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## Summary of Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2026 [IFRS]

July 31, 2025

**Company Name:** SUMITOMO PHARMA CO., LTD.  
**Stock Exchange Listings:** Tokyo  
**Security Code Number:** 4506 (URL <https://www.sumitomo-pharma.com>)  
**Representative:** Toru Kimura, Representative Director, President and Chief Executive Officer  
**Contact:** Koichi Kino, Vice President, Head of Corporate Governance  
**Telephone:** 06-6203-5321  
**Starting Date of Dividend Payments:** —  
**Preparation of Supplementary Financial Data for Quarterly Financial Results:** Yes  
**Information Meeting for Quarterly Financial Results to be held:** Yes (for institutional investors, analysts and the press)

(Note: All amounts are rounded to the nearest million JPY)

### 1. Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2026 (April 1, 2025 to June 30, 2025)

#### (1) Results of Operations

(% represents changes from the previous year)

	Revenue		Core operating profit		Operating profit		Net profit		Net profit attributable to owners of the parent		Total comprehensive income	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Three months ended June 30, 2025	108,002	19.1	20,365	—	20,400	—	11,206	(29.7)	11,206	(29.7)	6,754	40.9
Three months ended June 30, 2024	90,675	19.8	(902)	—	(3,105)	—	15,936	—	15,937	—	4,793	(63.2)

Reference: Profit before taxes Three months ended June 30, 2025: 11,932 million JPY

Three months ended June 30, 2024: 17,203 million JPY

“Core operating profit” is calculated by deducting certain items from operating profit.

	Basic earnings per share	Earnings per share (diluted)
	JPY	JPY
Three months ended June 30, 2025	28.21	—
Three months ended June 30, 2024	40.11	—

#### (2) Financial Position

	Total assets	Net assets	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Millions of JPY	Millions of JPY	Millions of JPY	%	JPY
As of June 30, 2025	733,333	176,233	176,233	24.0	443.59
As of March 31, 2025	742,604	169,479	169,479	22.8	426.59

## 2. Dividends

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-End	Annual
	JPY	JPY	JPY	JPY	JPY
Year ended March 31, 2025	—	0.00	—	0.00	0.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (Forecasts)		0.00	—	0.00	0.00

Note: Revision of dividend forecasts from the latest announcement: None

## 3. Consolidated Financial Forecasts for the Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% represents changes from the previous year)

	Revenue		Core operating profit		Operating profit		Net profit attributable to owners of parent		Earnings per share
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	JPY
Half-Year ending September 30, 2025	207,000	14.5	70,000	—	69,000	—	56,000	—	140.96
Year ending March 31, 2026	355,000	(11.0)	56,000	29.8	54,000	87.5	40,000	69.2	100.68

Note: Revision of consolidated financial forecasts from the latest announcement: None

In the “Summary of Consolidated Financial Results for the Year Ended March 31, 2025 [IFRS]” published on May 13, 2025, we did not announce our forecast for consolidated financial results for the half-year ending September 30, 2025, but we have now announced it as above. There are no changes to the consolidated financial forecast for the fiscal year ending March 31, 2026.

**Notes:**

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

(New: None)

(Excluded: None)

(2) Changes in accounting policies, accounting estimates

① Changes in accounting policy required by IFRS: None

② Changes in accounting policy other than (2),①: None

③ Changes in accounting estimates: None

(3) Number of shares issued (Common stock)

① Number of shares issued (Including treasury stock) at the end of period

June 30, 2025: 397,900,154 shares

March 31, 2025: 397,900,154 shares

② Number of treasury stock at the end of period

June 30, 2025: 610,429 shares

March 31, 2025: 610,242 shares

③ Average number of shares outstanding during the period

Three months ended June 30, 2025: 397,289,812 shares

Three months ended June 30, 2024: 397,290,582 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary).*

