

2. Dividends

	Annual dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the Company (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2024	—	40.00	—	40.00	80.00	37,582	75.1	4.8
FY 2025	—	40.00	—	40.00	80.00	37,929	53.9	4.6
FY 2026 (Forecast)	—	40.00	—	40.00	80.00		52.9	

3. Consolidated Financial Forecast for FY 2026 (April 1, 2026 to March 31, 2027)

IFRS (Full) basis

(% change from the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2025	455,000	(11.8)	94,000	1.9	94,000	1.5	71,000	1.6	71,000	1.8	151.09

Core basis

(% change from the previous fiscal year)

	Revenue		Core operating profit		Core profit for the year		Basic core earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2025	455,000	(11.8)	124,000	(9.6)	93,000	(10.1)	197.91

(Note) Revisions to financial forecast most recently announced: None

Notes

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

Newly included : 1 company (Company name) Ono Global Reinsurance, Inc

(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 than (2) – 1) above: None
- 3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding as of the end of the period (including treasury shares):

As of March 31, 2026 498,692,800 shares
As of March 31, 2025 498,692,800 shares

2) Number of treasury shares as of the end of the period:

As of March 31, 2026 28,785,489 shares
As of March 31, 2025 28,919,831 shares

3) Average number of shares outstanding during the period:

FY 2025 469,852,850 shares
FY 2024 469,693,257 shares

Note: The Company has introduced a share grant ESOP trust, and the treasury shares held by this trust are included in treasury shares to be deducted when calculating the number of treasury shares outstanding at the end of the period and the weighted-average number of shares outstanding during the period.

* Review of the attached consolidated financial statements by certified public accountants or an audit firm: None

* Note to ensure appropriate use of forecasts, and other comments in particular

Forecasts and other forward-looking statements included in this report are based on information currently available and certain assumptions that the Company deems reasonable. Actual performance and other results may differ significantly due to various factors. Please refer to “(4) Future Outlook” on page 8 for information regarding the consolidated financial forecasts.

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1. Overview of Operating Results and Other Information

(1) Overview of Operating Results for the Fiscal Year 2025

① Overview of Financial Results (Core basis)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Revenue	486,871	515,785	28,914	5.9%
Core operating profit	112,667	137,135	24,468	21.7%
Core profit for the year (attributable to owners of the Company)	90,361	103,499	13,139	14.5%

[Revenue]

Revenue totaled ¥515.8 billion, which was an increase of ¥28.9 billion (5.9%) from the previous fiscal year (year on year).

<Sales of Domestic Products>

- Sales of domestic products totaled ¥281.4 billion, which was a decrease of ¥10.3 billion (3.5%) year on year.
- Sales of Opdivo Intravenous Infusion for malignant tumors decreased by ¥6.0 billion (5.0%) year on year to ¥114.3 billion, mainly due to the intensified competitive environment. Sales of Forxiga Tablets for diabetes, chronic heart failure and chronic kidney disease decreased by ¥1.4 billion (1.5%) year on year to ¥88.2 billion, mainly due to the entry of generic products in December 2025.
- With respect to other main products, sales of Orencia Subcutaneous Injection for rheumatoid arthritis were ¥26.6 billion (0.0% decrease year on year). Sales of Glactiv Tablets for type-2 diabetes were ¥13.2 billion (27.9% decrease year on year). Sales of Velebru Tablets for malignant tumors were ¥11.9 billion (12.8% increase year on year). Sales of Ongentys Tablets for Parkinson's disease were ¥9.0 billion (17.3% increase year on year). Sales of Parsabiv Intravenous Injection for Dialysis for secondary hyperparathyroidism on hemodialysis were ¥9.0 billion (6.6% increase year on year). Sales of Kyprolis for Intravenous Infusion for multiple myeloma were ¥7.5 billion (12.9% decrease year on year). Sales of Braftovi Capsules for malignant tumors were ¥5.6 billion (33.8% increase year on year).

<Sales of Overseas Products>

- Sales of overseas products totaled ¥61.2 billion, which was an increase of ¥22.1 billion (56.5%) year on year.
- Sales of QINLOCK[®] (ripretinib) for gastrointestinal stromal tumor, marketed by Deciphera Pharmaceuticals, LLC, the operating company of Deciphera Pharmaceuticals, Inc., increased by ¥12.9 billion (50.6%) year on year (the previous period included only nine months of sales from July to March) to ¥38.4 billion. Additionally, sales of ROMVIMZA[®] (vimseltinib), also marketed by Deciphera, for tenosynovial giant cell tumor (TGCT) treatment, were ¥8.3 billion.

