July 31, 2026

Consolidated Financial Results for the First Three Months of the Year Ending March 31, 2027 (Fiscal 2026)
<under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
Listed exchange: the Tokyo Stock Exchange
Stock code number: 4568
URL: https://www.daiichisankyo.com
Representative: Mr. Hiroyuki Okuzawa, Representative Director, President and CEO
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Scheduled date to commence dividend payments: –
Preparing supplementary material (Reference Data) on quarterly 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 Three Months of the Year Ending March 31, 2027 (from April 1, 2026 to June 30, 2026)

(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	%
Three months ended June 30, 2026	574,740	21.1	107,265	6.2	85,097	(12.0)	91,341	(13.4)
Three months ended June 30, 2025	474,597	8.8	101,005	29.9	96,711	4.0	105,442	(4.3)

	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
Three months ended June 30, 2026	68,637	(19.7)	68,637	(19.7)	87,656	28.5	37.72	37.70
Three months ended June 30, 2025	85,500	0.1	85,500	0.1	68,217	(49.6)	46.03	46.01

Note: Daiichi Sankyo discloses core operating profit, which excludes non-core 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 three months of the year ending March 31, 2027" 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 June 30, 2026	4,114,546	1,702,711	1,702,711	41.4	935.36
As of March 31, 2026	3,996,285	1,684,033	1,684,033	42.1	925.47

2. Cash Dividends

	Annual dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 31, 2026	–	39.00	–	39.00	78.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		50.00	–	50.00	100.00

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

3. Forecast of Consolidated Financial Results for Year Ending March 31, 2027

(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	2,340,000	10.2	360,000	15.6	320,000	24.0	334,000	14.2	254,000	(9.2)

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of JPY	%	JPY
Full year	251,000	(10.3)	137.94

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

*Notes

(1) Significant changes in the scope of consolidation during the period: None

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

As of June 30, 2026	1,862,893,329 shares
As of March 31, 2026	1,894,350,529 shares

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

As of June 30, 2026	42,512,099 shares
As of March 31, 2026	74,697,299 shares

3) Average number of shares outstanding during the period

Three months ended June 30, 2026	1,819,825,547 shares
Three months ended June 30, 2025	1,857,351,428 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*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 7 for matters related to the above forecasts.

Attached Material

Index

1. Results of Operations 2
(1) Operating Results for the first three months of the year ending March 31, 2027 2
1) Overview 2
2) Status of R&D 5
(2) Analysis of Financial Position as of June 30, 2026 6
(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements 7
(4) Information about Return to Shareholders 8
2. Condensed Interim Consolidated Financial Statements with Primary Notes 9
(1) Condensed Interim Consolidated Statement of Financial Position 9
(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income 11
Condensed Interim Consolidated Statement of Profit or Loss 11
Condensed Interim Consolidated Statement of Comprehensive Income 11
(3) Condensed Interim Consolidated Statement of Changes in Equity 12
(4) Condensed Interim Consolidated Statement of Cash Flows 14
(5) Notes to Consolidated Financial Statements 16
Going Concern Assumption 16
Changes in Presentation 16
Operating Segment Information 16
Subsequent Events 16
Transfer of Shares of DAIICHI SANKYO HEALTHCARE CO., LTD. 16

1. Results of Operations

(1) Operating Results for the first three months of the year ending March 31, 2027

1) Overview

[Consolidated Financial Results (Core Base)]

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

	Three months ended June 30, 2025	Three months ended June 30, 2026	YoY change
Revenue	474,597	574,740	100,143 21.1%
Cost of sales*	87,568	126,026	38,458 43.9%
Selling, general and administrative expenses*	180,072	225,992	45,919 25.5%
Research and development expenses*	105,950	115,455	9,504 9.0%
Core operating profit*	101,005	107,265	6,260 6.2%
Non-core income*	760	70	-689 -90.7%
Non-core expenses*	5,053	22,239	17,185 340.1%
Operating profit	96,711	85,097	-11,614 -12.0%
Profit before tax	105,442	91,341	-14,101 -13.4%
Profit attributable to owners of the Company	85,500	68,637	-16,862 -19.7%
Total comprehensive income	68,217	87,656	19,438 28.5%

* Daiichi Sankyo Group (hereinafter, "the Group") has changed the definition of core operating profit starting from the fiscal year ending March 2027. Under the new definition, core operating profit is disclosed as an indicator of the fundamental profitability of the business, excluding the following items from operating profit.

