Note:This document has been translated from the Japanese-language original (hereinafter, the "original") for reference purposes only. In the event of any discrepancy between this translated document and the original, the original shall prevail.

Summary of Consolidated Financial Results for the Second Quarter (First Half) of the Year Ending March 31, 2026 [IFRS]

October 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
Filing Date of Semi-annual Securities Report:	November 4, 2025
Starting Date of Dividend Payments:	—
Preparation of Supplementary Financial Data for Quarterly Financial Results:	Yes
Information Meeting for 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 Second Quarter (First Half) of the Year Ending March 31, 2026 (April 1, 2025 to September 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	%
Six months ended September 30, 2025	227,122	25.7	96,084	—	96,157	—	98,860	—	98,860	—	96,109	—
Six months ended September 30, 2024	180,749	18.4	(38)	—	(8,179)	—	(32,228)	—	(32,229)	—	(41,892)	—

Reference: Profit before taxes Six months ended September 30, 2025: 92,802 million JPY
Six months ended September 30, 2024: (32,406) million JPY
"Core operating profit" is calculated by deducting certain items from operating profit.

	Basic earnings per share	Earnings per share (diluted)
	JPY	JPY
Six months ended September 30, 2025	248.84	—
Six months ended September 30, 2024	(81.12)	—

(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 September 30, 2025	778,404	265,588	265,588	34.1	668.50
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	―	0.00			
Year ending March 31, 2026 (Forecasts)			―	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
Year ending March 31, 2026	429,000	7.6	97,000	124.8	98,000	240.2	92,000	289.3	231.57

Note: Revision of consolidated financial forecasts from the latest announcement: Yes

Notes:

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

(New: None)

(Excluded: 2 companies) Sumitomo Pharma (China) Co., Ltd.
Sumitomo Pharma (Suzhou) Co., Ltd.

(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

September 30, 2025:	397,900,154 shares
March 31, 2025:	397,900,154 shares

② Number of treasury stock at the end of period

September 30, 2025:	610,506 shares
March 31, 2025:	610,242 shares

③ Average number of shares outstanding during the period

Six months ended September 30, 2025:	397,289,755 shares
Six months ended September 30, 2024:	397,290,479 shares

This summary of consolidated financial results is exempt from audit procedures.

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, due to various subsequent factors, 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 Six Months Ended September 30, 2025 (5) Consolidated Financial Forecasts".

Information concerning pharmaceuticals and other products (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 Friday October 31, 2025. The video of the presentation will be posted on its website promptly after the presentation.

【Attachment Documents】

1. Qualitative Information of Financial Results for the Six Months Ended September 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 six-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 six months of the fiscal year ending March 31, 2026 are as follows:

(Billions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Change %
Revenue	180.7	227.1	46.4	25.7
Core operating profit	(0.0)	96.1	96.1	—
Operating profit	(8.2)	96.2	104.3	—
Profit before taxes	(32.4)	92.8	125.2	—
Net profit attributable to owners of the parent	(32.2)	98.9	131.1	—

■ Revenue increased by 25.7% year-on-year to 227.1 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, as well as the recording of sales milestone revenue from ORGOVYX®, despite lower sales for the Japan and Asia segments.

■ Core operating profit (loss) was 96.1 billion JPY, compared with (0.0) billion JPY for the six months ended September 30, 2024.
Core operating profit (loss) showed a significant improvement from the corresponding period of the previous year, due to the increase in revenue, reductions in selling, general and administrative expenses and in research and development expenses − primarily reflecting the positive impact of business structure improvement and the restructuring of the regenerative medicine and cell therapy business − and the recognition of other income following the partial divestiture of the Asian business.

■ Operating profit (loss) was 96.2 billion JPY, compared with (8.2) billion JPY for the six months ended September 30, 2024.
Operating profit (loss) recorded a significant improvement from the corresponding period of the previous year, due to an improvement in core operating profit (loss) and a decline in the business structure improvement expenses.

