

NOTICE: For the convenience of capital market participants, Chugai makes efforts to provide English translations of the information disclosed in Japanese, provided that the Japanese original prevails over its English translation in the case of any discrepancy found between documentation.



**CHUGAI PHARMACEUTICAL CO., LTD.**

A member of the Roche group

## CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited) (for the three months ended March 31, 2026)

Name of Company: Chugai Pharmaceutical Co., Ltd. April 24, 2026  
 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, 2026

#### (1) Consolidated operating results

	Revenue	% change	Operating profit	% change	Net income	% change
FY2026 Q1	¥321,747 million	11.5	¥158,765 million	16.2	¥115,418 million	18.7
FY2025 Q1	¥288,459 million	21.7	¥136,651 million	36.8	¥97,234 million	30.7

	Net income attributable to Chugai shareholders	% change	Total comprehensive income	% change
FY2026 Q1	¥115,418 million	18.7	¥123,723 million	24.6
FY2025 Q1	¥97,234 million	30.7	¥99,271 million	20.9

	Earnings per share (Basic)	Earnings per share (Diluted)
FY2026 Q1	¥70.13	¥70.13
FY2025 Q1	¥59.09	¥59.08

*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 March 31, 2026	¥2,265,101 million	¥1,907,715 million	¥1,907,715 million	84.2%
As of Dec. 31, 2025	¥2,468,595 million	¥2,025,732 million	¥2,025,732 million	82.1%

## 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. 2025	—	¥125.00	—	¥147.00	¥272.00
FY ending Dec. 2026	—				
FY ending Dec. 2026 (Forecast)		¥66.00	—	¥66.00	¥132.00

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

2. Breakdown of dividends per share at the end of the 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, ¥72.00; 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, ¥122.00; special dividend, ¥150.00 (Special dividend for the company's 100th Anniversary)

## 3. Consolidated forecasts for the year ending December 31, 2026

	Revenue	% change	Core operating profit	% change	Core net income	% change
FY2026 Q1 (Results)	¥321,747 million	23.9	¥163,270 million	24.4	¥118,550 million	24.4
FY ending Dec. 2026 (Forecast)	¥1,345,000 million	6.9	¥670,000 million	7.5	¥485,000 million	7.5

	Core earnings per share	% change	Core dividend payout ratio %
FY2026 Q1 (Results)	¥72.03	24.4	—
FY ending Dec. 2026 (Forecast)	¥295.00	7.7	44.7

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, 2026	1,679,057,667	As of Dec. 31, 2025	1,679,057,667
As of Mar. 31, 2026	33,294,611	As of Dec. 31, 2025	33,344,248
FY2026 Q1	1,645,739,779	FY2025 Q1	1,645,555,845

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 the third quarter results announcement.

Presentation for institutional investors, securities analysts and the media (Online conference with simultaneous interpretation):  
Friday, April 24, 2026 (Japan time).

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

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## 1. Qualitative Information

### (1) Consolidated operating results in billions of yen

	Three months ended March 31, 2026	Three months ended March 31, 2025	% change
Core results			
<b>Revenue</b>	<b>321.7</b>	<b>288.5</b>	<b>+11.5</b>
Sales	291.6	259.7	+12.3
Other revenue	30.2	28.7	+5.2
Cost of sales	(92.3)	(87.5)	+5.5
<b>Gross profit</b>	<b>229.5</b>	<b>201.0</b>	<b>+14.2</b>
Research and development	(41.9)	(40.7)	+2.9
Selling, general and administration	(24.9)	(21.0)	+18.6
Other operating income (expense)	0.6	0.3	+100.0
<b>Operating profit</b>	<b>163.3</b>	<b>139.5</b>	<b>+17.1</b>
<b>Net income</b>	<b>118.6</b>	<b>99.2</b>	<b>+19.6</b>
IFRS results			
Revenue	321.7	288.5	+11.5
Operating profit	158.8	136.7	+16.2
Net income	115.4	97.2	+18.7

#### Consolidated financial highlights (IFRS results)

Revenue for the three months under review was ¥321.7 billion (an increase of 11.5% year on year), operating profit for the three months under review was ¥158.8 billion (an increase of 16.2% year on year), and net income for the three months under review was ¥115.4 billion (an increase of 18.7% 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 ¥0.5 billion and business rebuilding expenses of ¥4.0 billion.