<Royalty and Others>

- Royalty and others increased by ¥17.1 billion (10.9%) year on year to ¥173.2 billion, mainly due to an increase in royalty revenue from Bristol-Myers Squibb Company.

[Core Operating Profit]

Core operating profit was ¥137.1 billion, an increase of ¥24.5 billion (21.7%) year on year.

- Cost of sales was ¥107.0 billion, roughly unchanged from the corresponding period of the previous fiscal year.
- Research and development costs increased by ¥1.8 billion (1.2%) year on year to ¥145.1 billion mainly due to the inclusion of research and development expenses from Deciphera Pharmaceuticals, LLC (the previous period accounted for only nine months of Deciphera's expenses (July to March), whereas the current period includes twelve months (April to March)), despite a decrease in research costs.
- Selling, general, and administrative expenses (except for research and development costs) increased by ¥1.4 billion (1.1%) year on year to ¥123.6 billion mainly due to the inclusion of business operating costs from Deciphera Pharmaceuticals, LLC (the previous period accounted for only nine months of Deciphera's expenses (July to March), whereas the current period includes twelve months (April to March)), despite ongoing efforts to improve cost efficiency.

[Core profit for the year] (attributable to owners of the Company)

Core profit attributable to owners of the Company increased by ¥13.1 billion (14.5%) year on year to ¥103.5 billion.

② Overview of Financial Results (IFRS (Full) basis)

The consolidated results for the current fiscal year on a full basis are shown in the table below.

Operating profit, profit before tax, and profit for the year attributable to owners of the parent all increased compared with the previous fiscal year.

Performance on a full basis includes items that are excluded from a core basis, such as amortization of intangible assets, impairment losses, and cost of inventories measured at fair value.

In the current fiscal year, amortization of intangible assets amounted to ¥25.6 billion (previous fiscal year: ¥14.6 billion), and impairment losses were ¥2.1 billion (previous fiscal year: ¥8.0 billion), and cost of inventories measured at fair value amounted to ¥9.1 billion (previous fiscal year: ¥12.9 billion).

Cost of sales in the previous fiscal year included a sales milestone payment of ¥13.6 billion related to Forxiga Tablets, which were sold under the co-promotion agreement with AstraZeneca.

Other expenses in the current fiscal year include the following major items:

- A loss of ¥4.3 billion representing the difference between the consideration received for the transfer of selling rights following the termination of the co-promotion agreement with AstraZeneca and the decrease in the carrying amount of the selling rights for Forxiga Tablets.
- A loss of ¥1.7 billion associated with revisions to the retirement benefit plan following the transition to a defined contribution pension plan
- A loss of ¥1.4 billion associated with product recall related to certain products

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Revenue	486,871	515,785	28,914	5.9%
Operating profit	59,747	92,236	32,489	54.4%
Profit before tax	59,328	92,654	33,326	56.2%
Profit for the year (attributable to owners of the Company)	50,047	69,767	19,720	39.4%

For details of the core adjustments, please refer to page 3 of the supplementary materials.

③ Research & Development Activities

Upholding the corporate philosophy “Dedicated to the Fight against Disease and Pain”, our group takes on the challenge against diseases that have not been overcome so far, and the disease area which has a low level of patient satisfaction with treatment and high medical needs. We are endeavoring to make creative and innovative new drugs.

In drug discovery research, we focus on the areas of oncology, immunology and inflammation, neurology; all of which include diseases with high medical needs. We aim to delve into human disease biology within each of these domains to develop new drugs that can meet these medical needs. By actively promoting open innovation, which is one of our strengths, we identify unique drug discovery seeds and enhance our drug discovery capabilities by utilizing optimal modalities and advanced technologies such as digital technology.

In our priority therapeutic areas, we currently have 28 new drug candidates in clinical development, 19 of which were made in-house. We are also continuing to bolster our efforts in translational research, bridging the gap between basic and clinical research to accelerate drug discovery timelines and boost success rates. By organically leveraging informatics and research tools, such as human genome data and human iPS cells in the early stages of research, we are working to analyze the relationship between target molecules and diseases to identify physiological indicators (biomarkers) that can more accurately predict and evaluate the efficacy of new drug candidates in humans.