- Amortization expenses of intangible assets related to products
- Gains/losses associated with restructuring
- Impairment losses on property, plant and equipment, intangible assets, and goodwill
- Gains/losses related to damages and settlements
- Acquisition-related costs
- Loss (gain) on exchange differences (applicable from the fiscal year ending March 31,2028)
- Other gains/losses that the Company deems should be excluded to understand the fundamental profitability of the Group's business

Please note that the core operating profit for the fiscal year ending March 2026, as listed in this table, also reflects this change in definition. 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 year)> (JPY)

	Three months ended June 30, 2025	Three months ended June 30, 2026

USD/JPY	144.60	159.49
EUR/JPY	163.81	185.38

a. Revenue

- Revenue in the first three months of the year ending March 31, 2027 increased by JPY100.1 billion, or 21.1% year on year, to JPY574.7 billion.
- Revenue increased year on year due to the growth of global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, T-DXd/DS-8201) and Datroway (generic name: datopotamab deruxtecan: Dato-DXd/DS-1062), as well as the positive effect from foreign exchange by the depreciation of JPY.
- The positive effect on revenue from foreign exchange was JPY41.9 billion in total.

b. Core operating profit

- Core operating profit increased by JPY6.3 billion, or 6.2% year on year, to JPY107.3 billion.
- Cost of sales was JPY126.0 billion, constituting an increase of JPY38.5 billion, or 43.9% year on year, due to an increase in revenue and the effect from foreign exchange by the depreciation of JPY.
- Selling, general and administrative expenses increased by JPY45.9 billion, or 25.5%, to JPY226.0 billion mainly due to the cost increase by an increase in profit sharing with AstraZeneca.
- Research and development expenses increased by JPY9.5 billion, or 9.0% year on year, to JPY115.5 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) and DS-3790.
- The positive effect on core operating profit from foreign exchange was JPY9.7 billion in total.

c. Operating profit

- Operating profit decreased by JPY11.6 billion, or 12.0% year on year, to JPY85.1 billion.
- The costs of business reorganization in the EU Specialty Business Unit were recorded as non-core expenses, resulting in a decrease in operating profit.
- The positive effect on operating profit from foreign exchange was JPY6.7 billion in total.

d. Profit before tax

- Profit before tax decreased by JPY14.1 billion, or 13.4% year on year, to JPY91.3 billion.
- The larger decrease compared to operating profit was a result of an increase of financial expenses.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company decreased by JPY16.9 billion, or 19.7% year on year, to JPY68.6 billion.

- The larger decrease compared to profit before tax was a result of the increase in income taxes and other factors.

f. Total comprehensive income

- Total comprehensive income increased by JPY19.4 billion, or 28.5% year on year, to JPY87.7 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 three months of the year ending March 31, 2027 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 decreased by JPY4.9 billion, or 3.9% year on year, to JPY120.0 billion due to decreases in sales of Lixiana and others, despite the growth of Enhertu, Tarlige and others.

b. Daiichi Sankyo Healthcare Unit

Revenue from Daiichi Sankyo Healthcare Unit increased by JPY1.6 billion, or 7.9% year on year, to JPY22.6 billion as a result of the increase in sales of Clean Dental, 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 JPY66.2 billion, or 50.5% year on year, to JPY197.4 billion and the revenue in local currency increased by USD330 million, or 36.4%, to USD1,238 million due to the growth of Enhertu and Datroway in the U.S. and Europe.

The following describes the major progress in the first three months of the year ending March 31, 2027.

- In May 2026, approval was obtained for Enhertu in the U.S. for indications in the neoadjuvant and adjuvant settings of patients with HER2 positive early breast cancer, and the promotion started.
- In May 2026, approval was obtained for Datroway in the U.S. for first-line treatment of patients with unresectable or metastatic triple-negative breast cancer who are not candidates for PD-1/PD-L1 inhibitor therapy, and the promotion started.
- In June 2026, approval was obtained for Enhertu in Europe for patients with multiple HER2 positive solid tumors, and the promotion started.

d. American Regent Unit

Revenue from American Regent Unit decreased by JPY7.1 billion, or 14.3% year on year, to JPY42.2 billion and the revenue in local currency decreased by USD76 million, or 22.3%, to USD265 million due to decreases in sales of Venofer, Injectafer.

