



CHUGAI PHARMACEUTICAL CO., LTD.

A member of the Roche group

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(for the three months ended March 31, 2025)

Name of Company: Chugai Pharmaceutical Co., Ltd. April 24, 2025
 Stock Listing: Tokyo Stock Exchange
 Security Code No.: 4519 (URL <https://www.chugai-pharm.co.jp/english>)
 Representative: Osamu Okuda, Representative Director, President & CEO
 Contact: Kae Miyata, Head of Corporate Communications Department
 Phone: +81-(0)3-3273-0554
 Date on which Dividend Payments to Commence: —
 Supplementary Materials Prepared for the Financial Statements: Yes
 Presentation Held to Explain the Financial Statements: Yes (for institutional investors, securities analysts and the media)

(Note: Amounts of less than one million yen are rounded.)

1. Consolidated results for the three months ended March 31, 2025

(1) Consolidated operating results

	Revenue	% change	Operating profit	% change	Net income	% change
FY2025 Q1	¥288,459 million	21.7	¥136,651 million	36.8	¥97,234 million	30.7
FY2024 Q1	¥236,949 million	(24.1)	¥99,874 million	1.6	¥74,401 million	1.2

	Net income attributable to Chugai shareholders	% change	Total comprehensive income	% change
FY2025 Q1	¥97,234 million	30.7	¥99,271 million	20.9
FY2024 Q1	¥74,401 million	1.2	¥82,114 million	5.1

	Earnings per share (Basic)	Earnings per share (Diluted)
FY2025 Q1	¥59.09	¥59.08
FY2024 Q1	¥45.22	¥45.21

Note: Percentages represent changes compared with the same period of the previous fiscal year.

(2) Consolidated results (balance sheet)

	Total assets	Total equity	Equity attributable to Chugai shareholders	Ratio of equity attributable to Chugai shareholders
As of Mar. 31, 2025	¥2,139,482 million	¥1,907,222 million	¥1,907,222 million	89.1%
As of Dec. 31, 2024	¥2,208,373 million	¥1,901,499 million	¥1,901,499 million	86.1%

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
FY ended Dec. 2024	—	¥41.00	—	¥57.00	¥98.00
FY ending Dec. 2025	—				
FY ending Dec. 2025 (Forecast)		¥125.00	—	¥125.00	¥250.00

Notes: 1. Whether the most recent dividend forecast has been revised: No

2. Breakdown of dividends per share at the end of second quarter of FY ending Dec. 2025:

regular dividend, ¥50.00; special dividend, ¥75.00 (Special dividend for the company's 100th Anniversary)

Breakdown of dividends per share at the end of FY ending Dec. 2025:

regular dividend, ¥50.00; special dividend, ¥75.00 (Special dividend for the company's 100th Anniversary)

Breakdown of annual dividends per share for FY ending Dec. 2025:

regular dividend, ¥100.00; special dividend, ¥150.00 (Special dividend for the company's 100th Anniversary)

3. Consolidated forecasts for the year ending December 31, 2025

	Revenue	% change	Core operating profit	% change	Core net income	% change
FY2025 Q1 (Results)	¥288,459 million	+24.2	¥139,512 million	+24.5	¥99,226 million	+24.2
FY ending Dec. 2025 (Forecast)	¥1,190,000 million	+1.7	¥570,000 million	+2.5	¥410,000 million	+3.2

	Core earnings per share	% change	Core dividend payout ratio %
FY2025 Q1 (Results)	¥60.30	+24.1	—
FY ending Dec. 2025 (Forecast)	¥250.00	+3.6	100.0

Notes: 1. Except for Core dividend payout ratio, percentages represent changes compared with the same period of the previous fiscal year for the forecasts, and the percentage of forecast levels that have been achieved to date for the results.

2. Whether the most recent forecasts for consolidated figures have been revised: No

3. The figures for the consolidated forecasts and actuals are calculated based on Core basis indicators established by Chugai and used on a consistent basis. Core EPS is diluted earnings per share attributable to Chugai shareholders on a Core basis.