■ Profit (loss) before taxes was 92.8 billion JPY, compared with (32.4) billion JPY for the six months ended September 30, 2024.
Profit (loss) before taxes showed a significant improvement from the corresponding period of the previous year as operating profit (loss) improved and financial income/costs − a balance of financial income after the deduction of financial costs − improved primarily due to the recording of foreign exchange gains for the period under review, compared with significant foreign exchange losses recorded in the corresponding period of the previous year.

■ Net profit (loss) attributable to owners of the parent was 98.9 billion JPY, compared with (32.2) billion JPY for the six months ended September 30, 2024.
Net profit (loss) attributable to owners of the parent showed a significant improvement from the corresponding period of the previous year, mainly due to due to an improvement 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 11.3% year-on-year to 46.9 billion JPY.**
Despite growing sales of TWYMEEG® (therapeutic agent for type 2 diabetes), revenue showed a decline mainly due to decreases in sales of Equa® and EquMet® (both therapeutic agent for type 2 diabetes) owing to the loss of exclusivity.
■ **Core segment profit (loss) increased by 26.4% year-on-year to 7.9 billion JPY.**
Core segment profit increased mainly due to lower selling, general and administrative expenses resulting from business structure improvement initiatives, including the early retirement program implemented in the previous fiscal year, despite a decrease in gross profit caused by lower revenue.

[North America segment]
■ **Revenue increased by 56.4% year-on-year to 163.0 billion JPY.**
Revenue showed an increase as a decline in sales of APTIOM® (treatment for antiepileptic) due to the loss of exclusivity was more than offset by sales expansion of GEMTESA® and the recording of sales milestone revenue for ORGOVYX®.
■ **Core segment profit (loss) increased by 526.1% year-on-year to 46.6 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 ongoing streamlining efforts.

[Asia segment]
■ **Revenue decreased by 27.2% year-on-year to 17.3 billion JPY.**
Revenue showed a decrease as Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd. are no longer consolidated subsidiaries, following the transfer of the Asian business previously operated by these former consolidated subsidiaries and their respective subsidiaries.
■ **Core segment profit (loss) decreased by 21.0% year-on-year to 9.0 billion JPY.**
Core segment profit declined due to the partial business divestiture.

(2) Financial Condition

Total assets increased by 35.8 billion JPY from the previous fiscal year-end to 778.4 billion JPY.
Non-current assets increased by 17.9 billion JPY from the previous fiscal year-end, due to an increase in investments accounted for using the equity method following the partial divestiture of the Asian business.
Current assets increased by 17.9 billion JPY from the previous fiscal year-end as a result of increases in trade and other receivables and cash and cash equivalents, despite decreases in assets held for sale and inventories.
Liabilities decreased by 60.3 billion JPY from the previous fiscal year-end to 512.8 billion JPY, primarily owing to decreases in borrowings and deferred tax liabilities.
Total equity increased by 96.1 billion JPY from the previous fiscal year-end to 265.6 billion JPY as a result of an increase in retained earnings.
The ratio of equity attributable to owners of the parent to total assets as of the end of the interim accounting period was 34.1%.

(3) Cash Flows

Cash flows provided by operating activities amounted to 18.0 billion JPY, reflecting a year-on-year improvement in net cash inflow of 13.5 billion JPY. This was primarily due to a significant improvement in net profit (loss).

Cash flows provided by investing activities amounted to 27.6 billion JPY, reflecting a year-on-year decrease in net cash inflow of 69.8 billion JPY. This decline was due to the absence of significant proceeds from the sale of the shares of Roivant Sciences Ltd. and other investment securities in the corresponding period of the previous year, despite proceeds from loss of control of subsidiaries following the partial divestiture of the Asian business.

Cash flows used in financial activities amounted to 44.0 billion JPY, reflecting a year-on-year increase in net cash outflow of 14.5 billion JPY, primarily due to a decrease in short-term borrowings.

After adding the translation adjustments for cash and cash equivalents and the reversal of assets held for sale, the balance of cash and cash equivalents at the end of the interim accounting period was 38.5 billion JPY, which represents an increase of 15.4 billion JPY from the previous fiscal year-end.