Our current development pipeline comprises both in-house compounds and multiple in-licensed products, with development focused on diseases with high unmet medical needs, including oncology, autoimmune diseases, and neurological disorders. In particular, we are intensifying efforts to establish POC (proof of concept: the confirmation of safety and efficacy of a newly conceived drug candidate, originally developed at the research stage, through administration to humans) at an early stage to expand our late-stage development pipeline. To this end, our research and development functions work closely together from early phases to formulate optimal development strategies and clinical trial designs. We also utilize data and clinical samples obtained from past in-house clinical trials to conduct various analyses, thereby enhancing the resolution of clinical trial results. Last year, our in-house-discovered compounds ONO-4578 and ONO-2808 achieved POC. To maximize the value of these drug candidates, we are formulating development and clinical trial plans that enable the fastest possible global approvals in Japan, the United States, and Europe, while fully leveraging Deciphera’s development capabilities in the U.S. and Europe with a goal of ensuring the steady execution of global clinical trials.

We are also striving for the introduction of promising new drug candidates through licensing activities and are working to further strengthen research and development activities.

The main results of research and development activities during the fiscal year ended March 31, 2026 (including those on and after March 31, 2026) are as follows.

[Main Progress of Development Pipelines]

<Oncology>

“Opdivo / Nivolumab”

Hepatocellular carcinoma

- In June 2025, an application of combination therapy with Opdivo and Yervoy was approved in Japan for the treatment of unresectable hepatocellular carcinoma.
- In July 2025, an application of combination therapy with Opdivo and Yervoy was approved in South Korea and Taiwan for the treatment of unresectable or metastatic hepatocellular carcinoma.

MSI-H / dMMR Colorectal cancer

- In August 2025, an application of the combination therapy of Opdivo and Yervoy was approved in Japan for the treatment of unresectable advanced or recurrent microsatellite instability-high (MSI-High) colorectal cancer.
- In January 2026 in Taiwan, and in February 2026 in South Korea, an application of the combination therapy of Opdivo and Yervoy was approved for the treatment of unresectable advanced or recurrent microsatellite instability-high (MSI-High) or mismatch repair-deficient (dMMR) colorectal cancer.

Gastric cancer

- In October 2025, phase III trial was conducted in Japan, South Korea, and Taiwan for first-line treatment of gastric cancer using a combination of Opdivo, Yervoy, and chemotherapy. However, as the primary endpoint of overall survival did not show a statistically significant improvement compared to the chemotherapy group, the development has been discontinued.

Bladder cancer

- In April 2026, phase III trial was conducted in Japan in combination therapy of Opdivo and chemotherapy for adjuvant/neoadjuvant treatment of bladder cancer. However, as the primary endpoint was not met, the development has been discontinued.

“Braftovi (ONO-7702)” / Encorafenib

- In November 2025 in Japan, and in January 2026 in South Korea, an application of ONO-7702, Braftovi (BRAF inhibitor) in combination with cetuximab and chemotherapy (FOLFOX) was approved for the treatment of unresectable advanced or recurrent BRAF mutation-positive colorectal cancer.

“Velexbru (ONO-4059)” / Tirabrutinib hydrochloride

- In August 2025, phase III of ONO-4059, Velexbru (BTK inhibitor), was initiated in the United States for the treatment of recurrent or refractory primary central nervous system lymphoma.
- In December 2025, an application of approval of ONO-4059, Velexbru (BTK inhibitor), was filed in the United States for the treatment of recurrent or refractory primary central nervous system lymphoma.

“QINLOCK (DCC-2618)” / ripretinib

- In March 2026, an application of approval of DCC-2618 (KIT inhibitor) was filed in Japan for the fourth-line treatment of gastrointestinal stromal tumor (GIST), based on the results of global Phase III clinical trials. In addition, phase I of DCC-2618 was initiated in Japan to evaluate the safety and pharmacokinetics of QINLOCK in Japanese patients with GIST.

“ONO-0530” / sapablursen

- In February 2026, an international phase III clinical trial of ONO-0530 (TMPRSS6 gene expression inhibitor) was initiated for the treatment of polycythemia vera.

“DCC-2812”

- In August 2025, phase I of DCC-2812 (GCN2 activator) was initiated in the USA for the potential treatment of renal cell carcinoma, urothelial carcinoma, and castration-resistant prostate cancer.

“ONO-7429”

- In March 2026, phase I of ONO-7429 (anti-L1CAM ADC) was initiated in Japan for the treatment of solid tumor.