#### Consolidated financial highlights (Core results)

Revenue for the three months under review was ¥321.7 billion (an increase of 11.5% year on year), due to increases in sales and other revenue.

Of revenue, sales were ¥291.6 billion (an increase of 12.3% year on year). Domestic sales exceeded the levels of the same period of the previous fiscal year due to the increase in the sales of the mainstay products Vabysmo, Hemlibra, Polivy, and Phesgo, and the new product Lunsumio, despite the effects of the NHI drug price revisions and the market penetration of generic drugs. Overseas sales increased compared to the same period of the previous fiscal year, due to significant increases in the export of Hemlibra to Roche and the export of NEMLUVIO to Galderma, the company to which the drug was out-licensed. Other revenue was ¥30.2 billion (an increase of 5.2% year on year). It exceeded the levels of the same period of the previous fiscal year mainly due to the increase in royalty income related to NEMLUVIO, despite the decrease in one-time income. Furthermore, cost to sales ratio was 31.7%, a 2.0 percentage point improvement year on year, reflecting a change in product mix, the effects of foreign exchange, and other factors. As a result, gross profit amounted to ¥229.5 billion (an increase of 14.2% year on year).

Research and development expenses were ¥41.9 billion (an increase of 2.9% year on year), exceeding the levels of the same period of the previous fiscal year due to increases associated with investments into drug discovery/early development and the progress of development projects and other factors. Selling, general and administration expenses were ¥24.9 billion (an increase of 18.6% year on year), increasing compared to the same period of the previous fiscal year primarily due to one-off increase in various expenses and due to increase in corporate enterprise tax (factor-based tax). Other operating income (expense) was income of ¥0.6 billion (¥0.3 billion of income for the same period of the previous fiscal year). As a result, core operating profit was ¥163.3 billion (an increase of 17.1% year on year) and core net income was ¥118.6 billion (an increase of 19.6% 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 Supplementary Materials Consolidated Financial Statements for the three months ended March 31, 2026 (IFRS), dated April 24, 2026, on page 1, entitled "Reconciliation of IFRS results to Core results."

**Sales breakdown** in billions of yen

	Three months ended March 31, 2026	Three months ended March 31, 2025	% change
<b>Sales</b>	<b>291.6</b>	<b>259.7</b>	<b>+12.3</b>
<b>Domestic sales</b>	<b>111.4</b>	<b>103.0</b>	<b>+8.2</b>
Oncology	55.7	53.1	+4.9
Specialty	55.7	49.9	+11.6
<b>Overseas sales</b>	<b>180.1</b>	<b>156.7</b>	<b>+14.9</b>

**Domestic sales**

Domestic sales were ¥111.4 billion (an increase of 8.2% year on year) due to the sales growth of mainstay products and new products, despite the effects of the NHI drug price revisions and the market penetration of generic drugs.

Oncology products sales were ¥55.7 billion (an increase of 4.9% year on year). Sales of the mainstay product 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. Meanwhile, sales of mainstay products Polivy (an antimicrotubule binding anti-CD79b monoclonal antibody, anti-cancer agent) and Phesgo (antineoplastic agent/anti-HER2 humanized monoclonal antibody/hyaluronan-degradation enzyme combination drug) performed favorably, and the new product Lunsumio (antineoplastic agent/anti-CD20/CD3 humanized bispecific monoclonal antibody) penetrated the market.

Specialty products sales were ¥55.7 billion (an increase of 11.6% year on year). This was due to the significant increase in sales of the mainstay product Vabysmo (an ophthalmic VEGF/Ang-2 inhibitor, anti-VEGF/anti-Ang-2 humanized bispecific monoclonal antibody), in addition to the strong performance of Hemlibra (a blood coagulation factor VIII substitute/anti-coagulation factor IXa/X humanized bispecific monoclonal antibody).