4. Others

- (1) Material changes in scope of consolidation during the period: None
(2) Changes in accounting policies and changes in accounting estimates
(a) Changes in accounting policies required by IFRS: None
(b) Changes in accounting policies other than those in (a) above: None
(c) Changes in accounting estimates: None

(3) Number of shares issued (common stock):

- (a) Number of shares issued at the end of the period (including treasury stock)
(b) Number of treasury stock at the end of the period
(c) Average number of shares issued during the period (three months)

As of Mar. 31, 2025	1,679,057,667	As of Dec. 31, 2024	1,679,057,667
As of Mar. 31, 2025	33,442,632	As of Dec. 31, 2024	33,531,864
FY2025 Q1	1,645,555,845	FY2024 Q1	1,645,337,398

Notes:

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

Explanation of the appropriate use of performance forecasts and other related items

(1) Portions of this report that refer to performance forecasts or any other future events are believed to be reasonable under information available at the time of the forecasts. Actual results may differ from these forecasts due to potential risks and uncertainties.

(2) The forecast which is published for shareholders and investors is based on the internal management indicator Core basis under International Financial Reporting Standards ("IFRS"). Core results are the results after adjusting non-recurring items recognized by Chugai to IFRS results. Chugai's recognition of non-recurring items may differ from that of Roche due to the difference in the scale of operations, the scope of business and other factors. Core results are used by Chugai as an indicator for managing internal business performance, explaining the status of recurring profits both internally and externally, and as the basis for payment-by-results such as shareholder returns. The difference between IFRS results and Core results will be explained at each event and presentation for the period.

(3) For the specifics of the forecasts, please refer to "Consolidated forecasts and other forward-looking statements" on page 6 of the attachment.

(4) Chugai is scheduled to hold a presentation of the financial statements as noted below. The presentation materials will be posted on Chugai's website at the time of first quarter results announcement.

Presentation for institutional investors, securities analysts and the media (Online conference with simultaneous interpretation): April 24, 2025, Thursday (Japan time).

English translation of the scripts including Q&A will be posted on the website within two business days.

Index of the Attachment

1. Qualitative Information	2
(1) Consolidated operating results	2
(2) Consolidated financial position	5
(3) Consolidated forecasts and other forward-looking statements	6
(4) Significant management agreements.....	7
2. Interim Condensed Consolidated Financial Statements and Major Notes	8
(1) Interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income	8
(2) Interim condensed consolidated balance sheet	10
(3) Interim condensed consolidated statement of cash flows	11
(4) Interim condensed consolidated statement of changes in equity	12
(5) Notes regarding the going concern assumption	13
(6) Notes regarding the interim condensed consolidated financial statements	13

1. Qualitative Information

(1) Consolidated operating results in billions of yen

	Three months ended March 31, 2025	Three months ended March 31, 2024	% change
Core results			
Revenue	288.5	236.9	+21.8
Sales	259.7	204.5	+27.0
Other revenue	28.7	32.5	(11.7)
Cost of sales	(87.5)	(72.6)	+20.5
Gross profit	201.0	164.3	+22.3
Research and development	(40.7)	(41.2)	(1.2)
Selling, general and administration	(21.0)	(21.2)	(0.9)
Other operating income (expense)	0.3	0.2	+50.0
Operating profit	139.5	102.1	+36.6
Net income	99.2	76.0	+30.5
IFRS results			
Revenue	288.5	236.9	+21.8
Operating profit	136.7	99.9	+36.8
Net income	97.2	74.4	+30.6

Consolidated financial highlights (IFRS results)

Revenue for the three months under review was ¥288.5 billion (an increase of 21.8% year on year), operating profit for the three months under review was ¥136.7 billion (an increase of 36.8% year on year), and net income for the three months under review was ¥97.2 billion (an increase of 30.6% year on year). These results include non-Core items, which are excluded from the Core results that Chugai adopts to manage recurring business activities, such as amortization of intangible assets of ¥0.4 billion, impairment loss of intangible assets of ¥0.1 billion, business rebuilding expenses of ¥2.2 billion, and restructuring expenses of ¥0.1 billion.