“ONO-7018”

- In April 2025, phase I of ONO-7018 (MALT1 inhibitor) was conducted for the treatment of non-Hodgkin lymphoma and chronic lymphocytic leukemia, but the project was discontinued due to strategic reasons.

“ONO-7475 / tannorzinib”

- In July 2025, phase I of ONO-7475 (Ax1/Mer inhibitor) for the treatment of EGFR-mutated non-small cell lung cancer was conducted in Japan, but the project was discontinued due to strategic reasons.

“DCC-3116 / inlexisertib”

- In September 2025, Phase I/II of DCC-3116 (ULK inhibitor) for the potential treatment of solid tumor (in combination with sotorasib) was conducted in the USA, but this cohort was discontinued due to strategic reasons.

“DCC-3084”

- In September 2025, Phase I/II of DCC-3084 (Pan-RAF inhibitor) for the potential treatment of advanced malignancies was conducted in the USA, but the project was discontinued due to strategic reasons.

“ONO-4578”

- In March 2026, Phase I of ONO-4578 (a prostaglandin EP4 receptor antagonist) for the treatment of hormone receptor-positive, HER2-negative breast cancer was conducted, but the project was discontinued due to strategic reasons.

“ONO-7913 / magrolimab”

- In April 2026, phase I trial of ONO-7913 (anti-CD47 antibody) was conducted in combination therapy with Opdivo for the treatment of pancreatic cancer and colorectal cancer. However, the development has been discontinued due to strategic reasons.

<Areas Other than Oncology>

“ONO-8531 / povetacicept”

- In June 2025, the Company entered into a licensing agreement with Vertex Pharmaceuticals Incorporated for ONO-8531 (povetacicept), which is currently undergoing a Phase III clinical trial for the treatment of IgA nephropathy. Through this agreement, we obtained the rights for development and commercialization in Japan and South Korea.
- Phase I/II/III of ONO-8531 (BAFF/APRIL dual antagonist) for the treatment of membranous nephropathy has been added to the development pipeline.

“Gel-One (ONO-5532)”

- In August 2025, the Company entered into a joint development and commercialization agreement with Seikagaku Corporation on Gel-One (ONO-5532) for the treatment of osteoarthritis. In Japan, a Phase III clinical trial is being conducted for the treatment of knee osteoarthritis and hip osteoarthritis.

“ROMVIMZA (DCC-3014) / vimseltinib”

- In September 2025, an application of DCC-3014, ROMVIMZA (CSF-1R inhibitor), was approved in Europe for the treatment of tenosynovial giant cell tumor associated with clinically significant functional impairment, where surgical treatment is not expected to be effective or may result in intolerable morbidity or disability.

“ONO-2017 / cenobamate”

- In September 2025, an application of ONO-2017 (inhibition of voltage-gated sodium currents/positive allosteric modulator of GABAA ion channel) was filed in Japan for the treatment of partial-onset seizures (including secondary generalized seizures).
- In February 2026, Phase III of ONO-2017 (inhibition of voltage-gated sodium currents/positive allosteric modulator of GABAA ion channel) was initiated for the treatment of partial-onset seizures (pediatric).

“ONO-2416”

- In February 2026, Phase I of ONO-2416 was initiated in healthy volunteers in Japan for the treatment of psychiatric disorders.

“ONO-3310”

- In March 2026, Phase I of ONO-3310 was initiated in Japan for the treatment of kidney diseases.

“ONO-6414”

- In April 2026, Phase I of ONO-6414 was initiated in the USA for the treatment of autoimmune diseases.

[Status of Drug Discovery / Research Alliance Activities]

- In March 2026, the Company entered into an agreement to expand the drug discovery collaboration agreement with Congruence Therapeutics in Canada for the discovery of novel small molecule modulators against multiple protein targets in the areas of neurology and immunology.

[Status of Licensing Activities]

- In June 2025, the Company entered into an exclusive collaboration and licensing agreement for the development and commercialization with Vertex Pharmaceuticals Incorporated in the United States for povetacicept, a therapeutic candidate targeting immunoglobulin A nephropathy (IgAN), primary membranous nephropathy (pMN) and other serious B cell-mediated diseases, in Japan and South Korea.
- In August 2025, the Company entered into an exclusive licensing agreement with Seikagaku Corporation for the co-development and commercialization of Gel-One, a treatment for osteoarthritis, in Japan.