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 JPY10.9 billion, or 17.1% year on year, to JPY74.7 billion and the revenue in local currency increased by EUR13 million, or 3.4%, to EUR403 million due to the growth in sales of Nilemdo/Nustendi.

f. ASCA Business Unit

Revenue from ASCA[*1] Business Unit includes sales to overseas licensees.

Revenue from the Unit increased by JPY11.9 billion, or 21.0% year on year, to JPY68.7 billion due to the growth in sales of Enhertu in China and other factors.

[*1] Asia, South & Central America

2) Status of R&D

The Group focuses on accelerating global clinical development and intensively allocates resources to 5DXd ADCs[*1] (trastuzumab deruxtecan, datopotamab deruxtecan, patritumab deruxtecan, ifinatamab deruxtecan, and raludotatug deruxtecan) for maximizing their product values, and aims to create products that change SOC[*2] (Next Wave).

Furthermore, based on the knowledge and achievements gained from DXd ADC, we are advancing R&D in deepening ADC technology as well as in multiple modalities[*3] beyond ADC.

To achieve sustainable growth, we aim to identify several Breakthrough Generating Technologies (BGTs)[*4] by the fiscal year 2030, following DXd ADC, through these initiatives that leverage our strengths in science and technology.

[*1] ADC: Abbreviation for Antibody Drug Conjugate, drug composed of an antibody and a payload (a small molecule compound) linked via appropriate linker. By using an 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.

[*4] BGT: A drug discovery technology platform designed to deliver more innovative medicines to patients faster.

[5DXd ADCs]

The following describes the Group's clinical development of 5DXd ADCs projects in the first three months of the year ending March 31, 2027 (from April 1, 2026 to June 30, 2026). 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, ifinatamab 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 three months of the year ending March 31, 2027.

- In May 2026, the application was approved in the U.S. for neoadjuvant therapy targeting stage II or stage III HER2 positive breast cancer, involving combination therapy with taxane, trastuzumab, and pertuzumab (THP) following administration of ENHERTU.
- In May 2026, the application was approved in the U.S. for adjuvant therapy targeting HER2 positive breast cancer with residual invasive disease after neoadjuvant therapy with anti-HER2 therapy.
- In May 2026, the application was recommended for approval by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) for unresectable or metastatic HER2 positive (IHC3+) solid tumors with prior treatment history and no alternative treatment options.
- In June 2026, the application was approved in Europe for unresectable or metastatic HER2 positive (IHC3+) solid tumors with prior treatment history and no alternative treatment options.

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

The following describes the major progress in the first three months of the year ending March 31, 2027.

- In May 2026, the application was approved in the U.S. for the first line treatment for triple-negative breast cancer (TNBC) not eligible for PD-1/PD-L1.
- In June 2026, the application was recommended for approval by the EMA’s CHMP for the first line treatment for TNBC not eligible for PD-1/PD-L1.

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

The following describes the major progress in the first three months of the year ending March 31, 2027.

- In April 2026, the application for approval for the treatment of extensive-stage small cell lung cancer with disease progression on or after platinum-based chemotherapy was accepted and Priority Review Designation[*5] was granted in the U.S.

  [*5] In the U.S., this designation is granted to medicines that provide significant improvements in treatment or offer treatment options for diseases with no currently appropriate therapy. If granted, the review period can be expected to be shorter (targeted 6 months), compared to standard applications review period (targeted 10 months).

[Next Wave]

The following describes the major progress in the Next Wave in the first three months of the year ending March 31, 2027. The status of each clinical trial is stated in the Reference Data.

- In April 2026, the Phase I clinical trial of DS2001 (anti-ORAI1 antibody) in healthy adults was initiated.
- In May 2026, the application was approved in Japan for VN-0102/JVC-001 (freeze-dried live attenuated measles, mumps, rubella combined vaccine, brand name: MIMRIT for Subcutaneous Injection) for the prevention of measles, mumps, and rubella.
- In June 2026, the application was approved in China for quizartinib (AC220: FLT3 inhibitor, brand name: VANFLYTA) for the first-line treatment of acute myeloid leukemia with FLT3-ITD mutations.

