

Material for Financial Announcement Q1 FY 2025

Highlights of Financial Results for FY2025Q1 (Core Basis)

FY2025Q1 Sales Revenue

Revenue increased by ¥9.9 billion (8.4%) year on year to ¥127.5 billion, marking a new record high for the first quarter.

Domestic Sales Results

While sales of FORXIGA expanded, overall sales slightly decreased mainly due to a decline in OPDIVO sales resulting from intensified competition.

Overseas Sales Results

Sales increased mainly due to the inclusion of the sales of QINLOCK^(R) (ripretinib) and ROMVIMZA^(TM) (vimseltinib), which were not recorded in the previous period (April-June). QINLOCK sales were ¥8.9 billion, and ROMVIMZA sales were ¥1.1 billion.

FY2025Q1 R&D, SG&A Expenses

Inclusion of Deciphera's R&D and SG&A expenses resulted in an increase compared to the same period last year.

R&D : Expenses, excluding Deciphera's R&D expenses, decreased compared to the previous period.
SG&A : The figures are roughly at the same level as the previous period, excluding the co-promotion costs for Forxiga and Deciphera's SG&A.

FY2025Q1 Core Operating Profit

Core operating profit decreased by ¥3.5 billion (10.1%) year on year to ¥31.6 billion.

The inclusion of Deciphera's operating loss, which was not recorded in the previous period (April-June), led to a decrease in core operating profit .



Revenue
¥127.5 billion

YoY +9.9 billion
(+8.4%)



Goods and Products Sales
¥87.8 billion

YoY +8.4 billion (+10.6%)