(2) Overview of Financial Position for the Fiscal Year 2025

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026	Change
Total assets	1,064,046	1,106,515	42,469
Equity attributable to owners of the Company	782,451	850,727	68,276
Ratio of equity attributable to owners of the Company to total assets	73.5%	76.9%	
Equity attributable to owners of the Company per share	1,665.61 yen	1,810.44 yen	

Total assets was ¥1,106.5 billion, increased by ¥42.5 billion from the end of the previous fiscal year.

Current assets increased by ¥13.2 billion to ¥468.3 billion mainly due to an increase in “cash and cash equivalents”, despite a decrease in inventories.

Non-current assets increased by ¥29.3 billion to ¥638.2 billion mainly due to increases in intangible assets.

Liabilities decreased by ¥26.0 billion to ¥249.9 billion mainly due to decreases in loans and “trade and other payables”, despite an increase in income tax payables.

Equity attributable to owners of the Company increased by ¥68.3 billion to ¥850.7 billion mainly due to the recording of the profit for the year and an increase in other components of equity, despite cash dividends.

(3) Overview of Cash Flows for the Fiscal Year 2025

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Cash and cash equivalents at the beginning of the period	166,141	204,567	
Cash flows from operating activities	82,459	136,821	54,361
Cash flows from investing activities	(136,785)	(39,860)	96,925
Cash flows from financing activities	94,299	(65,493)	(159,792)
Net increase (decrease) in cash and cash equivalents	39,974	31,468	
Effects of exchange rate changes on cash and cash equivalents	(1,548)	1,012	
Cash and cash equivalents at the end of the fiscal year	204,567	237,046	

Net increase/decrease in cash and cash equivalents was an increase of ¥31.5 billion.

Net cash provided by operating activities was ¥136.8 billion, as a result of profit before tax of ¥92.7 billion and “depreciation and amortization” of ¥37.8 billion, etc.

Net cash used in investing activities was ¥39.9 billion, as a result of the acquisition of intangible assets of ¥47.2 billion, etc.

Net cash used in financing activities was ¥65.5 billion, as a result of dividends paid of ¥37.5 billion, and repayments of long-term loans of ¥30.0 billion, etc.

(4) Future Outlook

<Core basis>

(Millions of yen)

	Result (Fiscal year ended March 31, 2026)	Forecast (Fiscal year ending March 31, 2027)	Change	Change (%)
Revenue	515,785	455,000	(60,785)	(11.8) %
Core operating profit	137,135	124,000	(13,135)	(9.6) %
Core Profit for the year (attributable to owners of the Company)	103,499	93,000	(10,499)	(10.1) %

Note: The annual exchange rate assumed in this forecast is 1 USD = 155 yen.

[Revenue]

Revenue of goods and products are expected to be ¥270.0 billion, a decrease of ¥72.6 billion (21.2%) year on year, mainly due to the absence of sales of Forxiga Tablets following the termination of the co-promotion agreement with AstraZeneca, despite continued growth in prescriptions of Opdivo Intravenous Infusion, QINLOCK, a treatment for gastrointestinal stromal tumors, and ROMVIMZA, a treatment for tenosynovial giant cell tumor (TGCT).

Royalty and others are expected to increase by ¥11.8 billion (6.8%) year on year to ¥185.0 billion, mainly due to increased royalty income from Bristol Myers Squibb and other partners.

Revenue is therefore expected to be ¥455.0 billion, a decrease of ¥60.8 billion (11.8%) year on year.

[Core Operating Profit / Core Profit for the Year]

Cost of sales is expected to be ¥84.0 billion, a decrease of ¥23.0 billion (21.5%) year on year, mainly due to a decrease in sales following the termination of the co-promotion agreement for Forxiga Tablets.

Research and development costs are expected to be ¥143.0 billion, a decrease of ¥2.1 billion (1.5%) year on year. The Company will continue proactive R&D investments, exceeding 30% of net sales, including the conduct of global clinical trials for compounds such as Sapablursen and ONO-4578.

Selling, general, and administrative expenses (except for research and development costs) are expected to be ¥101.0 billion, a decrease of ¥22.6 billion (18.3%) year on year, mainly due to a reduction in co-promotion expenses associated with the termination of the co-promotion agreement for Forxiga Tablets.

Therefore, core operating profit is expected to be ¥124.0 billion, a decrease of ¥13.1 billion (9.6%) year on year, and core profit attributable to owners of the Company is expected to be ¥93.0 billion, a decrease of ¥10.5 billion (10.1%) year on year.