Consolidated financial highlights (Core results)

Revenue for the three months under review was ¥288.5 billion (an increase of 21.8% year on year), due to an increase in sales, despite a decrease in other revenue.

Of revenue, sales were ¥259.7 billion (an increase of 27.0% year on year). In domestic sales, new products Phesgo and PiaSky and the mainstay product Vabysmo performed favorably. However, due to the effects of the NHI drug price revisions and the market penetration of generic drugs, domestic sales remained at the same levels as those of the same period of the previous fiscal year. Overseas sales increased significantly compared to the same period of the previous fiscal year, due to the significant increase in the export of Hemlibra and Actemra to Roche. Other revenue was ¥28.7 billion (a decrease of 11.7% year on year) due to the decrease in one-time income and other factors, despite the increase in income related to Hemlibra. Furthermore, cost to sales ratio was 33.7%, a 1.8 percentage point improvement year on year, reflecting a change in product mix and other factors. As a result, gross profit amounted to ¥201.0 billion (an increase of 22.3% year on year).

Both research and development expenses at ¥40.7 billion (a decrease of 1.2% year on year) and selling, general and administration expenses at ¥21.0 billion (a decrease of 0.9% year on year) were comparable to the same period of the previous fiscal year. Other operating income (expense) was income of ¥0.3 billion (¥0.2 billion of income for the same period of the previous fiscal year). As a result, core operating profit was ¥139.5 billion (an increase of 36.6% year on year) and core net income was ¥99.2 billion (an increase of 30.5% year on year).

Note: Core results

Chugai discloses its results on a Core basis from 2013 in conjunction with its transition to IFRS. Core results are the results after adjusting non-recurring items recognized by Chugai to IFRS results. Chugai's recognition of non-recurring items may differ from that of Roche due to the difference in the scale of operations, the scope of business and other factors. Core results are used by Chugai as an internal performance indicator, for explaining the status of recurring profits both internally and externally, and as the basis for payment-by-results.

For further details regarding the adjustment to IFRS results, please refer to the Supplementary Materials for Consolidated Financial Statements for the three months ended March 31, 2025 (IFRS), dated April 24, 2025, on page 1, entitled "Reconciliation of IFRS results to Core results."

Sales breakdown in billions of yen

	Three months ended March 31, 2025	Three months ended March 31, 2024	% change
Sales	259.7	204.5	+27.0
Domestic sales	103.0	103.2	(0.2)
Oncology	53.1	56.1	(5.3)
Specialty	49.9	47.0	+6.2
Overseas sales	156.7	101.3	+54.7

Domestic sales

Domestic sales were ¥103.0 billion (a decrease of 0.2% year on year) mainly due to the effects of the NHI drug price revisions and the market penetration of generic drugs, despite the sales growth of new products and mainstay products.

Oncology products sales were ¥53.1 billion (a decrease of 5.3% year on year). While sales of the new product Phesgo (antineoplastic agent/anti-HER2 humanized monoclonal antibody/hyaluronan-degradation enzyme combination drug) were favorable, sales of mainstay products including Avastin (an anti-VEGF humanized monoclonal antibody, anti-cancer agent) decreased due to the effects of the NHI drug price revisions and the market penetration of generic drugs. In addition, sales of Perjeta (an anti-HER2 humanized monoclonal antibody, anti-cancer agent) decreased significantly compared to the same period of the previous fiscal year mainly due to the effects of the market penetration of Phesgo, a subcutaneous combination drug containing Perjeta.