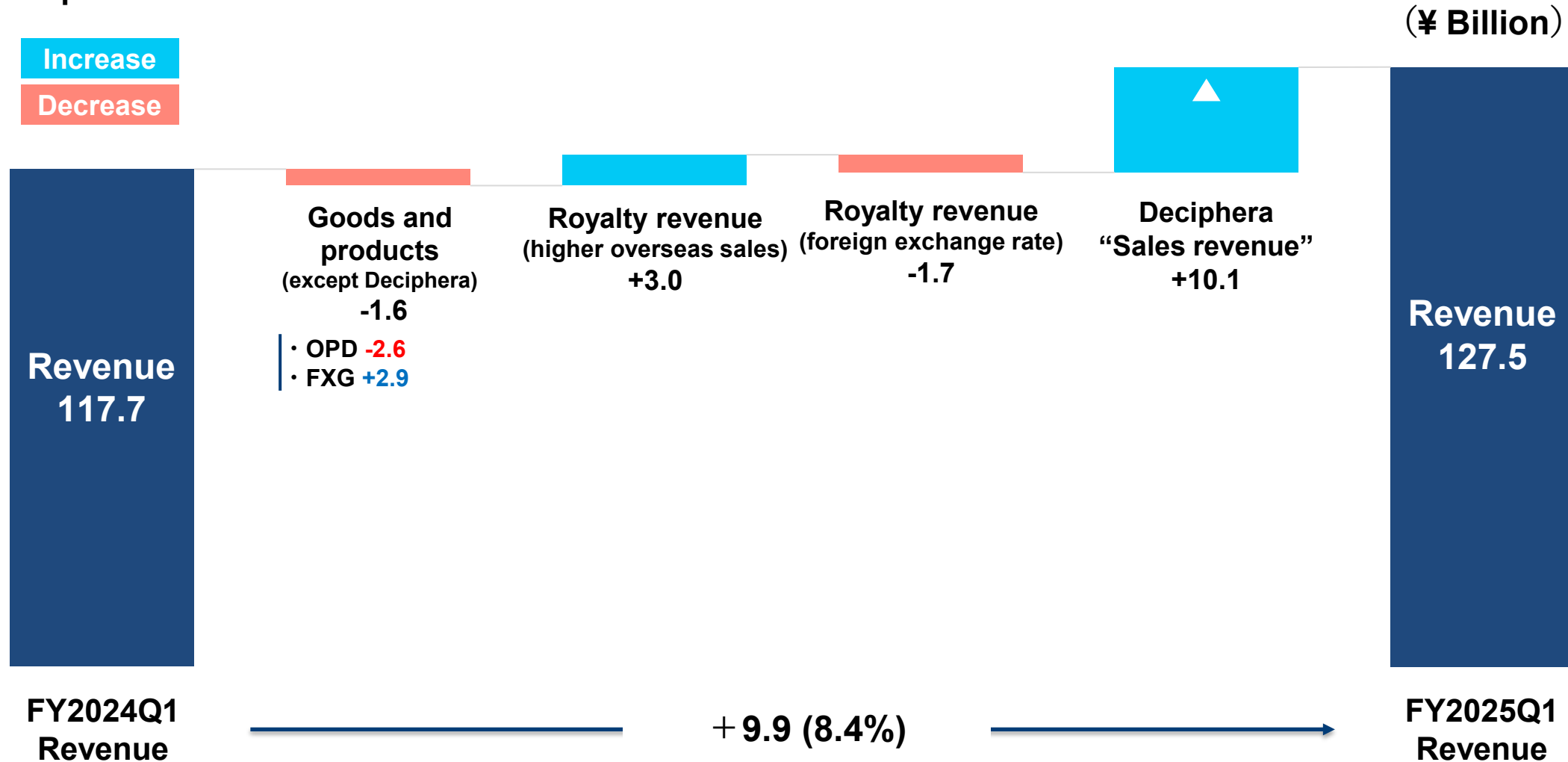


Royalty and Others
¥39.8 billion

YoY +1.4 billion (+3.7%)

FY2025Q1 : Sales Revenue (Breakdown)

Domestic sales decreased due to intensified competition affecting OPDIVO, despite the increase in sales of FORXIGA Tablet. However, overall sales increased by ¥9.9 billion year on year, driven by the revenue from Deciphera.



FY2025Q1 : Sales Revenue by Product (Domestic)

¥ in Billion	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
Revenue	117.7	<u>127.5</u>	9.9	8.4%	490.0
Goods and products	79.3	<u>87.8</u>	8.4	10.6%	330.0
Royalty and others	38.3	<u>39.8</u>	1.4	3.7%	160.0

Goods and Products (Domestic)	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
OPDIVO Intravenous Infusion	32.1	<u>29.4</u>	(2.6)	(8.2%)	125.0
FORXIGA Tablets	22.2	<u>25.1</u>	2.9	13.1%	80.0
ORENCIA for Subcutaneous Injection	6.9	<u>7.0</u>	0.1	1.8%	28.0
GLACTIV Tablets	5.0	<u>3.6</u>	(1.4)	(28.8%)	12.0
VELEXBRU Tablets	2.7	<u>3.0</u>	0.3	12.0%	11.0
ONGENTYS Tablets	1.9	<u>2.3</u>	0.3	17.2%	9.0
PARSABIV Intravenous Injection	2.1	<u>2.2</u>	0.1	5.9%	9.0
KYPROLIS for Intravenous Infusion	2.3	<u>2.0</u>	(0.3)	(12.1%)	9.0

* The consolidated financial forecast for the fiscal year ending March 2026, announced on May 8, 2025, is provided.

• Sales revenue of domestic products is shown in a gross sales basis (shipment price), and sales revenue of overseas products is shown in a net sales basis.

FY2025Q1 : Sales Revenue by Product (Overseas) / Royalty

¥ in Billion	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
Revenue	117.7	<u>127.5</u>	9.9	8.4%	490.0
Goods and products	79.3	<u>87.8</u>	8.4	10.6%	330.0
Royalty and others	38.3	<u>39.8</u>	1.4	3.7%	160.0

Goods and Products (Overseas)	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
OPDIVO	3.1	<u>3.3</u>	0.2	5.5%	13.5
QINLOCK	—	<u>8.9</u>	—	—	34.0
ROMVIMZA	—	<u>1.1</u>	—	—	5.0

Royalty and others	FY2024Q1	FY2025Q1	YoY		
			Change	Change(%)	
OPDIVO	28.5	<u>29.2</u>	0.7	2.6%	
KEYTRUDA®	6.3	<u>6.5</u>	0.2	3.9%	

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• Sales revenue of domestic products is shown in a gross sales basis (shipment price), and sales revenue of overseas products is shown in a net sales basis.