**Overseas sales**

Overseas sales amounted to ¥180.1 billion (an increase of 14.9% year on year). The export of Hemlibra to Roche and the export of NEMLUVIO (a humanized anti-human IL-31 receptor A monoclonal antibody) to Galderma, both increased significantly.

**R&D activities**

R&D expenses on a Core basis for the first three months under review totaled ¥41.9 billion (an increase of 2.9% year on year), and the ratio of R&D expenses to revenue was 13.0%.

Progress made in R&D activities for the first three months under review was as follows.

Oncology

- We obtained approval for an antineoplastic agent/humanized anti-CD20/CD3 bispecific antibody RG7828 (Product name: Lunsumio) for an additional indication of the treatment of relapsed or refractory large B-cell lymphoma, in combination with Polivy in March 2026.
- We filed for an antineoplastic agent/humanized anti-PD-L1 monoclonal antibody RG7446 (Product name: Tecentriq) for an additional indication of adjuvant therapy for MRD-positive bladder cancer in January 2026. We also decided to discontinue the development for RG7446 for hepatocellular carcinoma (HCC) (2nd Line) (combination with lenvatinib or sorafenib), in consideration of the result of global Phase III study IMbrave251.
- We started global Phase III study for a KRAS G12C inhibitor RG6330 for the treatment of non-small cell lung cancer (NSCLC) (1st Line) in January 2026.
- We started global Phase III study for a PI3K $\alpha$  inhibitor RG6114 for the treatment of *PIK3CA*-mutated breast cancer (endocrine-sensitive) (1st Line) (combination with CDK4/6 inhibitor and letrozole) in February 2026. We also started global Phase III study for RG6114 for the treatment of *PIK3CA*-mutated, HER2-positive breast cancer (1st Line) (combination with Phesgo) in March 2026.

Neuroscience

- We launched a viral vector product RG6356/SRP-9001 (Product name: Elevidys) as a regenerative medicine product for the treatment of Duchenne muscular dystrophy (DMD) (ambulatory patients with DMD who do not have a deletion of any portion or the entirety of exon 8 and/or exon 9 in the *DMD* gene, are negative for anti-AAVrh74 antibodies, and are 3 years to less than 8 years of age) in Japan in February 2026.
- We also decided to discontinue the development for an anti-latent myostatin sweeping antibody GYM329/RG6237 for spinal muscular atrophy (SMA) and facioscapulohumeral muscular dystrophy (FSHD), in consideration of the results of global Phase II/III study MANATEE, and global Phase II study MANOEUVRE, respectively.
- We decided to remove a pH-dependent binding humanized anti-IL-6 receptor monoclonal antibody SA237/RG6168 (Product name: Enspryng) for the treatment of DMD from the pipeline following the decision made by Roche to discontinue the Phase II study due to strategic reasons.

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

	March 31, 2026	December 31, 2025	Change in amount
Net operating assets (NOA) and Net assets			
Net working capital	472.6	527.0	(54.4)
Long-term net operating assets	593.1	583.3	9.8
<b>Net operating assets (NOA)</b>	<b>1,065.7</b>	<b>1,110.3</b>	<b>(44.6)</b>
Net cash	850.1	979.7	(129.6)
Other non-operating assets – net	(8.0)	(64.3)	56.3
<b>Total net assets</b>	<b>1,907.7</b>	<b>2,025.7</b>	<b>(118.0)</b>
Consolidated balance sheet (IFRS basis)			
Total assets	2,265.1	2,468.6	(203.5)
Total liabilities	(357.4)	(442.9)	85.5
Total net assets	1,907.7	2,025.7	(118.0)

Net operating assets (NOA) as of March 31, 2026 were ¥1,065.7 billion, a decrease of ¥44.6 billion since the end of the previous fiscal year. Of NOA, net working capital was ¥472.6 billion, a decrease of ¥54.4 billion from the end of the previous fiscal year, due mainly to a decrease in other accounts receivable for royalties as a result of settlement, despite an increase in inventories. Long-term net operating assets increased by ¥9.8 billion to ¥593.1 billion since the end of the previous fiscal year, mainly due to an increase in intangible assets.