Specialty products sales were ¥49.9 billion (an increase of 6.2% year on year). This was primarily due to the favorable sales of the mainstay product Vabysmo (an ophthalmic VEGF/Ang-2 inhibitor, anti-VEGF/anti-Ang-2 humanized bispecific monoclonal antibody) and the favorable market launch of the new product PiaSky (a pH-dependent binding humanized anti-complement (C5) monoclonal antibody), as well as the increase in the sales of Tamiflu (an anti-influenza agent), despite the effects of the NHI drug price revisions and the market penetration of generic drugs.

Overseas sales

Overseas sales amounted to ¥156.7 billion (an increase of 54.7% year on year). In terms of exports to Roche, the exports of Hemlibra (a blood coagulation factor VIII substitute/anti-coagulation factor IXa/X humanized bispecific monoclonal antibody) and Actemra (a humanized anti-human IL-6 receptor monoclonal antibody) significantly grew, resulting in the increase in overseas sales compared to the same period of the previous fiscal year.

R&D activities

R&D expenses on a Core basis for the first three months under review totaled ¥40.7billion (a decrease of 1.2% year on year), and the ratio of R&D expenses to revenue was 14.1%.

Progress made in R&D activities during the period from January 1, 2025 to March 31, 2025 was as follows.

Oncology

- We obtained approval for an antineoplastic agent/humanized anti-PD-L1 monoclonal antibody RG7446 (Product name: Tecentriq) for an additional indication of unresectable alveolar soft part sarcoma in February 2025.
- We decided to discontinue the domestic development of an antineoplastic agent/humanized anti-PD-L1 monoclonal antibody RG7446 (Product name: Tecentriq) for prostate cancer (2nd Line) (combination with cabozantinib) in consideration of the results of global Phase III study CONTACT-02. We also decided to discontinue the development for early breast cancer (perioperative) in consideration of the results of prior clinical studies.
- We decided to discontinue the development of an anti-TIGIT human monoclonal antibody RG6058 for non-small cell lung cancer (1st Line) in combination with RG7446, considering the results of global Phase III study SKYSCRAPER-01.
- We decided to discontinue the development of an anti-HER2/CD3 bispecific antibody RG6194 for solid tumors in consideration of business strategy.
- We decided to discontinue the development of an anti-VEGF (Vascular Endothelial Growth Factor) humanized monoclonal antibody RG435 (Product name: Avastin) for small cell lung cancer (1st Line) in combination with RG7446, considering the results of Phase III study BEAT-SC.

Immunology

- We filed for an immunosuppressant (Product name: CellCept) based on public knowledge for the treatment of refractory nephrotic syndrome (frequently relapsing or steroid-dependent nephrotic syndrome) in March 2025.

Other Diseases

- We started Phase I study for an anti-C1s recycling antibody RAY121 in March 2025.

(2) Consolidated financial position**Assets, liabilities and net assets** in billions of yen

	March 31, 2025	December 31, 2024	Change in amount
Net operating assets (NOA) and Net assets			
Net working capital	407.0	448.7	(41.7)
Long-term net operating assets	521.7	498.9	22.8
Net operating assets (NOA)	928.7	947.6	(18.9)
Net cash	944.6	996.3	(51.7)
Other non-operating assets – net	33.9	(42.5)	76.4
Total net assets	1,907.2	1,901.5	5.7
Consolidated balance sheet (IFRS basis)			
Total assets	2,139.5	2,208.4	(68.9)
Total liabilities	(232.3)	(306.9)	74.6
Total net assets	1,907.2	1,901.5	5.7

Net operating assets (NOA) at March 31, 2025 were ¥928.7 billion, a decrease of ¥18.9 billion since the end of the previous fiscal year. Of NOA, net working capital was ¥407.0 billion, a decrease of ¥41.7 billion from the end of the previous fiscal year, due mainly to a decrease in inventories, in addition to a decrease in other accounts receivable for royalties as a result of settlement. Long-term net operating assets increased by ¥22.8 billion to ¥521.7 billion since the end of the previous fiscal year, mainly due to the investments in the manufacturing building for bio drug substance (UT3) and the injection building (UTA) in the Utsunomiya Plant.