*Explanation for Appropriate Use of Forecasts and Other Notes:*

*This material contains forecasts, projections, goals, plans, and other forward-looking statements regarding the Group's financial results and other data. Such forward-looking statements are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of disclosure of such statements and involve both known and unknown risks and uncertainties. Accordingly, forecasts, plans, goals, and other statements may not be realized as described, and actual financial results, success/failure or progress of development, and other projections may differ materially from those presented herein. Please refer to page 5 of attachment Documents, "1. Qualitative Information of Financial Results for the Three Months Ended June 30, 2025 (5) Consolidated Financial Forecasts" .*

*Information concerning pharmaceuticals (including those under development) contained herein is not intended as advertising or as medical advice.*

*Supplementary financial data and the presentation materials for the earnings presentation are disclosed together with this summary.*

*The Company holds an earnings presentation for institutional investors, analysts and the press on Thursday July 31, 2025. The audio of the presentation will be posted on its website promptly after the presentation.*

## 【Attachment Documents】

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## 1. Qualitative Information of Financial Results for the Three Months Ended June 30, 2025

The Group discloses its consolidated financial statements that are prepared in accordance with International Financial Reporting Standards (IFRS).

Forward-looking statements contained herein are based on the Group's judgments in light of information available as of the last day of the three-month period.

### (1) Business Results

(About the performance indicator of "Core operating profit" )

With the adoption of IFRS, the Group has set "core operating profit" which shows the Group's profitability as its original performance indicator.

"Core operating profit" is calculated by deducting certain items from operating profit. The deduction items mainly include impairment losses, business structure improvement expenses and changes in fair value of contingent consideration.

Highlights of the Group's consolidated financial results for the first three months of the fiscal year ending March 31, 2026 are as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Change %
Revenue	90.7	108.0	17.3	19.1
Core operating profit	(0.9)	20.4	21.3	—
Operating profit	(3.1)	20.4	23.5	—
Profit before taxes	17.2	11.9	(5.3)	(30.6)
Net profit attributable to owners of the parent	15.9	11.2	(4.7)	(29.7)

(Billions of JPY)

#### ■ Revenue increased by 19.1% year-on-year to 108.0 billion JPY.

Revenue showed an increase primarily owing to sales expansion of ORGOVYX® (therapeutic agent for advanced prostate cancer) and GEMTESA® (therapeutic agent for overactive bladder) in North America.

#### ■ Core operating profit (loss) was 20.4 billion JPY, compared with (0.9) billion JPY for the three months ended June 30, 2024.

Core operating profit (loss) showed an improvement from the corresponding period of the previous year, due to the increase in revenue and reductions in selling, general and administrative expenses, as well as research and development expenses. These reductions primarily reflect the positive impact of business structure improvement and the restructuring of the regenerative medicine and cell therapy business.

#### ■ Operating profit (loss) was 20.4 billion JPY, compared with (3.1) billion JPY for the three months ended June 30, 2024.

Operating profit (loss) showed an improvement from the corresponding period of the previous year, due to the improvement in core operating profit (loss).

#### ■ Profit (loss) before taxes decreased by (30.6)% year-on-year to 11.9 billion JPY.

Profit (loss) before taxes showed a decrease as financial income/costs—a balance of financial income after the deduction of financial costs—decreased primarily due to the recording of foreign exchange losses from the yen's appreciation, despite an improvement in operating profit (loss).

#### ■ Net profit (loss) attributable to owners of the parent decreased by (29.7)% year-on-year to 11.2 billion JPY.

Net profit (loss) attributable to owners of the parent showed a decrease, mainly due to the impact of the decrease in profit before taxes.

(About “core segment profit” set as a segment performance indicator)

For segment performance, the Group has set “core segment profit” as an original performance indicator to show each segment’s recurring profitability.

“Core segment profit” indicates each segment profit calculated by deducting any items such as research and development expenses and gains and losses on business transfers, which are managed globally and thus cannot be allocated to individual segments, from “core operating profit.”

Status of each reportable segment

#### [Japan segment]

■ **Revenue decreased by 14.1% year-on-year to 23.2 billion JPY.**

Despite growing sales of TWYMEEG® (therapeutic agent for type 2 diabetes), revenue showed a decline as sales of Equa® (therapeutic agent for type 2 diabetes) decreased owing to the loss of exclusivity.