(2) Analysis of Financial Position as of June 30, 2026

- Total assets as of June 30, 2026 were JPY4,114.5 billion, an increase of JPY118.3 billion from the previous fiscal year-end, mainly due to increases in cash and cash equivalents, inventories and property, plant and equipment, which were partially offset by decreases in other financial assets (current assets) and trade and other receivables.

- Total liabilities as of June 30, 2026 were JPY2,411.8 billion, an increase of JPY99.6 billion from the previous fiscal year-end, mainly due to an increase in bonds and borrowings (non-current liabilities), which was partially offset by decreases in income taxes payable and trade and other payables.
- Total equity as of June 30, 2026 was JPY1,702.7 billion, an increase of JPY18.7 billion from the previous fiscal year-end, mainly due to the profit for the period, which was partially offset by cash dividend payment.
- The ratio of equity attributable to owners of the Company to total assets was 41.4%, 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, 2027, which were publicly announced on May 11, 2026, are shown below.

Revisions to the forecasts of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

	Revenue	Core operating profit	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company
Previous forecasts (A)	Millions of JPY 2,280,000	Millions of JPY 360,000	Millions of JPY 315,000	Millions of JPY 329,000	Millions of JPY 263,000	Millions of JPY 260,000
Revised forecasts (B)	2,340,000	360,000	320,000	334,000	254,000	251,000
Change (B-A)	60,000	—	5,000	5,000	−9,000	−9,000
Percentage of change (%)	2.6	—	1.6	1.5	−3.4	−3.5
(Reference) Year end March 31, 2026	2,123,045	311,327	258,047	292,391	279,728	279,728

Assumed exchange rate from the second quarter onward: USD/JPY = 155, EUR/JPY = 180

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.

* The Group has changed the definition of core operating profit starting from the fiscal year ending March 2027. Under the new definition, core operating profit is disclosed as an indicator of the fundamental profitability of the business, excluding the following items from operating profit.

- Amortization expenses of intangible assets related to products
- Gains/losses associated with restructuring
- Impairment losses on property, plant and equipment, intangible assets, and goodwill
- Gains/losses related to damages and settlements
- Acquisition-related costs

- Loss (gain) on exchange differences (applicable from the fiscal year ending March 31,2028)
- Other gains/losses that the Company deems should be excluded to understand the fundamental profitability of the Group’s business

Please note that the core operating profit for the fiscal year ending March 2026, as listed in this table, also reflects this change in definition. The adjustment table from operating profit to core operating profit is stated in the Reference Data.

Reason for the revision

Revenue has been revised upward by JPY60.0 billion from the previous forecast to JPY2,340.0 billion, mainly to reflect the positive impact of JPY depreciation and stronger-than-expected product sales of Enhertu in the U.S.

Core operating profit has been left unchanged from the previous forecast, as the increase in gross profit resulting from higher revenue is expected to be offset by the negative impact on profit from JPY depreciation and an increase in profit sharing associated with the growth in Enhertu sales.

Operating profit and profit before tax have been revised upward by JPY5.0 billion from the previous forecast to JPY320.0 billion and JPY334.0 billion, respectively, mainly to reflect the reversal of a provision for compensation related to the cancellation of CAPEX at the Odawara Site, which was recorded as a reduction in non-core expenses in the first quarter.

Profit for the year and profit attributable to owners of the Company have been revised downward by JPY9.0 billion from the previous forecast to JPY254.0 billion and JPY251.0 billion, respectively, mainly due to an expected increase in income taxes.

(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.
- In the new Five-Year Business Plan (fiscal 2026-fiscal 2030), the Company will adopt a progressive dividend policy under which dividends will continue in principle to be maintained or increased and has set an adjusted DOE of 10.0% or more per fiscal year as a benchmark for the dividend level.
- In addition to dividends, the acquisition of own shares is also positioned as an option for shareholder returns. While prioritizing progressive dividends, the Company will consider implementing the acquisition of own shares flexibly, based on a comprehensive assessment of its financial condition, market environment, and other relevant factors.