As indicated in “Cash flows” on the next page, net cash, including marketable securities and interest-bearing debt, decreased by ¥51.7 billion since the end of the previous fiscal year to ¥944.6 billion. Other non-operating assets – net increased by ¥76.4 billion since the end of the previous fiscal year to ¥33.9 billion due mainly to a decrease in current income tax liabilities.

As a consequence, total net assets were ¥1,907.2 billion (an increase of ¥5.7 billion since the end of the previous fiscal year).

Note: Net operating assets (NOA) and Net assets

The consolidated balance sheet has been prepared in accordance with International Accounting Standards (IAS) No. 1, “Presentation of Financial Statements.” On the other hand, Net operating assets (NOA) and Net assets are a reconfiguration of the consolidated balance sheet as internal indicators and are identical to the indicators disclosed by Roche. Furthermore, no items from Net operating assets (NOA) and Net assets have been excluded, as the Core results concept only applies to the income statement.

For further details, please refer to the Supplementary Materials on page 8, entitled “Financial position.”

Note: Net operating assets (NOA)

Net operating assets allow for an assessment of the Group’s operating performance of the business independently from financing and tax activities. Net operating assets are calculated as net working capital, long-term net operating assets that includes property, plant and equipment, intangible assets etc. minus provisions.

Cash flows in billions of yen

	Three months ended March 31, 2025	Three months ended March 31, 2024	% change
Free cash flows			
Operating profit - IFRS basis	136.7	99.9	+36.8
Operating profit, net of operating cash adjustments	146.2	108.2	+35.1
Operating free cash flows	162.4	137.9	+17.8
Free cash flows	42.7	87.2	(51.0)
Net change in net cash	(51.7)	25.6	—
Consolidated statement of cash flows (IFRS basis)			
Cash flows from operating activities	66.7	100.9	(33.9)
Cash flows from investing activities	(86.9)	(32.2)	+169.9
Cash flows from financing activities	(95.4)	(66.9)	+42.6
Net change in cash and cash equivalents	(116.8)	4.2	—
Cash and cash equivalents at March 31	423.4	462.9	(8.5)

Operating profit, net of operating cash adjustments, amounted to ¥146.2 billion (an increase of 35.1% year on year), which was calculated by adjusting for depreciation and other items that are included in operating profit but are not accompanied by cash inflows or outflows and all inflows and outflows related to NOA that are not accompanied by profit and loss.

Operating free cash flows for the three months under review amounted to a net inflow of ¥162.4 billion (an increase of 17.8% year on year) mainly due to a decrease in net working capital, etc. of ¥40.8 billion, despite deducting expenditures of ¥22.0 billion for the purchase of property, plant and equipment, etc. from operating profit, net of operating cash adjustments. Factors accounting for the decrease in net working capital, etc. are as indicated in “Assets, liabilities and net assets” on the previous page.

Free cash flows were a net cash inflow of ¥42.7 billion (a decrease of 51.0% year on year) due mainly to income taxes paid of ¥106.9 billion from operating free cash flows.

The net change in net cash calculated by adjusting for dividends paid of ¥93.4 billion, etc. from free cash flows was a decrease of ¥51.7 billion.

The net change in cash and cash equivalents, excluding changes in marketable securities and interest-bearing debt, was a net cash outflow of ¥116.8 billion. The cash and cash equivalents balance at the end of this period amounted to ¥423.4 billion.

Note: Free cash flows (FCF)

The consolidated statement of cash flows has been prepared in accordance with International Accounting Standard (IAS) No. 7, “Statement of Cash Flows.” FCF is a reconfiguration of the consolidated statement of cash flows as internal indicators and is identical to the indicators disclosed by Roche. Furthermore, no items from FCF have been excluded, as the Core results concept only applies to the income statement.

For further details, please refer to the Supplementary Materials on page 9, entitled “Cash flows.”