<IFRS full basis>

(Millions of yen)

	Result (Fiscal year ended March 31, 2026)	Forecast (Fiscal year ending March 31, 2027)	Change	Change (%)
Revenue	515,785	455,000	(60,785)	(11.8)%
Operating profit	92,236	94,000	1,764	1.9%
Profit before tax	92,654	94,000	1,346	1.5%
Profit for the year (attributable to owners of the Company)	69,767	71,000	1,233	1.8%

Note: The annual exchange rate assumed in this forecast is 1 USD = 155 yen.

[Revenue]

Revenue (IFRS (full) basis) is the same as on a core basis.

[Operating Profit / Profit for the year]

Operating profit is expected to be ¥94.0 billion, an increase of ¥1.8 billion (1.9%) year on year. This increase is mainly due to the absence in the next fiscal year of one-time expenses recorded in the current fiscal year and excluded from core basis.

Profit attributable to owners of the Company is expected to be ¥71.0 billion, an increase of ¥1.2 billion (1.8%) year on year.

(5) Basic policy for profit distribution and dividends for the fiscal year under review and the following fiscal year

Distribution of profits to all our shareholders is one of our key management policies. We have adopted a progressive policy of maintaining or increasing the annual dividend each year, aiming for a payout ratio of 40%, while considering the performance and various indicators of each fiscal year.

As for the dividend for the fiscal year ended March 31, 2026, we expect to make a year-end dividend of 40 yen per share. With the payment of the second quarter dividend of 40 yen per share, the annual dividend is expected to be 80 yen per share.

Also, the annual dividend for the following fiscal year ending March 31, 2027, is expected to be 80 yen per share.

We actively utilize retained earnings for the future business development including research and development of new innovative drugs in Japan and abroad, alliance with bio-venture companies, and introduction of new drug candidate compounds for development risk reduction.

2. Basic Approach to the Selection of Accounting Standards

Our group has applied International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2014, for the purpose of improving comparability by disclosing financial information based on international standards and enhancing the convenience of various stakeholders such as shareholders, investors, and business partners.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	204,567	237,046
Trade and other receivables	135,022	145,936
Marketable securities	4,479	60
Other financial assets	1,334	1,565
Inventories	74,864	57,451
Other current assets	34,838	26,249
Total current assets	455,104	468,308
Non-current assets		
Property, plant, and equipment	105,721	101,419
Goodwill	21,186	22,654
Intangible assets	330,041	353,581
Investment securities	88,558	93,193
Other financial assets	7,944	8,109
Deferred tax assets	51,020	55,759
Other non-current assets	4,473	3,492
Total non-current assets	608,942	638,206
Total assets	1,064,046	1,106,515

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and Equity		
Current liabilities		
Trade and other payables	89,329	62,951
Short-term loans	30,000	35,389
Lease liabilities	3,178	3,078
Other financial liabilities	1,482	1,472
Income taxes payable	4,058	30,778
Other current liabilities	20,249	29,976
Total current liabilities	148,296	163,645
Non-current liabilities		
Long-term loans	105,000	75,000
Lease liabilities	8,500	7,468
Other financial liabilities	0	0
Retirement benefit liabilities	2,640	2,234
Deferred tax liabilities	10,817	909
Other non-current liabilities	590	616
Total non-current liabilities	127,548	86,227
Total liabilities	275,844	249,871
Equity		
Share capital	17,358	17,358
Capital reserves	17,458	17,378
Treasury shares	(63,063)	(62,770)
Other components of equity	19,789	48,674
Retained earnings	790,908	830,086
Equity attributable to owners of the Company	782,451	850,727
Non-controlling interests	5,751	5,917
Total equity	788,203	856,643
Total liabilities and equity	1,064,046	1,106,515

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

	(Millions of yen)	
	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Revenue	486,871	515,785
Cost of sales	(147,950)	(141,716)
Gross profit	338,921	374,069
Selling, general, and administrative expenses	(125,671)	(123,691)
Research and development costs	(149,866)	(147,043)
Other income	1,110	913
Other expenses	(4,746)	(12,012)
Operating profit	59,747	92,236
Finance income	4,774	3,956
Finance costs	(5,318)	(3,539)
Share of profit (loss) from investments in associates	125	—
Profit before tax	59,328	92,654
Income tax expense	(9,163)	(22,743)
Profit for the year	50,166	69,911
Profit for the year attributable to		
Owners of the Company	50,047	69,767
Non-controlling interests	119	144
Profit for the year	50,166	69,911
Earnings per share		
Basic earnings per share (Yen)	106.55	148.49
Diluted earnings per share (Yen)	106.41	148.41