<Stable dividend increase>

- For fiscal 2025, the Company paid a year-end dividend of JPY39 per share on June 23, 2026. Accordingly, the annual dividend for the fiscal year, together with the interim dividend of JPY39 per share paid on December 10, 2025, was JPY78 per share in total.
- For fiscal 2026, the Company intends to pay the annual dividend of JPY100 (interim dividend forecast: JPY50, year-end dividend forecast: JPY50) per share, an increase of JPY22 from the annual dividend of fiscal 2025, in order to enhance shareholder returns and support further growth under the new 5-Year Business Plan.

<Cancellation of own shares>

- From May 1, 2025 to March 24, 2026, the Company established upper limits of JPY200.0 billion or 80 million shares for acquisition of its own shares. All shares acquired during this period (31.45 million shares) were canceled on June 10, 2026.

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of JPY)

	As of March 31, 2026	As of June 30, 2026
ASSETS		
Current assets		
Cash and cash equivalents	449,807	637,850
Trade and other receivables	741,145	676,923
Other financial assets	104,736	32,524
Inventories	692,378	733,054
Other current assets	32,279	35,523
Subtotal	2,020,346	2,115,876
Assets held for sale	122,162	118,552
Total current assets	2,142,509	2,234,429
Non-current assets		
Property, plant and equipment	596,563	626,117
Goodwill	97,353	98,354
Intangible assets	241,064	242,106
Investments accounted for using the equity method	4,918	4,637
Other financial assets	194,435	204,329
Long-term advance payments	192,906	189,292
Deferred tax assets	456,195	449,652
Other non-current assets	70,338	65,627
Total non-current assets	1,853,775	1,880,117
Total assets	3,996,285	4,114,546

(Millions of JPY)

	As of March 31, 2026	As of June 30, 2026
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade and other payables	567,898	539,051
Bonds and borrowings	404	478
Other financial liabilities	13,630	13,851
Income taxes payable	88,303	16,914
Provisions	49,811	65,895
Contract liabilities	74,405	76,184
Other current liabilities	30,060	28,097
Subtotal	824,513	740,474
Liabilities directly associated with assets held for sale	31,552	25,227
Total current liabilities	856,065	765,701
Non-current liabilities		
Bonds and borrowings	300,077	500,002
Other financial liabilities	39,219	39,215
Post-employment benefit liabilities	1,452	1,645
Provisions	164,572	164,370
Contract liabilities	806,809	799,714
Deferred tax liabilities	3,230	3,182
Other non-current liabilities	140,825	138,002
Total non-current liabilities	1,456,186	1,646,133
Total liabilities	2,312,252	2,411,835
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Own shares	(247,993)	(144,336)
Other components of equity	311,619	330,600
Retained earnings	1,570,407	1,466,447
Total equity attributable to owners of the Company	1,684,033	1,702,711
Total equity	1,684,033	1,702,711
Total liabilities and equity	3,996,285	4,114,546

(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)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	474,597	574,740
Cost of sales	92,346	124,294
Gross profit	382,250	450,446
Selling, general and administrative expenses	180,348	249,962
Research and development expenses	105,950	115,455
Other income	760	70
Other expenses	0	1
Operating profit	96,711	85,097
Financial income	9,776	9,738
Financial expenses	1,419	3,231
Share of profit (loss) of investments accounted for using the equity method	373	(262)
Profit before tax	105,442	91,341
Income taxes	19,942	22,704
Profit for the period	85,500	68,637
Profit attributable to:		
Owners of the Company	85,500	68,637
Earnings per share		
Basic earnings per share (JPY)	46.03	37.72
Diluted earnings per share (JPY)	46.01	37.70

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit for the period	85,500	68,637
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	419	1,872
Remeasurements of defined benefit plans	0	-
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(17,780)	17,146
Cash flow hedges	77	-
Total other comprehensive income for the period, net of tax	(17,283)	19,018
Total comprehensive income for the period	68,217	87,656
Total comprehensive income attributable to:		
Owners of the Company	68,217	87,656