As indicated in “Cash flows” on the next page, net cash, including marketable securities and interest-bearing debt, decreased by ¥129.6 billion since the end of the previous fiscal year to ¥850.1 billion. Other non-operating assets – net increased by ¥56.3 billion since the end of the previous fiscal year to ¥(8.0) billion due mainly to a decrease in current income tax liabilities.

As a consequence, total net assets were ¥1,907.7 billion (a decrease of ¥118.0 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, 2026	Three months ended March 31, 2025	% change
Free cash flows			
Operating profit - IFRS basis	158.8	136.7	+16.2
Operating profit, net of operating cash adjustments	169.6	146.2	+16.0
Operating free cash flows	203.3	162.4	+25.2
<b>Free cash flows</b>	<b>112.2</b>	<b>42.7</b>	<b>+162.8</b>
Net change in net cash	(129.6)	(51.7)	+150.7
Consolidated statement of cash flows (IFRS basis)			
Cash flows from operating activities	122.0	66.7	+82.9
Cash flows from investing activities	113.8	(86.9)	—
Cash flows from financing activities	(244.6)	(95.4)	+156.4
Net change in cash and cash equivalents	(8.6)	(116.8)	(92.6)
Cash and cash equivalents at March 31	418.0	423.4	(1.3)

Operating profit, net of operating cash adjustments, amounted to ¥169.6 billion (an increase of 16.0% 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 ¥203.3 billion (an increase of 25.2% year on year) mainly due to a decrease in net working capital, etc. of ¥56.7 billion, despite deducting an expenditure of ¥12.7 billion for the purchase of property, plant and equipment 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 ¥112.2 billion (an increase of 162.8% year on year) due mainly to income taxes paid of ¥89.3 billion from operating free cash flows.

The net change in net cash calculated by adjusting for dividends paid of ¥242.0 billion, etc. from free cash flows was a decrease of ¥129.6 billion.

The net change in cash and cash equivalents, excluding changes in marketable securities and interest-bearing debt, was a net cash outflow of ¥8.6 billion. The cash and cash equivalents balance at the end of this period amounted to ¥418.0 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, 2026 since the announcement regarding the forecast issued on January 29, 2026.

**(4) Significant agreements**

No significant agreements were decided on or concluded during the first quarter of the fiscal year 2026.

*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	
	2026	2025
<b>Revenue</b>	<b>321,747</b>	<b>288,459</b>
Sales	291,577	259,722
Other revenue	30,170	28,737
Cost of sales	(92,790)	(87,823)
<b>Gross profit</b>	<b>228,957</b>	<b>200,636</b>
Research and development	(41,887)	(40,927)
Selling, general and administration	(28,901)	(23,237)
Other operating income (expense)	596	178
<b>Operating profit</b>	<b>158,765</b>	<b>136,651</b>
Financing costs	42	3
Other financial income (expense)	1,390	(825)
<b>Profit before taxes</b>	<b>160,197</b>	<b>135,829</b>
Income taxes	(44,779)	(38,595)
<b>Net income</b>	<b>115,418</b>	<b>97,234</b>
Attributable to:		
Chugai shareholders	115,418	97,234
Earnings per share		
Basic (yen)	70.13	59.09
Diluted (yen)	70.13	59.08

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

	Three months ended March 31	
	2026	2025
<b>Net income recognized in income statement</b>	<b>115,418</b>	<b>97,234</b>
Other comprehensive income		
Remeasurements of defined benefit plans	—	(12)
Financial assets measured at fair value through OCI	(126)	20
<b>Items that will never be reclassified to the income statement</b>	<b>(126)</b>	<b>9</b>
Financial assets measured at fair value through OCI	4	(2)
Cash flow hedges	8,171	3,660
Currency translation of foreign operations	254	(1,629)
<b>Items that are or may be reclassified to the income statement</b>	<b>8,430</b>	<b>2,028</b>
<b>Other comprehensive income, net of tax</b>	<b>8,305</b>	<b>2,037</b>
<b>Total comprehensive income</b>	<b>123,723</b>	<b>99,271</b>
Attributable to:		
Chugai shareholders	123,723	99,271