(4) Research and Development Activities

Research and development expenses for the interim accounting period amounted to 17.5 billion JPY (down by 33.3% year-on-year). Please note that research and development expenses on a core basis excluding the business structure improvement expenses in North America amounted 17.5 billion JPY (down by 30.4% year-on-year). The Group manages its research and development expenses globally and so does not allocate such expenses to individual segments.

In the Psychiatry & Neurology area, in August 2025, an application of manufacturing and marketing authorization for raguneprocel (allogeneic iPS cell-derived dopaminergic neural progenitor cells) was submitted in Japan for indication of the improvement of motor functions during the off-time period of patients with advanced Parkinson’s disease.

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

Given the Group's recent business performance trends, the Company has revised its financial forecasts for the fiscal year ending March 31, 2026, which were announced on May 13, 2025, as follows;

1.Revisions to the Forecasts of Consolidated Financial Results for the Year Ending March 31, 2026
(April 1, 2025 to March 31,2026)

	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)	335,000	56,000	54,000	40,000	100.68
Revised Forecast (B)	429,000	97,000	98,000	92,000	231.57
Variance in amount (B-A)	74,000	41,000	44,000	52,000	—
Variance in percent (%)	20.8	73.2	81.5	130.0	—
[Reference] Year ended March 31, 2025	398,832	43,153	28,804	23,634	59.49

Note: The Group has set "core segment profit" as an original performance indicator and it 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 revision

Revenue has been revised upward by 74.0 billion JPY from the previous forecast to 429.0 billion JPY, as sales in North America, driven by ORGOVYX®, are expected to remain strong.

Core operating profit has been revised upward by 41.0 billion JPY from the previous forecast to 97.0 billion JPY, as the gains from the divestiture of the Asian business are expected to exceed initial forecast, while gross profit is expected to increase due to revenue growth.

Operating profit has been revised upward by 44.0 billion JPY to 98.0 billion JPY from the previous forecast due to increased core operating profit, and net profit attributable to owners of the parent has been revised upward by 52.0 billion JPY to 92.0 billion JPY, taking into account a decrease in tax expenses and other costs in the first half of the fiscal year.

The full-year foreign exchange assumption (average exchange rate for the period) remains unchanged from the previous forecast at 145.0 JPY against 1 USD.

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)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	180,749	227,122
Cost of sales	72,327	89,701
Gross profit	108,422	137,421
Selling, general and administrative expenses	89,996	76,561
Research and development expenses	26,272	17,524
Other income	473	52,772
Other expenses	787	496
Share of profit (loss) of investments accounted for using the equity method	(19)	545
Operating profit (loss)	(8,179)	96,157
Finance income	1,206	1,239
Finance costs	25,433	4,594
Profit (loss) before taxes	(32,406)	92,802
Income tax expenses	(178)	(6,058)
Net profit (loss)	(32,228)	98,860
Net profit (loss) attributable to:		
Owners of the parent	(32,229)	98,860
Non-controlling interests	1	—
Net profit (loss) total	(32,228)	98,860
Earnings per share (JPY)		
Basic earnings per share (loss)	(81.12)	248.84

Condensed Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net profit (loss)	(32,228)	98,860
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	(12,077)	724
Items that may be reclassified subsequently to profit or loss:		
Changes in financial assets measured at fair value through other comprehensive income	(74)	58
Exchange differences on translation of foreign operations	2,487	(3,533)
Total other comprehensive income	(9,664)	(2,751)
Total comprehensive income	(41,892)	96,109
Total comprehensive income attributable to:		
Owners of the parent	(41,893)	96,109
Non-controlling interests	1	—
Total comprehensive income	(41,892)	96,109

(2) Condensed Consolidated Statement of Financial Position

(Millions of JPY)