■ **Core segment profit (loss) decreased by 5.3% year-on-year to 3.8 billion JPY.**

Core segment profit remained at the similar level due in part to the effect of reducing selling, general and administrative expenses as a result of the business structure improvement including early retirement implemented in the previous fiscal year, despite a decrease in gross profit due to lower revenue.

#### [North America segment]

■ **Revenue increased by 40.0% year-on-year to 72.6 billion JPY.**

Revenue showed an increase as a decrease in sales of APTIOM® (treatment for antiepileptic) due to the loss of exclusivity was offset by sales expansion of ORGOVYX® and GEMTESA®.

■ **Core segment profit (loss) increased by 713.4% year-on-year to 17.5 billion JPY.**

Core segment profit showed a substantial increase, driven by higher gross profit from revenue growth and reduced selling, general and administrative expenses resulting from continued streamlining efforts.

#### [Asia Segment]

■ **Revenue increased by 3.4% year-on-year to 12.3 billion JPY.**

Revenue showed an increase primarily owing to an increase in sales of MEROPEN® (carbapenem antibiotic) in China.

■ **Core segment profit (loss) increased by 26.0% year-on-year to 7.2 billion JPY.**

Core segment profit increased as gross profit increased on account of revenue growth.

## (2) Financial Condition

Total assets decreased by 9.3 billion JPY from the previous fiscal year-end to 733.3 billion JPY.

Non-current assets decreased by 12.8 billion JPY from the previous fiscal year-end, as goodwill and intangible assets declined due to the effects of foreign currency translation amid the ongoing appreciation of the yen.

Current assets increased by 3.6 billion JPY from the previous fiscal year-end as a result of an increase in trade and other receivables, despite a decrease in inventories.

Liabilities decreased by 16.0 billion JPY from the previous fiscal year-end to 557.1 billion JPY as a result of decreases in other current liabilities and other non-current liabilities.

Total equity increased by 6.8 billion JPY from the previous fiscal year-end to 176.2 billion JPY as a result of an increase in retained earnings, despite a decrease in other components of equity, mainly due to the yen’s appreciation.

The ratio of equity attributable to owners of the parent to total assets as of the end of the quarterly accounting period was 24.0%.

### **(3) Cash Flows**

Cash flows used in operating activities amounted to 0.2 billion JPY, reflecting a year-on-year improvement in net cash outflow of 24.9 billion JPY. This was primarily due to the absence of substantial business structure improvement payments by a group company in North America, which occurred in the corresponding period of the previous year, despite a decrease in net profit (loss) and an increase in trade and other receivables, among others.

Cash flows used in investing activities amounted to 4.3 billion JPY, reflecting a year-on-year decrease in net cash inflow of 106.4 billion JPY. This decline was due to the absence of proceeds from the sale of the shares in Roivant Sciences Ltd. and other investment securities in the corresponding period of the previous year.

Cash flows provided by financial activities amounted to 3.2 billion JPY, reflecting a year-on-year decrease in net cash outflow of 32.5 billion JPY. This was primarily due to an increase in short-term borrowings in the quarterly accounting period, as well as decrease in short-term loan in the corresponding period of the previous year.

After adding the translation adjustments for cash and cash equivalents and the transfer for assets held for sale, the balance of cash and cash equivalents at the end of the quarterly accounting period was 20.5 billion JPY, which represents a decrease of 2.7 billion JPY from the previous fiscal year-end.

### **(4) Research and Development Activities**

Research and development expenses for the quarterly accounting period amounted to 8.2 billion JPY (down by 37.7% year-on-year). Please note that if the business structure improvement expenses in North America, totaling 0.1 billion JPY and recorded during the quarterly accounting period, were excluded, research and development expenses on a core basis would have been 8.1 billion JPY (down by 36.9% year-on-year). The Group manages its research and development expenses globally and so does not allocate such expenses to individual segments.

In the Oncology area, in June 2025, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation\* to nuvisertib (product code: TP-3654) for the treatment of patients with intermediate or high-risk myelofibrosis (MF).

