will pay the interim dividend on December 10, 2025 to shareholders of record as of September 30, 2025.

<Flexible acquisition of own shares>

- In order to take flexible actions in response to the situation where the Company believes its future profitability is not fully reflected in its share price, the Company acquired 13.97 million own shares for the cost of JPY50.0 billion between March 3, 2025 to April 8, 2025, and canceled all the acquired shares on May 30, 2025.
- Furthermore, the Company decided at the meeting of the Board of Directors held on April 25, 2025 to establish upper limits of JPY200.0 billion or 80 million shares from May 1, 2025 to March 24, 2026 for acquisition of its own shares in order to enable flexible acquisition of its own shares based on comprehensive consideration such as share price level and other factors.

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of JPY)

	As of March 31, 2025	As of September 30, 2025
ASSETS		
Current assets		
Cash and cash equivalents	639,838	542,157
Trade and other receivables	619,101	616,852
Other financial assets	80,890	51,435
Inventories	514,910	608,546
Other current assets	47,443	57,737
Subtotal	1,902,183	1,876,730
Assets held for sale	7,250	—
Total current assets	1,909,433	1,876,730
Non-current assets		
Property, plant and equipment	498,517	551,305
Goodwill	108,429	108,065
Intangible assets	235,839	236,057
Investments accounted for using the equity method	5,600	5,406
Other financial assets	139,175	147,028
Long-term advance payments	167,428	217,845
Deferred tax assets	305,019	339,175
Other non-current assets	86,675	87,677
Total non-current assets	1,546,685	1,692,561
Total assets	3,456,119	3,569,291

(Millions of JPY)

	As of March 31, 2025	As of September 30, 2025
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	579,957	551,661
Bonds and borrowings	399	100,403
Other financial liabilities	14,720	14,550
Income taxes payable	60,369	74,409
Provisions	5,804	24,974
Contract liabilities	67,956	66,064
Other current liabilities	24,825	23,998
Total current liabilities	754,032	856,062
Non-current liabilities		
Bonds and borrowings	100,933	100,741
Other financial liabilities	43,675	41,170
Post-employment benefit liabilities	1,559	1,950
Provisions	13,030	12,859
Contract liabilities	751,038	736,127
Deferred tax liabilities	11,066	11,500
Other non-current liabilities	157,365	156,188
Total non-current liabilities	1,078,670	1,060,538
Total liabilities	1,832,703	1,916,601
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Own shares	(147,321)	(156,358)
Other components of equity	263,693	271,237
Retained earnings	1,457,044	1,487,811
Total equity attributable to owners of the Company	1,623,416	1,652,690
Total equity	1,623,416	1,652,690
Total liabilities and equity	3,456,119	3,569,291

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	882,727	975,353
Cost of sales	193,077	248,327
Gross profit	689,650	727,026
Selling, general and administrative expenses	337,357	369,432
Research and development expenses	193,327	217,672
Other income	27,935	4,316
Other expenses	0	0
Operating profit	186,900	144,237
Financial income	17,767	20,453
Financial expenses	12,223	2,253
Share of profit (loss) of investments accounted for using the equity method	141	780
Profit before tax for the period	192,586	163,217
Income taxes	45,910	32,403
Profit for the period	146,675	130,814
Profit attributable to:		
Owners of the Company	146,675	130,814
Earnings per share		
Basic earnings per share (JPY)	76.83	70.55
Diluted earnings per share (JPY)	76.79	70.52

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit for the period	146,675	130,814
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,620	3,605
Remeasurements of defined benefit plans	(30)	0
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(41,914)	5,011
Cash flow hedges	738	77
Total other comprehensive income for the period, net of tax	(36,586)	8,695
Total comprehensive income for the period	110,089	139,509
Total comprehensive income attributable to:		
Owners of the Company	110,089	139,509

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2024

(Millions of JPY)

	Equity attributable to owners of the Company						
	Other components of equity						Financial assets measured at fair value through other comprehensive income
	Share capital	Capital surplus	Own shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	
Balance as of April 1, 2024	50,000	1,962	(36,629)	560	243,928	(232)	39,742
Profit for the period	—	—	—	—	—	—	—
Other comprehensive income for the period	—	—	—	—	(41,914)	738	4,620
Total comprehensive income for the period	—	—	—	—	(41,914)	738	4,620
Purchase of own shares	—	(75)	(120,015)	—	—	—	—
Disposal of own shares	—	24	332	(36)	—	—	—
Dividend	—	—	—	—	—	—	—
Share-based compensation	—	2,067	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	(1,191)
Transfer to non-financial assets and similar items	—	—	—	—	—	(505)	—
Others	—	—	—	—	—	—	—
Total transactions with owners of the Company	—	2,017	(119,682)	(36)	—	(505)	(1,191)
Balance as of September 30, 2024	50,000	3,980	(156,312)	523	202,013	—	43,170