FY2025Q1 : Core Operating Profit



Core Operating Profit
¥31.6 billion

YoY -3.5 billion
(-10.1%)



Revenue ¥127.5 billion

YoY +9.9 billion (+8.4%)



R&D Expense ¥36.3 billion

YoY +7.4 billion (+25.6%)

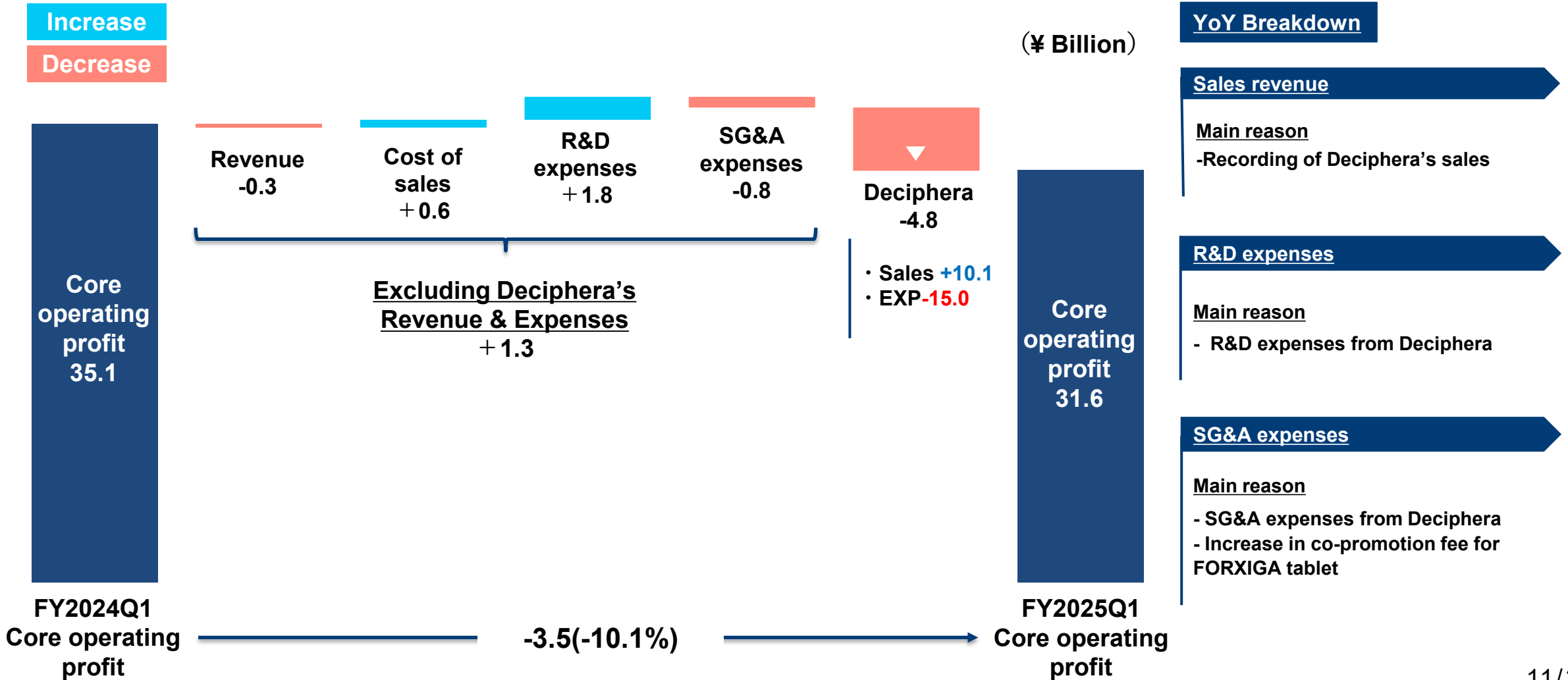


SG&A Expense ¥31.1 billion

YoY +6.1 billion (+24.4%)