(3) Consolidated forecasts and other forward-looking statements

Chugai has not made any changes in its forecast of consolidated results for the fiscal year ending December 31, 2025 since the announcement regarding the forecast issued on January 30, 2025.

(4) Significant management agreements

During the three months ended March 31, 2025 the following significant management agreements were terminated:

Out-licensing contracts, etc.

Name of the contracting party	Name of the counterparty	Country	Contracted item	Contract year	Consideration	Year of contract expiry
Chugai Pharmaceutical Co., Ltd. (the Company)	Kowa Company, Ltd.	Japan	Selective SGLT2 inhibitor for the treatment of type 2 diabetes	2012	A given contract amount	15 years from the date of launch or the date of expiration of the basic patent, whichever is longer (Japan)
Chugai Pharmaceutical Co., Ltd. (the Company)	Kowa Company, Ltd.	Japan	Selective SGLT2 inhibitor for the treatment of type 2 diabetes	2015	A given contract amount and a certain percentage royalties	Expiry of the period of data protection or the date of expiration of the basic patent, whichever is longer (automatic renewal thereafter) (Europe and U.S.)

Note: In "1. Qualitative Information," amounts less than ¥0.1 billion have been rounded to the nearest ¥0.1 billion. Figures for changes in amounts and percentages have been calculated using data denominated in ¥0.1 billion units.

2. Interim Condensed Consolidated Financial Statements and Major Notes

(1) Interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income

1) Interim condensed consolidated income statement in millions of yen

	Three months ended March 31	
	2025	2024
Revenue	288,459	236,949
Sales	259,722	204,480
Other revenue	28,737	32,469
Cost of sales	(87,823)	(72,950)
Gross profit	200,636	163,999
Research and development	(40,927)	(41,355)
Selling, general and administration	(23,237)	(22,586)
Other operating income (expense)	178	(185)
Operating profit	136,651	99,874
Financing costs	3	3
Other financial income (expense)	(825)	12
Profit before taxes	135,829	99,889
Income taxes	(38,595)	(25,488)
Net income	97,234	74,401
Attributable to:		
Chugai shareholders	97,234	74,401
Earnings per share		
Basic (yen)	59.09	45.22
Diluted (yen)	59.08	45.21

2) Interim condensed consolidated statement of comprehensive income in millions of yen

	Three months ended March 31	
	2025	2024
Net income recognized in income statement	97,234	74,401
Other comprehensive income		
Remeasurements of defined benefit plans	(12)	—
Financial assets measured at fair value through OCI	20	(48)
Items that will never be reclassified to the income statement	9	(48)
Financial assets measured at fair value through OCI	(2)	0
Cash flow hedges	3,660	3,854
Currency translation of foreign operations	(1,629)	3,907
Items that are or may be reclassified to the income statement	2,028	7,761
Other comprehensive income, net of tax	2,037	7,712
Total comprehensive income	99,271	82,114
Attributable to:		
Chugai shareholders	99,271	82,114

(2) Interim condensed consolidated balance sheet in millions of yen

	March 31, 2025	December 31, 2024
Assets		
Non-current assets:		
Property, plant and equipment	448,498	433,129
Right-of-use assets	15,108	8,425
Intangible assets	17,320	17,868
Deferred tax assets	67,808	69,835
Defined benefit plan assets	14,006	13,978
Other non-current assets	60,341	59,094
Total non-current assets	623,081	602,330
Current assets:		
Inventories	233,090	240,067
Accounts receivable	294,677	334,256
Current income tax assets	306	896
Marketable securities	521,131	456,143
Cash and cash equivalents	423,419	540,202
Other current assets	43,779	34,479
Total current assets	1,516,402	1,606,043
Total assets	2,139,482	2,208,373
Liabilities		
Non-current liabilities:		
Deferred tax liabilities	(4,464)	(5,076)
Defined benefit plan liabilities	(4,061)	(3,935)
Long-term provisions	(2,220)	(2,188)
Other non-current liabilities	(13,087)	(5,319)
Total non-current liabilities	(23,832)	(16,516)
Current liabilities:		
Current income tax liabilities	(40,046)	(108,732)
Short-term provisions	(2,886)	(2,974)
Accounts payable	(70,586)	(65,353)
Other current liabilities	(94,911)	(113,298)
Total current liabilities	(208,429)	(290,357)
Total liabilities	(232,261)	(306,873)
Total net assets	1,907,222	1,901,499
Equity:		
Capital and reserves attributable to Chugai shareholders	1,907,222	1,901,499
Total equity	1,907,222	1,901,499
Total liabilities and equity	2,139,482	2,208,373