(3) Condensed Interim Consolidated Statement of Changes in Equity

Three months ended June 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	–	–	–	–	(17,780)	77	419
Total comprehensive income for the period	–	–	–	–	(17,780)	77	419
Purchase of own shares	–	(52)	(58,484)	–	–	–	–
Disposal of own shares	–	–	100	(1)	–	–	–
Cancellation of own shares	–	(1,393)	48,971	–	–	–	–
Dividend	–	–	–	–	–	–	–
Share-based compensation	–	1,446	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(1,032)
Transfer to non-financial assets and similar items	–	–	–	–	–	(77)	–
Others	–	–	–	–	–	–	–
Total transactions with owners of the Company	–	–	(9,412)	(1)	–	(77)	(1,032)
Balance as of June 30, 2025	50,000	–	(156,734)	422	210,357	–	34,517

(Millions of JPY)

	Equity attributable to owners of the Company				
	Other components of equity				
	Remeasurements of defined benefit plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Total equity
Balance as of April 1, 2025	–	263,693	1,457,044	1,623,416	1,623,416
Profit for the period	–	–	85,500	85,500	85,500
Other comprehensive income for the period	0	(17,283)	–	(17,283)	(17,283)
Total comprehensive income for the period	0	(17,283)	85,500	68,217	68,217
Purchase of own shares	–	–	–	(58,536)	(58,536)
Disposal of own shares	–	(1)	(7)	91	91
Cancellation of own shares	–	–	(47,577)	–	–
Dividend	–	–	(56,053)	(56,053)	(56,053)
Share-based compensation	–	–	–	1,446	1,446
Transfer from other components of equity to retained earnings	(0)	(1,032)	1,032	–	–
Transfer to non-financial assets and similar items	–	(77)	–	(77)	(77)
Others	–	–	57	57	57
Total transactions with owners of the Company	(0)	(1,111)	(102,547)	(113,072)	(113,072)
Balance as of June 30, 2025	–	245,298	1,439,997	1,578,561	1,578,561

Three months ended June 30, 2026

(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	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2026	50,000	–	(247,993)	381	278,494	32,743
Profit for the period	–	–	–	–	–	–
Other comprehensive income for the period	–	–	–	–	17,146	1,872
Total comprehensive income for the period	–	–	–	–	17,146	1,872
Purchase of own shares	–	–	(480)	–	–	–
Disposal of own shares	–	(341)	894	(37)	–	–
Cancellation of own shares	–	(100,687)	100,687	–	–	–
Dividend	–	–	–	–	–	–
Share-based compensation	–	(704)	2,555	–	–	–
Transfer from retained earnings to capital surplus	–	101,733	–	–	–	–
Others	–	–	–	–	–	–
Total transactions with owners of the Company	–	–	103,656	(37)	–	–
Balance as of June 30, 2026	50,000	–	(144,336)	344	295,640	34,615

(Millions of JPY)

	Equity attributable to owners of the Company			
	Other components of equity			
	Total other components of equity	Retained earnings	Total equity attributable to owners of the Company	Total equity
Balance as of April 1, 2026	311,619	1,570,407	1,684,033	1,684,033
Profit for the period	–	68,637	68,637	68,637
Other comprehensive income for the period	19,018	–	19,018	19,018
Total comprehensive income for the period	19,018	68,637	87,656	87,656
Purchase of own shares	–	–	(480)	(480)
Disposal of own shares	(37)	–	515	515
Cancellation of own shares	–	–	–	–
Dividend	–	(71,175)	(71,175)	(71,175)
Share-based compensation	–	–	1,850	1,850
Transfer from retained earnings to capital surplus	–	(101,733)	–	–
Others	–	312	312	312
Total transactions with owners of the Company	(37)	(172,597)	(68,978)	(68,978)
Balance as of June 30, 2026	330,600	1,466,447	1,702,711	1,702,711