FY2025Q1 : Core Operating Profit (Breakdown)

R&D and SG&A expenses have been recorded by Deciphera, which were not recorded in the first quarter of the previous fiscal year, resulting in a decrease of ¥3.5 billion from the same period last year to ¥31.6 billion.



FY2025Q1 : Financial Overview (Core)

¥ in Billion	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
Revenue	117.7	<u>127.5</u>	9.9	8.4%	490.0
Cost of sales	28.2	<u>28.1</u>	(0.1)	(0.2%)	103.5
R&D expenses	28.9	<u>36.3</u>	7.4	25.6%	150.0
SG&A expenses	25.0	<u>31.1</u>	6.1	24.4%	120.0
Other income	0.0	<u>0.1</u>	0.1	204.6%	0.5
Other expenses	0.6	<u>0.6</u>	0.0	4.2%	3.0
Core operating profit	35.1	<u>31.6</u>	(3.5)	(10.1%)	114.0
Core profit before tax	37.7	<u>32.2</u>	(5.5)	(14.6%)	114.0
Core profit for the period (attributable to owners of the Company)	28.7	<u>24.8</u>	(3.9)	(13.7%)	91.0

YoY Breakdown

R&D expenses +¥7.4 billion (+25.6%)

R&D ratio : 28.4%

Main reason

- R&D expenses from Deciphera

SG&A expenses +¥6.1 billion (+24.4%)

Main reasons

- SG&A expenses from Deciphera

- Increase in co-promotion fee for FORXIGA tablet

* The consolidated financial forecast for the fiscal year ending March 2026, announced on May 8, 2025, is provided.

(Ref) FY2025Q1 : Financial Overview (Full Basis)

¥ in Billion	FY2024Q1	FY2025Q1	YoY		FY2025 Forecast*
			Change	Change(%)	
Revenue	117.7	<u>127.5</u>	9.9	8.4%	490.0
Cost of sales	29.7	<u>37.0</u>	7.3	24.7%	135.0
R&D expenses	28.9	<u>36.3</u>	7.4	25.6%	150.0
SG&A expenses	27.9	<u>31.1</u>	3.2	11.5%	120.0
Operating profit	30.7	<u>22.0</u>	(8.7)	(28.3%)	85.0
Profit before tax	33.3	<u>22.6</u>	(10.7)	(32.0%)	85.0
Profit for the period (attributable to owners of the Company)	24.8	<u>17.7</u>	(7.1)	(28.7%)	67.0

Breakdown

Cost of sales +¥7.3 billion

Main reason

- Amortization expenses related to intangible assets acquired through acquisitions and inventory assets evaluated at fair value

R&D expenses +¥7.4 billion R&D ratio:28.4%

Main reason

- R&D expenses from Deciphera +¥9.1 billion

SG&A expenses +¥3.2 billion

Main reasons

- SG&A expenses from Deciphera +¥5.3billion
- Increase in co-promotion fee for FORXIGA tablet
- Absence of expenses associated with the acquisition of Deciphera

* The consolidated financial forecast for the fiscal year ending March 2026, announced on May 8, 2025, is provided.