(3) Interim condensed consolidated statement of cash flows in millions of yen

	Three months ended March 31	
	2025	2024
Cash flows from operating activities		
Cash generated from operations	147,337	110,138
(Increase) decrease in working capital	40,756	44,108
Payments made for defined benefit plans	(607)	(842)
Utilization of provisions	(310)	(1,070)
Other operating cash flows	(13,583)	(10,413)
Cash flows from operating activities, before income taxes paid	173,593	141,920
Income taxes paid	(106,915)	(41,007)
Total cash flows from operating activities	66,677	100,913
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,035)	(12,377)
Purchase of intangible assets	(469)	(62)
Disposal of property, plant and equipment	(66)	(95)
Disposal of intangible assets	28	—
Interest and dividends received	715	857
Purchases of marketable securities	(320,000)	(190,000)
Sales of marketable securities	255,000	169,483
Purchases of investment securities	(60)	(50)
Total cash flows from investing activities	(86,886)	(32,244)
Cash flows from financing activities		
Interest paid	(52)	(21)
Lease liabilities paid	(2,033)	(1,962)
Dividends paid to Chugai shareholders	(93,408)	(64,960)
Exercise of equity compensation plans	115	75
(Increase) decrease in own equity instruments	(1)	(3)
Total cash flows from financing activities	(95,378)	(66,872)
Net effect of currency translation on cash and cash equivalents	(1,196)	2,391
Increase (decrease) in cash and cash equivalents	(116,783)	4,189
Cash and cash equivalents at January 1	540,202	458,674
Cash and cash equivalents at March 31	423,419	462,863

(4) Interim condensed consolidated statement of changes in equity in millions of yen**For the three months ended March 31, 2024**

	Attributable to Chugai shareholders					Total equity
	Share capital	Capital surplus	Retained earnings	Other reserves	Subtotal	
At January 1, 2024	73,202	69,355	1,488,738	(5,715)	1,625,580	1,625,580
Net income	—	—	74,401	—	74,401	74,401
Financial assets measured at fair value through OCI	—	—	—	(48)	(48)	(48)
Cash flow hedges	—	—	—	3,854	3,854	3,854
Currency translation of foreign operations	—	—	—	3,907	3,907	3,907
Total comprehensive income	—	—	74,401	7,712	82,114	82,114
Dividends	—	—	(65,813)	—	(65,813)	(65,813)
Equity compensation plans	—	(6)	—	—	(6)	(6)
Own equity instruments	—	171	—	—	171	171
At March 31, 2024	73,202	69,520	1,497,327	1,998	1,642,047	1,642,047

For the three months ended March 31, 2025

	Attributable to Chugai shareholders					Total equity
	Share capital	Capital surplus	Retained earnings	Other reserves	Subtotal	
At January 1, 2025	73,202	69,896	1,746,934	11,468	1,901,499	1,901,499
Net income	—	—	97,234	—	97,234	97,234
Financial assets measured at fair value through OCI	—	—	—	18	18	18
Cash flow hedges	—	—	—	3,660	3,660	3,660
Currency translation of foreign operations	—	—	—	(1,629)	(1,629)	(1,629)
Remeasurements of defined benefit plans	—	—	(12)	—	(12)	(12)
Total comprehensive income	—	—	97,222	2,048	99,271	99,271
Dividends	—	—	(93,795)	—	(93,795)	(93,795)
Equity compensation plans	—	13	—	—	13	13
Own equity instruments	—	233	—	—	233	233
At March 31, 2025	73,202	70,142	1,750,362	13,516	1,907,222	1,907,222