\* Granted to investigational therapies expected to treat serious or life-threatening conditions that demonstrate the potential to address unmet medical needs, with the aim of facilitating development and expediting review

## (5) Consolidated Financial Forecasts

Based on the consolidated financial results for the first quarter and the outlook for the second quarter, we announce our forecast for consolidated financial results for the half-year ending September 30, 2025 as follows:

Regarding to the consolidated financial forecast for the fiscal year ending March 31, 2026, it is being kept the same as previously announced. As the external environment remains uncertain with discussions on U.S. tariff policies and the drug pricing system, and we need to closely monitor sales trends of the three key products, including ORGOVYX®.

### 1. Forecasts of Consolidated Financial Results for the Half-Year Ending September 30, 2025 (April 1, 2025 to September 30, 2025)

	Revenue	Core operating profit	Operating profit	Net profit attributable to owners of the parent	Basic earnings per share
	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	JPY
Previous Forecasts (A)	—	—	—	—	—
Revised Forecast (B)	207,000	70,000	69,000	56,000	140.96
Variance in amount (B-A)	—	—	—	—	—
Variance in percent (%)	—	—	—	—	—
[Reference] Year ended September 30, 2024	180,749	(38)	(8,179)	(32,229)	(81.12)

Note: “Core operating profit” is calculated by deducting certain items from operating profit. The deduction items mainly include impairment losses, business structure improvement expenses and changes in fair value of contingent consideration.

### 2. The reason for announcement

As of the first quarter, sales of ORGOVYX® in the North America segment have been strong. Additionally, in the second quarter, we expect to record significant profit items, such as sales milestone revenue from our partner and income from the company split of the Asian business. As a result, we have decided to announce the consolidated financial forecast for the half-year taking these factors into account. The exchange rate (average exchange rates) is assumed to be 145.0 JPY against 1 USD and 20.0 JPY against 1 RMB, the same as the full-year forecast announced at the beginning of the period.

Note: Consolidated Financial Forecasts above are based on the certain assumptions considered reasonable and on information available at the time of disclosure of such statements. Accordingly, actual financial results may differ from those presented herein caused by various factors thereafter.

## 2. Condensed Consolidated Financial Statements and Major Notes

### (1) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

#### Condensed Consolidated Statement of Profit or Loss

(Millions of JPY)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	90,675	108,002
Cost of sales	34,949	44,112
Gross profit	55,726	63,890
Selling, general and administrative expenses	45,358	35,657
Research and development expenses	13,124	8,175
Other income	303	1,346
Other expenses	641	366
Share of profit (loss) of investments accounted for using the equity method	(11)	(638)
Operating profit (loss)	(3,105)	20,400
Finance income	22,333	585
Finance costs	2,025	9,053
Profit (loss) before taxes	17,203	11,932
Income tax expenses	1,267	726
Net profit (loss)	15,936	11,206
Net profit (loss) attributable to:		
Owners of the parent	15,937	11,206
Non-controlling interests	(1)	—
Net profit (loss) total	15,936	11,206
Earnings per share (JPY)		
Basic earnings per share (loss)	40.11	28.21

#### Condensed Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net profit	15,936	11,206
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in financial assets measured at fair value through other comprehensive income	(10,896)	(217)
Items that may be reclassified subsequently to profit or loss:		
Changes in financial assets measured at fair value through other comprehensive income	—	23
Exchange differences on translation of foreign operations	(247)	(4,258)
Total other comprehensive income	(11,143)	(4,452)
Total comprehensive income	4,793	6,754
Total comprehensive income attributable to:		
Owners of the parent	4,794	6,754
Non-controlling interests	(1)	—
Total comprehensive income	4,793	6,754