(Ref) FY2025Q1 : Reconciliation from Full to Core Basis

¥ in Billion	IFRS (Full) basis	Adjustment				Core basis
		Amortization	Impairment loss	Others	Total	
Sales revenue	127.5				—	127.5
Cost of sales	37.0	(6.2)		(2.7)	(8.9)	28.1
Gross profit	90.5	+6.2	—	+2.7	+8.9	99.4
R&D costs	36.3				—	36.3
SG&A expenses	31.1				—	31.1
Other income /expenses	(1.2)			(0.7)	(0.7)	(0.5)
Operating profit	22.0	+6.2	—	+3.4	+9.6	31.6
Operating profit ratio	17.2%				—	24.8%
Finance income / Finance cost	0.7				—	0.7
Profit before tax	22.6	+6.2	—	+3.4	+9.6	32.2
Income tax expense	5.0	+1.6		+0.8	+2.4	7.5
Profit for the year	17.7	+4.6	—	+2.5	+7.1	24.8

Breakdown

Cost of sales -¥8.9 billion

Main reasons

- Amortization expenses related to intangible assets acquired through acquisitions or in-licensing
- Amortization expenses related to inventories from PPA

R&D expenses

No Adjustment

SG&A expenses and Other income&expense

Main reason

- Termination Fee for lease contract cancellation

FY2025 : Financial Forecast

(Core/Compared to the Previous Year)

There is no change from the consolidated financial forecasts, announced on May 8th, 2025.

<u>¥ in Billion</u>	FY2024 Actual	FY2025 Forecast	Change	Change (%)
Revenue	486.9	<u>490.0</u>	3.1	0.6%
Cost of sales	106.9	<u>103.5</u>	(3.4)	(3.1%)
R&D expenses	143.3	<u>150.0</u>	6.7	4.7%
SG&A expenses	122.2	<u>120.0</u>	(2.2)	(1.8%)
Core operating profit	112.7	<u>114.0</u>	1.3	1.2%
Core profit before tax	113.9	<u>114.0</u>	0.1	0.1%
Income tax expense	23.4	<u>23.0</u>	(0.4)	(1.8%)
Core profit for the year	90.4	<u>91.0</u>	0.6	0.7%

Breakdown

Cost of sales -¥3.4 billion

Main reason

- Decrease in sales related to FORXIGA tablets and long-term listed products

R&D expenses +¥6.7 billion

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Costs associated with Sapablursen in-licensed from Ionis Pharmaceuticals, Inc.
- Promotion of cost efficiency measures

SG&A expenses -¥2.2 billion

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Promotion of cost efficiency measures

* The exchange rate assumed in the financial forecast is ¥145 per US dollar.

FY2025 : Financial Forecast (Full / Compared to the Previous Year)

There is no change from the consolidated financial forecasts, announced on May 8th, 2025.

¥ in Billion	FY2024 Actual	FY2025 Forecast	Change	Change (%)
Revenue	486.9	<u>490.0</u>	3.1	0.6%
Cost of sales	147.9	<u>135.0</u>	(12.9)	(8.8%)
R&D expenses	149.9	<u>150.0</u>	0.1	0.1%
SG&A expenses	125.7	<u>120.0</u>	(5.7)	(4.5%)
Operating profit	59.7	<u>85.0</u>	25.3	42.3%
Profit before tax	59.3	<u>85.0</u>	25.7	43.3%
Income tax expense	9.2	<u>18.0</u>	8.8	96.5%
Profit for the year	50.0	<u>67.0</u>	16.9	33.8%

Breakdown

Cost of sales -¥12.9 billion

Main reasons

- Decrease in sales related to FORXIGA tablets and long-term listed products
- Absence of sales milestone on FORXIGA recorded in the previous fiscal year

R&D expenses +¥0.1 billion

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Costs associated with Sapablursen in-licensed from Ionis Pharmaceuticals, Inc.
- Absence of impairment losses on development compounds in the previous fiscal year

SG&A expenses -¥5.7 billion

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Promotion of cost efficiency measures

* The exchange rate assumed in the financial forecast is ¥145 per US dollar.
The sensitivity to exchange rates is assumed to be an increase of ¥1.3 billion in revenue and an increase of ¥0.3 billion in operating profit for every ¥1 depreciation of the yen.