(5) Notes regarding the going concern assumption

None

(6) Notes regarding the interim condensed consolidated financial statements**1) General accounting principles and significant accounting policies****a. Basis of preparation of the consolidated financial statements**

These financial statements are the interim condensed consolidated financial statements (“Interim Financial Statements”) of Chugai, a company registered in Japan, and its subsidiaries (“the Group”). The common stock of Chugai is publicly traded and listed on the Tokyo Stock Exchange under the stock code “TSE: 4519.” The Interim Financial Statements were approved by the Board of Directors on April 24, 2025.

Roche Holding Ltd. is a public company registered in Switzerland and the parent company of the Roche Group, which discloses its results in accordance with IFRS. The shareholding percentage of Roche Holding Ltd. in Chugai is 59.89% (61.11% of the total number of shares issued excluding treasury stock). The Group became principal members of the Roche Group after entering into a strategic alliance in October 2002.

The Group has prepared the Interim Financial Statements in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. However, in accordance with Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements, etc., some disclosures in International Accounting Standard(IAS) No.34 “Interim Financial Reporting” have been omitted.

The Interim Financial Statements should be used with the consolidated financial statements for the year ended December 31, 2024 as they do not include all the information as required for the consolidated financial statements for the full fiscal year.

The Interim Financial Statements are presented in Japanese yen, which is Chugai’s functional currency and amounts are rounded to the nearest ¥1 million. They have been prepared using the historical cost convention except for items that are required to be accounted for at fair value.

b. Key accounting judgments, estimates and assumptions

The preparation of the Interim Financial Statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and contingent amounts. Actual outcomes could differ from those management estimates. The estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and various other factors. Revisions to estimates are recognized in the period in which the estimate is revised.

The information for judgment, estimates, and assumptions that have a material impact on the amount recognized in the Interim Condensed Financial Statements of the Group is principally the same for the prior fiscal year.

However, should the situation persist, it could result in such risks as major revisions of the carrying amounts of assets and liabilities in the following fiscal year and beyond.

c. Changes in accounting policies

The Group applies the same significant accounting policies that were applied to the Interim Financial Statements of the previous fiscal year.

Although minor changes have been made to certain accounting standards, they do not have a material impact on the Group’s overall results and financial position.

2) Operating segment information

The Group has a single business of pharmaceuticals and does not have multiple operating segments. The Group's pharmaceuticals business consists of research and development of new prescription medicines and subsequent manufacturing, marketing and distribution activities. These functional activities are integrated and managed effectively.

Information on revenue by geographical area in millions of yen

	Three months ended March 31			
	2025		2024	
	Sales	Other revenue	Sales	Other revenue
Japan	102,990	360	103,182	312
Overseas	156,732	28,377	101,298	32,157
of which Switzerland	148,541	28,255	94,228	31,834
Total	259,722	28,737	204,480	32,469

Information on revenue by major customers in millions of yen

	Three months ended March 31	
	2025	2024
F. Hoffmann-La Roche Ltd.	170,405	117,497
Alfresa Corporation	15,997	17,733

3) Related parties**Dividends**

The dividends distributed to Roche by Chugai in respect to its holdings of Chugai shares totaled ¥57,323 million as of March 31, 2025 (2024:¥81,459 million).

Material transactions and balances with related parties**Transactions with F. Hoffmann-La Roche in millions of yen**

	Three months ended March 31	
	2025	2024
Revenue	170,405	117,497
Purchases	36,073	45,320

Balances with F. Hoffmann-La Roche in millions of yen

	March 31, 2025	December 31, 2024
Accounts receivable	167,657	201,957
Trade accounts receivable	3,093	7,327