**(2) Condensed Consolidated Statement of Financial Position**

(Millions of JPY)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	46,648	46,103
Goodwill	197,406	191,175
Intangible assets	172,509	164,726
Other financial assets	44,148	44,373
Income taxes receivables	6,765	6,551
Retirement benefit assets	14,727	14,842
Investments accounted for using the equity method	5,588	7,346
Other non-current assets	1,111	997
Deferred tax assets	534	502
Total non-current assets	489,436	476,615
Current assets		
Inventories	94,222	89,751
Trade and other receivables	74,840	83,380
Other financial assets	16,840	15,877
Income taxes receivables	2,886	2,751
Other current assets	10,902	11,547
Cash and cash equivalents	23,116	20,453
Subtotal	222,806	223,759
Assets held for sale	30,362	32,959
Total current assets	253,168	256,718
<b>Total assets</b>	<b>742,604</b>	<b>733,333</b>

	(Millions of JPY)	
	As of March 31, 2025	As of June 30, 2025
Liabilities and equity		
Liabilities		
Non-current liabilities		
Bonds and borrowings	258,982	259,057
Other financial liabilities	15,818	16,223
Retirement benefit liabilities	6,534	6,477
Other non-current liabilities	24,638	17,764
Deferred tax liabilities	26,550	25,892
Total non-current liabilities	332,522	325,413
Current liabilities		
Borrowings	46,440	50,188
Trade and other payables	38,544	39,308
Other financial liabilities	32,916	30,842
Income taxes payable	1,577	1,002
Provisions	71,999	71,811
Other current liabilities	45,663	35,541
Subtotal	237,139	228,692
Liabilities directly associated with assets held for sale	3,464	2,995
Total current liabilities	240,603	231,687
Total liabilities	573,125	557,100
Equity		
Share capital	22,400	22,400
Treasury shares	(682)	(682)
Retained earnings	46,784	57,924
Other components of equity	97,525	93,877
Other comprehensive income associated with assets held for sale	3,452	2,714
Equity attributable to owners of the parent	169,479	176,233
Total equity	169,479	176,233
Total liabilities and equity	742,604	733,333

### (3) Condensed Consolidated Statement of Changes in Equity

(Millions of JPY)

	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Retained earnings	Other components of equity	
				Changes in financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	22,400	(682)	(22,665)	64,526	92,484
Net profit (loss)	—	—	15,937	—	—
Other comprehensive income	—	—	—	(10,896)	(247)
Total comprehensive income	—	—	15,937	(10,896)	(247)
Purchase of treasury shares	—	(0)	—	—	—
Reclassification from other components of equity to retained earnings	—	—	42,026	(42,026)	—
Total transactions with owners	—	(0)	42,026	(42,026)	—
Balance as of June 30, 2024	22,400	(682)	35,298	11,604	92,237

  

Balance as of April 1, 2025	22,400	(682)	46,784	9,306	88,219
Net profit (loss)	—	—	11,206	—	—
Other comprehensive income	—	—	—	(194)	(3,520)
Total comprehensive income	—	—	11,206	(194)	(3,520)
Purchase of treasury shares	—	(0)	—	—	—
Reclassification from other components of equity to retained earnings	—	—	(66)	66	—
Total transactions with owners	—	(0)	(66)	66	—
Balance as of June 30, 2025	22,400	(682)	57,924	9,178	84,699

(Millions of JPY)

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other components of equity	Other comprehensive income associated with assets held for sale	Total		
	Total				
Balance as of April 1, 2024	157,010	—	156,063	73	156,136
Net profit (loss)	—	—	15,937	(1)	15,936
Other comprehensive income	(11,143)	—	(11,143)	—	(11,143)
Total comprehensive income	(11,143)	—	4,794	(1)	4,793
Purchase of treasury shares	—	—	(0)	—	(0)
Reclassification from other components of equity to retained earnings	(42,026)	—	—	—	—
Total transactions with owners	(42,026)	—	(0)	—	(0)
Balance as of June 30, 2024	103,841	—	160,857	72	160,929

Balance as of April 1, 2025	97,525	3,452	169,479	—	169,479
Net profit (loss)	—	—	11,206	—	11,206
Other comprehensive income	(3,714)	(738)	(4,452)	—	(4,452)
Total comprehensive income	(3,714)	(738)	6,754	—	6,754
Purchase of treasury shares	—	—	(0)	—	(0)
Reclassification from other components of equity to retained earnings	66	—	—	—	—
Total transactions with owners	66	—	(0)	—	(0)
Balance as of June 30, 2025	93,877	2,714	176,233	—	176,233