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Profit for the year	50,166	69,911
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	(6,517)	11,382
Remeasurements of defined benefit plans	259	1,476
Share of net gain (loss) on financial assets measured at fair value through other comprehensive income of investments in associates	(1)	—
Total of items that will not be reclassified to profit or loss	(6,259)	12,858
Items that may be reclassified subsequently to profit or loss:		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	61	(3)
Exchange differences on translation of foreign operations	(17,128)	22,884
Net fair value gain (loss) on cash flow hedge	2,066	(1,956)
Total of items that may be reclassified subsequently to profit or loss	(15,001)	20,926
Total other comprehensive income	(21,260)	33,784
Total comprehensive income for the year	28,905	103,695
Comprehensive income for the year attributable to:		
Owners of the Company	28,786	103,524
Non-controlling interests	119	172
Total comprehensive income for the year	28,905	103,695

(3) Consolidated Statement of Changes in Equity

FY 2024 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of the Company					Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Capital reserves	Treasury shares	Other components of equity	Retained earnings			
Balance as of April 1, 2024	17,358	17,458	(63,233)	53,194	768,183	792,961	5,644	798,604
Profit for the year					50,047	50,047	119	50,166
Other comprehensive income				(21,261)		(21,261)	0	(21,260)
Total comprehensive income for the year	–	–	–	(21,261)	50,047	28,786	119	28,905
Purchase of treasury shares			(1)			(1)		(1)
Disposition of treasury shares		(53)	138			85		85
Cash dividends					(37,574)	(37,574)	(11)	(37,585)
Share-based payments		47				47		47
Change in scope of equity method			34			34		34
Transfer from retained earnings to capital reserves		6			(6)	–		–
Transfer from other components of equity to retained earnings				(10,258)	10,258	–		–
Transfer to non-financial assets				(1,886)		(1,886)		(1,886)
Total transactions with the owners	–	–	171	(12,145)	(27,322)	(39,296)	(11)	(39,307)
Balance as of March 31, 2025	17,358	17,458	(63,063)	19,789	790,908	782,451	5,751	788,203

FY 2025 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity attributable to owners of the Company					Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Capital reserves	Treasury shares	Other components of equity	Retained earnings			
Balance as of April 1, 2025	17,358	17,458	(63,063)	19,789	790,908	782,451	5,751	788,203
Profit for the year					69,767	69,767	144	69,911
Other comprehensive income				33,756		33,756	28	33,784
Total comprehensive income for the year	–	–	–	33,756	69,767	103,524	172	103,695
Purchase of treasury shares			(1)			(1)		(1)
Disposition of treasury shares		(127)	294			167		167
Cash dividends					(37,587)	(37,587)	(6)	(37,594)
Share-based payments		47				47		47
Transfer from other components of equity to retained earnings				(6,998)	6,998	–		–
Transfer to non-financial assets				2,127		2,127		2,127
Total transactions with the owners	–	(81)	293	(4,871)	(30,589)	(35,248)	(6)	(35,254)
Balance as of March 31, 2026	17,358	17,378	(62,770)	48,674	830,086	850,727	5,917	856,643