(Millions of JPY)

	Equity attributable to owners of the Company					Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company			
	Remeasurements of defined benefit plans	Total other components of equity					
Balance as of April 1, 2024	—	283,998	1,388,842	1,688,173	429	1,688,603	
Profit for the period	—	—	146,675	146,675	—	146,675	
Other comprehensive income for the period	(30)	(36,586)	—	(36,586)	—	(36,586)	
Total comprehensive income for the period	(30)	(36,586)	146,675	110,089	—	110,089	
Purchase of own shares	—	—	—	(120,090)	—	(120,090)	
Disposal of own shares	—	(36)	—	320	—	320	
Dividend	—	—	(57,525)	(57,525)	—	(57,525)	
Share-based compensation	—	—	—	2,067	—	2,067	
Changes in ownership interest in subsidiaries	—	—	—	—	(429)	(429)	
Transfer from other components of equity to retained earnings	30	(1,161)	1,161	—	—	—	
Transfer to non-financial assets and similar items	—	(505)	—	(505)	—	(505)	
Others	—	—	272	272	—	272	
Total transactions with owners of the Company	30	(1,704)	(56,090)	(175,460)	(429)	(175,889)	
Balance as of September 30, 2024	—	245,707	1,479,427	1,622,802	—	1,622,802	

Six months ended September 30, 2025

(Millions of JPY)

	Equity attributable to owners of the Company						
				Other components of equity			
	Share capital	Capital surplus	Own shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	50,000	—	(147,321)	424	228,137	—	35,130
Profit for the period	—	—	—	—	—	—	—
Other comprehensive income for the period	—	—	—	—	5,011	77	3,605
Total comprehensive income for the period	—	—	—	—	5,011	77	3,605
Purchase of own shares	—	(52)	(58,488)	—	—	—	—
Disposal of own shares	—	—	316	(5)	—	—	—
Cancellation of own shares	—	(3,582)	48,971	—	—	—	—
Dividend	—	—	—	—	—	—	—
Share-based compensation	—	3,634	164	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	(1,067)
Transfer to non-financial assets and similar items	—	—	—	—	—	(77)	—
Others	—	—	—	—	—	—	—
Total transactions with owners of the Company	—	—	(9,037)	(5)	—	(77)	(1,067)
Balance as of September 30, 2025	50,000	—	(156,358)	419	233,149	—	37,668

(Millions of JPY)

	Equity attributable to owners of the Company				Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company	
	Remeasurements of defined benefit plans	Total other components of equity			
Balance as of April 1, 2025	—	263,693	1,457,044	1,623,416	1,623,416
Profit for the period	—	—	130,814	130,814	130,814
Other comprehensive income for the period	0	8,695	—	8,695	8,695
Total comprehensive income for the period	0	8,695	130,814	139,509	139,509
Purchase of own shares	—	—	—	(58,540)	(58,540)
Disposal of own shares	—	(5)	(39)	271	271
Cancellation of own shares	—	—	(45,388)	—	—
Dividend	—	—	(56,053)	(56,053)	(56,053)
Share-based compensation	—	—	—	3,798	3,798
Transfer from other components of equity to retained earnings	(0)	(1,068)	1,068	—	—
Transfer to non-financial assets and similar items	—	(77)	—	(77)	(77)
Others	—	—	365	365	365
Total transactions with owners of the Company	(0)	(1,150)	(100,047)	(110,235)	(110,235)
Balance as of September 30, 2025	—	271,237	1,487,811	1,652,690	1,652,690