#### (4) Condensed Consolidated Statements of Cash Flows

(Millions of JPY)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Net profit	15,936	11,206
Depreciation and amortization	6,907	5,203
Changes in fair value of financial assets and liabilities related to contingent consideration arrangements	78	(139)
Interest and dividend income	(579)	(362)
Interest expenses	1,347	1,817
Income tax expenses	1,267	726
(Increase) decrease in trade and other receivables	11,342	(11,719)
(Increase) decrease in inventories	3,526	2,142
Increase (decrease) in trade and other payables	(12,170)	1,409
Increase (decrease) in unearned revenue	(4,568)	(3,155)
Increase (decrease) in other financial liabilities	10,664	(209)
Increase or decrease in retirement benefit assets or liabilities	(34)	(172)
Increase (decrease) in provisions	2,397	2,110
Others, net	(60,568)	(7,836)
Subtotal	(24,455)	1,021
Interest received	181	231
Dividends received	411	124
Interest paid	(420)	(649)
Income taxes paid	(770)	(919)
Net cash provided by (used in) operating activities	(25,053)	(192)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,303)	(1,474)
Proceeds from sales of property, plant and equipment	997	333
Purchase of intangible assets	(1,350)	(977)
Purchase of shares of subsidiaries and associates	—	(2,338)
Purchase of investments	(638)	(462)
Proceeds from sales and redemption of investments	105,415	108
Proceeds from loss of control of subsidiaries	—	51
Others, net	—	445
Net cash provided by (used in) investing activities	102,121	(4,314)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28,853)	3,970
Repayments of lease liabilities	(550)	(670)
Dividends paid	(1)	(1)
Others, net	160	(80)
Net cash provided by (used in) financing activities	(29,244)	3,219
Net increase (decrease) in cash and cash equivalents	47,824	(1,287)
Cash and cash equivalents at beginning of year	29,047	23,116
Effect of exchange rate changes on cash and cash equivalents	1,528	(788)
Cash and cash equivalents at end of period	78,399	21,041
Increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	—	(588)
Cash and cash equivalents at end of period (Condensed consolidated Statement of Financial Position)	78,399	20,453

## (5) Notes to Condensed Consolidated Financial Statements

(Notes regarding Going Concern Assumption)

Not applicable.

(Material Accounting Policies)

The material accounting policies applied to the Condensed Consolidated Financial Statements are the same as those of for the previous fiscal year's consolidated financial statements.

Income tax expenses for the three months ended June 30, 2025 are calculated based on the estimated average annual effective tax rate.

(Segment information)

With the adoption of IFRS, the Group has set “core operating profit” which shows the Group’s profitability as its original performance indicator.

“Core operating profit” is calculated by deducting certain items from operating profit. The deduction items mainly include impairment losses, business structure improvement expenses and changes in fair value of contingent consideration.

(1) Reportable segments

The Group is mainly engaged in manufacture, purchase and sales of pharmaceuticals for medical treatment and manages the performance of pharmaceutical business by market in Japan, North America and Asia. Therefore, the Group has three reportable segments: Japan, North America and Asia.

The Group’s reportable segments are the components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors to make decisions about resources to be allocated to the segments and assess their performances.

(2) Revenue and operating results of the reportable segments

Revenues and profit or loss by each of the Group’s reportable segments are shown below.

For segment performance, the Group has set “core segment profit” as an original performance indicator to show each segment’s recurring profitability.

“Core segment profit” indicates each segment profit calculated by deducting any items such as research and development expenses and gains and losses on business transfers, which are managed globally and thus cannot be allocated to individual segments, from “core operating profit.”