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of JPY)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before tax	105,442	91,341
Depreciation and amortization	17,801	21,487
Impairment losses (reversal of impairment losses)	275	-
Financial income	(9,776)	(9,738)
Financial expenses	1,419	3,231
Share of (profit) loss of investments accounted for using the equity method	(373)	262
(Gain) loss on sale and disposal of non-current assets	199	180
(Increase) decrease in trade and other receivables	8,383	66,542
(Increase) decrease in inventories	(37,141)	(40,611)
(Increase) decrease in long-term advance payments	(22,693)	3,613
Increase (decrease) in trade and other payables	(61,224)	(33,732)
Increase (decrease) in provisions	(2,032)	15,764
Increase (decrease) in contract liabilities	(5,830)	(5,366)
Others, net	16,567	(3,100)
Subtotal	11,017	109,875
Interest and dividend received	7,230	4,506
Interest paid	(165)	(1,519)
Income taxes paid	(54,649)	(92,530)
Net cash flows from (used in) operating activities	(36,567)	20,332
Cash flows from investing activities		
Payments into time deposits	(4,998)	(9,744)
Proceeds from maturities of time deposits	4,397	34,570
Acquisition of securities	(16,629)	(7,331)
Proceeds from sale and redemption of securities	45,888	54,116
Acquisition of property, plant and equipment	(28,720)	(37,236)
Proceeds from sale of property, plant and equipment	9	9
Acquisition of intangible assets	(7,414)	(5,640)
Proceeds from sale of subsidiaries and affiliates	7,250	-
Payments for loans receivable	(1)	-
Others, net	(595)	(323)
Net cash flows from (used in) investing activities	(815)	28,422

(Millions of JPY)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from financing activities		
Proceeds from bonds and borrowings	100,000	200,000
Repayments of bonds and borrowings	(101)	(101)
Purchase of own shares	(58,536)	(0)
Proceeds from sale of own shares	0	-
Dividend paid	(56,103)	(71,225)
Repayments of lease liabilities	(4,409)	(6,203)
Others, net	0	-
Net cash flows from (used in) financing activities	(19,151)	122,469
Net increase (decrease) in cash and cash equivalents	(56,535)	171,223
Cash and cash equivalents at the beginning of the period (Condensed interim consolidated statement of financial position)	639,838	449,807
Cash and cash equivalents reclassified back from assets held for sale	-	39,176
Cash and cash equivalents at the beginning of the period	639,838	488,983
Effect of exchange rate changes on cash and cash equivalents	(9,005)	9,571
Cash and cash equivalents at the end of the period	574,297	669,778
Cash and cash equivalents reclassified to assets held for sale	-	(31,927)
Cash and cash equivalents at the end of the period (Condensed interim consolidated statement of financial position)	574,297	637,850

(5) Notes to Condensed Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Presentation

(Condensed Interim Consolidated Statement of Cash Flows)

“Increase (decrease) in provisions”, which was included in “Others, net” under cash flows from operating activities in the first quarter of the fiscal year ended March 31, 2026, has been disclosed separately from the fourth quarter of the fiscal year ended 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 quarter of the fiscal year ended March 31, 2026, is 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 quarter of the fiscal year ended March 31, 2026 amounting to JPY(2,032) million is reclassified as "Increase (decrease) in provisions” under cash flows from operating activities.

Operating Segment Information

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

Subsequent Events

Transfer of Shares of DAIICHI SANKYO HEALTHCARE CO., LTD.

On July 1, 2026, the Company transferred 30% of the issued shares of DAIICHI SANKYO HEALTHCARE Co., Ltd. (“DSHC”) based on the provisions of the stock transfer agreement with Suntory Holdings Limited signed on April 15, 2026, and received consideration of JPY 73,950 million for the transfer of shares.
This stock transfer agreement includes terms for the phased transfer of all shares in DSHC. As a result, 40% of the total issued shares are scheduled to be transferred on June 1, 2027, and the remaining 30% of the total issued shares are scheduled to be transferred on June 1, 2029.
The Company expects to lose control over DSHC upon execution of the stock transfer on June 1, 2027. Therefore, the Company has determined that it is appropriate to account for the two stock transfer transactions until the loss of control as a single transaction.
As a result, the difference of JPY 53,089 million between the consideration received for the stock transfer executed on July 1, 2026 and the relevant carrying amount of the transferred shares, will be recorded as “Trade and other payables” (deferred revenue). The carrying amount is calculated based on the net assets of DSHC and its subsidiary reflecting the expected future dividends from surplus until the loss of control stipulated in the stock transfer agreement. The Deferred revenue will be recognized as income when the Company loses control over DSHC.
The assets and liabilities of DSHC are classified as " Assets held for sale " and "Liabilities directly associated with assets held for sale", respectively, at the end of the first quarter of the fiscal year ending March 31, 2027.