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before tax	192,586	163,217
Depreciation and amortization	33,298	36,689
Impairment losses (reversal of impairment losses)	—	1,127
Financial income	(17,767)	(20,453)
Financial expenses	12,223	2,253
Share of (profit) loss of investments accounted for using the equity method	(141)	(780)
(Gain) loss on sale and disposal of non-current assets	(2,980)	819
(Increase) decrease in trade and other receivables	(85,022)	14,325
(Increase) decrease in inventories	(19,962)	(77,826)
(Increase) decrease in long-term advance payments	(51,832)	(50,416)
Increase (decrease) in trade and other payables	(25,191)	(40,307)
Increase (decrease) in contract liabilities	(7,979)	(16,934)
Others, net	(53,156)	22,348
Subtotal	(25,926)	34,063
Interest and dividend received	12,282	11,384
Interest paid	(747)	(755)
Income taxes paid	(62,162)	(73,004)
Net cash flows from (used in) operating activities	(76,554)	(28,311)
Cash flows from investing activities		
Payments into time deposits	(9,819)	(24,061)
Proceeds from maturities of time deposits	346,494	3,414
Acquisition of securities	(115,857)	(39,663)
Proceeds from sale and redemption of securities	211,818	90,672
Acquisition of property, plant and equipment	(56,879)	(67,289)
Proceeds from sale of property, plant and equipment	482	9
Acquisition of intangible assets	(39,281)	(11,869)
Proceeds from sale of subsidiaries and affiliates	5,250	7,250
Payments for loans receivable	—	(1)
Proceeds from collection of loans receivable	16	0
Others, net	4,204	(2,068)
Net cash flows from (used in) investing activities	346,429	(43,607)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	100,000
Repayments of bonds and borrowings	(199)	(200)
Purchase of own shares	(120,090)	(58,540)
Proceeds from sale of own shares	–	0
Dividend paid	(57,472)	(56,017)
Repayments of lease liabilities	(8,411)	(7,824)
Others, net	0	0
Net cash flows from (used in) financing activities	(186,173)	(22,583)
Net increase (decrease) in cash and cash equivalents	83,700	(94,502)
Cash and cash equivalents at the beginning of the period	647,180	639,838
Effect of exchange rate changes on cash and cash equivalents	(23,214)	(3,178)
Cash and cash equivalents at the end of the period	707,667	542,157

(5) Notes to Condensed Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Presentation

(Condensed Interim Consolidated Statement of Financial Position)

"Long-term advance payments", which had been included in "Other non-current assets" under non-current assets in the previous consolidated fiscal year, has been disclosed separately from the first quarter of the fiscal year ending March 31, 2026, since the monetary significance has increased.

To reflect this change in presentation, the Consolidated Statement of Financial Position as of March 31, 2025 has been reclassified on a consistent basis.

As a result, a portion of the amounts reported in "Other non-current assets" under non-current assets as of March 31, 2025 amounting to JPY167,428 million, has been reclassified as "Long-term advance payments" under non-current assets.

(Condensed Interim Consolidated Statement of Cash Flows)

"(Increase) decrease in long-term advance payments", which was included in "Others, net" under cash flows from operating activities in the previous consolidated fiscal year, is disclosed separately from the first quarter of the fiscal year ending March 31, 2026, since the monetary significance has increased.

To reflect this change in presentation, the Condensed Interim Consolidated Statement of Cash Flows for the first six months of the fiscal year ended March 31, 2025, has been reclassified on a consistent basis.

As a result, a portion of the amounts reported in "Others, net" under cash flows from operating activities in the Condensed Interim Consolidated Statement of Cash Flows for the first six months of the fiscal year ended March 31, 2025 amounting to JPY(51,832) million has been reclassified as "(Increase) decrease in long-term advance payments" under cash flows from operating activities.

Operating Segment Information

Disclosure is omitted as the Group has a single segment, "Pharmaceutical Operation".

Significant Subsequent Events

Issuance of unsecured corporate bonds

The Company issued unsecured corporate bonds on October 10, 2025.

(1) Type of bonds issued, issue price, total amount of issue, interest rate, redemption methods, maturity date

a. Type of bonds issued

7th series of unsecured corporate bonds (with limited inter-bond pari passu clause)

8th series of unsecured corporate bonds (with limited inter-bond pari passu clause)

9th series of unsecured corporate bonds (with limited inter-bond pari passu clause)

10th series of unsecured corporate bonds (with limited inter-bond pari passu clause)

b. Issue price

JPY100 for each corporate bond amount of JPY100

c. Total amount of issue

7th series of unsecured corporate bonds JPY20 billion

8th series of unsecured corporate bonds JPY70 billion

9th series of unsecured corporate bonds JPY70 billion

10th series of unsecured corporate bonds JPY40 billion

d. Interest rate

7th series of unsecured corporate bonds 1.258% per annum

8th series of unsecured corporate bonds 1.603% per annum

9th series of unsecured corporate bonds 1.878% per annum

10th series of unsecured corporate bonds 2.151% per annum

e. Redemption methods

Each corporate bond will be redeemed at face value on the maturity date. Buyback and cancellation are possible at any time after the payment date.

f. Maturity date

7th series of unsecured corporate bonds 3 years (October 10, 2028)

8th series of unsecured corporate bonds 5 years (October 10, 2030)

9th series of unsecured corporate bonds 7 years (October 8, 2032)

10th series of unsecured corporate bonds 10 years (October 10, 2035)

(2) Date of Issuance

October 10, 2025 (the payment date is also the same day).

(3) Security or guarantee

The corporate bonds are not secured by any collateral nor guaranteed, and there are no particular assets reserved as security for the corporate bonds.

(4) Use of funds procured

Debt repayment and working capital

(5) Negative pledge

Applicable.