① Three months ended June 30, 2024

(Millions of JPY)

	Reportable segments			Total
	Japan	North America	Asia	
Revenues from external customers, etc.	26,967	51,822	11,886	90,675
Segment profit (Core segment profit)	4,049	2,146	5,736	11,931

② Three months ended June 30, 2025

(Millions of JPY)

	Reportable segments			Total
	Japan	North America	Asia	
Revenues from external customers, etc.	23,163	72,553	12,286	108,002
Segment profit (Core segment profit)	3,835	17,455	7,227	28,517

(3) Reconciliations between the total amounts of reportable segments and the amounts in the condensed consolidated financial statements (reconciliation items)

The details of reconciliation are as follows:

(Millions of JPY)

Profit	Three months ended June 30, 2024	Three months ended June 30, 2025
Total of reportable segments	11,931	28,517
Research and development expenses (Note1)	(12,822)	(8,095)
Others	(11)	(57)
Core operating profit (loss)	(902)	20,365
Business structure improvement expenses (Note2)	(1,744)	(181)
Other income	303	765
Other expenses	(641)	(366)
Others	(121)	(183)
Operating profit (loss) in the condensed consolidated financial statements	(3,105)	20,400

(Note) 1. The Group does not allocate research and development expenses to the reportable segments because such expenses are managed on a global basis. Differences from research and development expenses on the Condensed Consolidated Statement of Profit or Loss consist of expenses related to research and development excluded from calculation of core operating profit.

2. Business structure improvement expenses for the three months ended June 30, 2024 mainly comprise retirement expenses, etc. associated with the reorganization and the rationalization of group companies in North America. Also, business structure improvement expenses for the three months ended June 30, 2025 mainly comprise retirement expenses, etc. associated with the rationalization of domestic group company and group companies in North America.

(Assets held for sale)

Non-current assets or disposal groups that are expected to be recovered primarily through sale rather than through continuing use, are classified as assets held for sale if they are available for immediate sale in its current condition and the sale is highly probable. Non-current assets or disposal groups classified as assets held for sale are measured at the lower of their carrying amount or fair value less cost to sell.

The details of assets held for sale and liabilities directly associated with the assets held for sale are as follows:

(Millions of JPY)

	Year ended March 31, 2024	Year ended March 31, 2025
Property, plant and equipment	1,740	1,790
Intangible assets	3,521	3,578
Deferred tax assets	1,999	1,956
Inventories	2,695	3,200
Trade and other receivables	6,556	7,804
Cash and cash equivalents	13,172	13,760
Others	679	871
Total assets	30,362	32,959
Trade and other payables	1,430	929
Others	2,034	2,066
Total liabilities	3,464	2,995

On April 1, 2025, the Company's Board of Directors resolved to transfer the Asian business of the Company's wholly owned subsidiaries, Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd., along with their subsidiaries, to Marubeni Global Pharma Corporation.

As a result, the Company classified the relevant assets and liabilities directly associated with the assets held for sale as assets held for sales group as of March 31, 2025 and June 30, 2025.

This share transfer has been completed as of July 31, 2025, and that Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd. are no longer its consolidated subsidiaries.

(Material subsequent event)

(Completion of Procedures for Company Split of Asian Business (Simplified Absorption-Type Company Split) and Share Transfer to Marubeni Global Pharma Corporation)

On April 1, 2025, the Company's Board of Directors resolved to execute agreements with Marubeni Global Pharma Corporation, a wholly owned subsidiary of Marubeni Corporation. The agreements include a share transfer agreement, which stipulates that the Asian business of the Company's wholly owned subsidiaries, Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd., along with their subsidiaries, will be transferred to a wholly-owned subsidiary to be newly established by the Company ( "the New Company" ) through an absorption-type company split, and that 60% of the shares of the New Company will be transferred to Marubeni Global Pharma Corporation. Also, this share transfer has been completed as of July 31, 2025, and that Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd. are no longer its consolidated subsidiaries.

The Company expects to record gains on sales of shares of subsidiaries amounting to approximately 45.0 billion JPY for the second quarter of the year ending March 31, 2026. However, this amount is an estimate, and it has not been fixed currently.

The Company will continue to pursue its goal of contributing to patients in various Asian countries of which it has been striving toward thus far, by continuing to supply the products related to the business to the New Company.