	As of March 31, 2025	As of September 30, 2025
Assets		
Non-current assets		
Property, plant and equipment	46,648	44,939
Goodwill	197,406	196,457
Intangible assets	172,509	166,510
Other financial assets	44,148	44,201
Income taxes receivables	6,765	6,732
Retirement benefit assets	14,727	14,948
Investments accounted for using the equity method	5,588	31,951
Other non-current assets	1,111	1,094
Deferred tax assets	534	464
Total non-current assets	489,436	507,296
Current assets		
Inventories	94,222	82,755
Trade and other receivables	74,840	124,548
Other financial assets	16,840	9,645
Income taxes receivables	2,886	2,715
Other current assets	10,902	12,955
Cash and cash equivalents	23,116	38,490
Subtotal	222,806	271,108
Assets held for sale	30,362	—
Total current assets	253,168	271,108
Total assets	742,604	778,404

(Millions of JPY)

	As of March 31, 2025	As of September 30, 2025
Liabilities and equity		
Liabilities		
Non-current liabilities		
Bonds and borrowings	258,982	258,850
Other financial liabilities	15,818	17,881
Retirement benefit liabilities	6,534	6,297
Other non-current liabilities	24,638	16,560
Deferred tax liabilities	26,550	14,199
Total non-current liabilities	332,522	313,787
Current liabilities		
Borrowings	46,440	4,000
Trade and other payables	38,544	42,046
Other financial liabilities	32,916	29,373
Income taxes payable	1,577	4,388
Provisions	71,999	78,070
Other current liabilities	45,663	41,152
Subtotal	237,139	199,029
Liabilities directly associated with assets held for sale	3,464	—
Total current liabilities	240,603	199,029
Total liabilities	573,125	512,816
Equity		
Share capital	22,400	22,400
Treasury shares	(682)	(682)
Retained earnings	46,784	147,516
Other components of equity	97,525	96,354
Other comprehensive income associated with assets held for sale	3,452	—
Equity attributable to owners of the parent	169,479	265,588
Total equity	169,479	265,588
Total liabilities and equity	742,604	778,404

(3) Condensed Consolidated Statement of Changes in Equity

(Millions of JPY)

	Equity attributable to owners of the parent				
				Other components of equity	
	Share capital	Treasury shares	Retained earnings	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)	–	–	(32,229)	–	–
Other comprehensive income	–	–	–	(12,151)	2,487
Total comprehensive income	–	–	(32,229)	(12,151)	2,487
Purchase of treasury shares	–	(0)	–	–	–
Reclassification from other components of equity to retained earnings	–	–	41,640	(41,640)	–
Total transactions with owners	–	(0)	41,640	(41,640)	–
Balance as of September 30,2024	22,400	(682)	(13,254)	10,735	94,971

Balance as of April 1, 2025	22,400	(682)	46,784	9,306	88,219
Net profit (loss)	–	–	98,860	–	–
Other comprehensive income	–	–	–	782	(81)
Total comprehensive income	–	–	98,860	782	(81)
Purchase of treasury shares	–	(0)	–	–	–
Reclassification from other components of equity to retained earnings	–	–	1,872	(1,872)	–
Total transactions with owners	–	(0)	1,872	(1,872)	–
Balance as of September 30, 2025	22,400	(682)	147,516	8,216	88,138

(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)	―	―	(32,229)	1	(32,228)
Other comprehensive income	(9,664)	―	(9,664)	―	(9,664)
Total comprehensive income	(9,664)	―	(41,893)	1	(41,892)
Purchase of treasury shares	―	―	(0)	―	(0)
Reclassification from other components of equity to retained earnings	(41,640)	―	―	―	―
Total transactions with owners	(41,640)	―	(0)	―	(0)
Balance as of September 30, 2024	105,706	―	114,170	74	114,244

Balance as of April 1, 2025	97,525	3,452	169,479	―	169,479
Net profit (loss)	―	―	98,860	―	98,860
Other comprehensive income	701	(3,452)	(2,751)	―	(2,751)
Total comprehensive income	701	(3,452)	96,109	―	96,109
Purchase of treasury shares	―	―	(0)	―	(0)
Reclassification from other components of equity to retained earnings	(1,872)	―	―	―	―
Total transactions with owners	(1,872)	―	(0)	―	(0)
Balance as of September 30, 2025	96,354	―	265,588	―	265,588