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Cash flows from operating activities		
Profit before tax	59,328	92,654
Depreciation and amortization	26,894	37,752
Impairment losses	7,981	2,200
Interest and dividend income	(4,632)	(3,457)
Interest expense	1,408	2,158
(Increase) decrease in inventories	12,435	18,962
(Increase) decrease in trade and other receivables	7,391	1,579
Increase (decrease) in trade and other payables	20,909	(26,306)
Increase (decrease) in retirement benefit liabilities	(275)	1,748
Increase (decrease) in accrued consumption tax	(2,123)	4,844
Other	(4,870)	20,693
Subtotal	124,446	152,826
Interest received	1,074	626
Dividends received	2,407	1,940
Interest paid	(1,408)	(2,158)
Income taxes paid	(44,060)	(16,413)
Net cash provided by (used in) operating activities	82,459	136,821
Cash flows from investing activities		
Purchases of property, plant, and equipment	(5,431)	(6,024)
Proceeds from sales of property, plant, and equipment	9	21
Purchases of intangible assets	(2,559)	(47,246)
Purchases of investments	(2,858)	(2,876)
Proceeds from sales and redemption of investments	37,360	17,445
Payments into time deposits	(1,217)	(1,566)
Proceeds from withdrawal of time deposits	203,479	1,230
Payments of the acquisition of subsidiaries	(364,816)	—
Other	(752)	(845)
Net cash provided by (used in) investing activities	(136,785)	(39,860)
Cash flows from financing activities		
Dividends paid	(37,516)	(37,532)
Dividends paid to non-controlling interests	(11)	(6)
Net increase/decrease in short-term loans	—	5,389
Repayment of long-term loans	(15,000)	(30,000)
Proceeds from long-term loans	150,000	—
Repayments of lease liabilities	(3,173)	(3,343)
Purchases of treasury shares	(1)	(1)
Net cash provided by (used in) financing activities	94,299	(65,493)
Net increase (decrease) in cash and cash equivalents	39,974	31,468
Cash and cash equivalents at the beginning of the year	166,141	204,567
Effects of exchange rate changes on cash and cash equivalents	(1,548)	1,012
Cash and cash equivalents at the end of the year	204,567	237,046

(5) Notes to Consolidated Financial Statements

(Note Regarding Assumption of Going Concern)

Not Applicable

(Material Accounting Policies)

The material accounting policies that the Group has applied in the consolidated financial statements are the same as the ones for the previous fiscal year.

(Segment Information)

1) Reportable Segments

Based on the Group's corporate philosophy, "Dedicated to the Fight against Disease and Pain," in order to fulfill medical needs that have not yet been met, the Group is dedicated to developing innovative new pharmaceutical drugs for patients and focuses its operating resources on a single segment of the pharmaceutical business (research and development, purchasing, manufacturing, and sales). Accordingly, segment information is omitted herein.

2) Details of Revenue

Details of revenue are as follows:

(Millions of yen)

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Revenue of goods and products	330,763	342,607
Royalty and others	156,107	173,178
Total	486,871	515,785

Note: In "Royalty and others", royalty revenue of Opdivo from Bristol-Myers Squibb Company is included, which is ¥113.0 billion for the fiscal year ended March 31, 2025, and ¥122.3 billion for the fiscal year ended March 31, 2026. Royalty revenue of Keytruda® from Merck & Co., Inc. is included, which is ¥26.4 billion for the fiscal year ended March 31, 2025, and ¥29.5 billion for the fiscal year ended March 31, 2026.

3) Revenue by Geographic Area

Details of revenue by geographic area are as follows:

(Millions of yen)

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Japan	295,247	287,085
Americas	167,048	197,061
Asia	16,343	17,719
Europe	7,503	12,324
Others	729	1,595
Total	486,871	515,785

Note: Revenue by geographic area is presented on the basis of the place of customers.

4) Major Customers

Details of revenue from major customers are as follows:

(Millions of yen)

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Bristol-Myers Squibb Company and the group	124,431	136,704
Medipal Holdings Corporation and the group	71,876	70,458
Suzuken Co., Ltd. and the group	60,674	59,741

(Earnings per Share)

1) Basic Earnings per Share

(i) Basic earnings per share

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Basic earnings per share (Yen)	106.55	148.49

(ii) Basis of calculation of basic earnings per share

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Profit for the year attributable to owners of the Company (Millions of yen)	50,047	69,767
Weighted-average number of ordinary shares outstanding (Thousands of shares)	469,693	469,852

2) Diluted Earnings per Share

(i) Diluted earnings per share

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Diluted earnings per share (Yen)	106.41	148.41

(ii) Basis of calculation of diluted earnings per share

	FY 2024 (April 1, 2024 to March 31, 2025)	FY 2025 (April 1, 2025 to March 31, 2026)
Profit for the year attributable to owners of the Company (Millions of yen)	50,047	69,767
Adjustment to profit for the year attributable to owners of the Company (Millions of yen)	(59)	(16)
Profit for the year used in calculating diluted earnings per share (Millions of yen)	49,988	69,751
Weighted-average number of ordinary shares outstanding (Thousands of shares)	469,693	469,852
Increase in ordinary shares by restricted stock-based remuneration system (Thousands of shares)	75	120
Weighted-average number of diluted ordinary shares outstanding (Thousands of shares)	469,768	469,972

(Significant Subsequent Events)

Not applicable.