(4) Condensed Consolidated Statement of Cash Flows

(Millions of JPY)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Net profit (loss)	(32,228)	98,860
Depreciation and amortization	13,689	10,481
Gain on sales of shares in subsidiaries	—	(49,043)
Impairment losses	—	1,963
Changes in fair value of financial assets and liabilities related to contingent consideration arrangements	428	(1,500)
Interest and dividend income	(866)	(575)
Interest expenses	2,698	3,844
Income tax expenses	(178)	(6,058)
(Increase) decrease in trade and other receivables	13,036	(44,173)
(Increase) decrease in inventories	7,558	9,783
Increase (decrease) in trade and other payables	(6,230)	10,781
Increase (decrease) in unearned revenue	(8,956)	(6,374)
Increase (decrease) in other financial liabilities	8,588	1,466
Increase or decrease in retirement benefit assets or liabilities	(178)	(458)
Increase (decrease) in provisions	4,466	6,245
Others, net	(9,346)	(14,250)
Subtotal	(7,519)	20,992
Interest received	441	435
Dividends received	447	215
Interest paid	(1,474)	(2,536)
Income taxes paid	(886)	(1,081)
Income taxes refunded	13,543	—
Net cash provided by (used in) operating activities	4,552	18,025
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,066)	(2,523)
Proceeds from sales of property, plant and equipment	1,024	380
Purchase of intangible assets	(4,195)	(1,487)
Purchase of shares of subsidiaries and associates	—	(2,338)
Purchase of investments	(1,020)	(786)
Proceeds from sales and redemption of investments	105,708	3,434
Proceeds from loss of control of subsidiaries	—	30,477
Others, net	—	477
Net cash provided by (used in) investing activities	97,451	27,634
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28,412)	(42,530)
Repayments of lease liabilities	(1,341)	(1,304)
Dividends paid	(1)	(1)
Others, net	318	(134)
Net cash provided by (used in) financing activities	(29,436)	(43,969)
Net increase (decrease) in cash and cash equivalents	72,567	1,690
Cash and cash equivalents at beginning of year (Condensed Consolidated Statement of Financial Position)	29,047	23,116
Reversal of cash and cash equivalents included in assets held for sale	—	13,172
Cash and cash equivalents at beginning of year	29,047	36,288
Effect of exchange rate changes on cash and cash equivalents	(1,404)	512
Cash and cash equivalents at end of period	100,210	38,490
Transfer of cash and cash equivalents to assets held for sale	(1,128)	—
Cash and cash equivalents at end of period (Condensed Consolidated Statement of Financial Position)	99,082	38,490

(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 for the previous fiscal year's consolidated financial statements.

Income tax expenses for the six months ended September 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 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.”

①Six months ended September 30, 2024

(Millions of JPY)

	Reportable segments			
	Japan	North America	Asia	Total
Revenues from external customers, etc.	52,825	104,188	23,736	180,749
Segment profit (Core segment profit)	6,251	7,437	11,399	25,087

②Six months ended September 30, 2025

(Millions of JPY)

	Reportable segments			
	Japan	North America	Asia	Total
Revenues from external customers, etc.	46,863	162,970	17,289	227,122
Segment profit (Core segment profit)	7,903	46,564	9,004	63,471

(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	Six months ended September 30, 2024	Six months ended September 30, 2025
Total of reportable segments	25,087	63,471
Research and development expenses (Note1)	(25,106)	(17,476)
Gains on sales of shares of subsidiaries, etc.	―	49,544
Others	(19)	545
Core operating profit (loss)	(38)	96,084
Changes in fair value of contingent consideration	(428)	1,500
Impairment losses	―	(1,963)
Business structure improvement expenses (Note2)	(7,010)	(187)
Other income	473	1,652
Other expenses	(787)	(488)
Others	(389)	(441)
Operating profit (loss) in the condensed consolidated financial statements	(8,179)	96,157

(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 six months ended September 30, 2024 mainly comprise retirement expenses, etc. associated with the rationalization of the Company and group companies in North America. Also, business structure improvement expenses for the six months ended September 30, 2025 mainly comprise retirement expenses, etc. associated with the rationalization of the group companies in Japan and North America.

(Material subsequent event)

Not applicable.