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

	March 31, 2026	December 31, 2025
Assets		
Non-current assets:		
Property, plant and equipment	459,516	456,578
Right-of-use assets	22,163	22,903
Intangible assets	58,495	54,539
Deferred tax assets	89,422	88,304
Defined benefit plan assets	26,472	26,249
Other non-current assets	69,592	79,263
<b>Total non-current assets</b>	<b>725,660</b>	<b>727,837</b>
Current assets:		
Inventories	288,289	276,848
Accounts receivable	352,747	442,876
Current income tax assets	194	236
Marketable securities	432,111	553,094
Cash and cash equivalents	417,984	426,602
Other current assets	48,117	41,104
<b>Total current assets</b>	<b>1,539,441</b>	<b>1,740,758</b>
<b>Total assets</b>	<b>2,265,101</b>	<b>2,468,595</b>
Liabilities		
Non-current liabilities:		
Deferred tax liabilities	(3,434)	(4,015)
Defined benefit plan liabilities	(4,724)	(4,245)
Long-term provisions	(4,020)	(4,610)
Other non-current liabilities	(17,506)	(18,914)
<b>Total non-current liabilities</b>	<b>(29,684)</b>	<b>(31,785)</b>
Current liabilities:		
Current income tax liabilities	(51,675)	(91,004)
Short-term provisions	(3,371)	(3,356)
Accounts payable	(107,524)	(127,247)
Other current liabilities	(165,132)	(189,469)
<b>Total current liabilities</b>	<b>(327,702)</b>	<b>(411,077)</b>
<b>Total liabilities</b>	<b>(357,386)</b>	<b>(442,862)</b>
<b>Total net assets</b>	<b>1,907,715</b>	<b>2,025,732</b>
Equity:		
Capital and reserves attributable to Chugai shareholders	1,907,715	2,025,732
<b>Total equity</b>	<b>1,907,715</b>	<b>2,025,732</b>
<b>Total liabilities and equity</b>	<b>2,265,101</b>	<b>2,468,595</b>

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

	Three months ended March 31	
	2026	2025
Cash flows from operating activities		
Cash generated from operations	170,935	147,337
(Increase) decrease in working capital	56,658	40,756
Payments made for defined benefit plans	(525)	(607)
Utilization of provisions	(599)	(310)
Other operating cash flows	(15,125)	(13,583)
<b>Cash flows from operating activities, before income taxes paid</b>	<b>211,343</b>	<b>173,593</b>
Income taxes paid	(89,303)	(106,915)
<b>Total cash flows from operating activities</b>	<b>122,040</b>	<b>66,677</b>
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,661)	(22,035)
Purchase of intangible assets	(7,864)	(469)
Disposal of property, plant and equipment	(36)	(66)
Disposal of intangible assets	—	28
Interest and dividends received	1,507	715
Purchases of marketable securities	(260,468)	(320,000)
Sales of marketable securities	381,447	255,000
Purchases of investment securities	(5)	(60)
Sales of investment securities	11,852	—
Other investing cash flows	24	—
<b>Total cash flows from investing activities</b>	<b>113,796</b>	<b>(86,886)</b>
Cash flows from financing activities		
Interest paid	(144)	(52)
Lease liabilities paid	(2,512)	(2,033)
Dividends paid to Chugai shareholders	(241,990)	(93,408)
Exercise of equity compensation plans	62	115
(Increase) decrease in own equity instruments	(2)	(1)
<b>Total cash flows from financing activities</b>	<b>(244,584)</b>	<b>(95,378)</b>
Net effect of currency translation on cash and cash equivalents	130	(1,196)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(8,618)</b>	<b>(116,783)</b>
Cash and cash equivalents at January 1	426,602	540,202
<b>Cash and cash equivalents at March 31</b>	<b>417,984</b>	<b>423,419</b>

**(4) Interim condensed consolidated statement of changes in equity** in millions of yen**For the three months ended March 31, 2025**

	Attributable to Chugai shareholders				Subtotal	Total equity
	Share capital	Capital surplus	Retained earnings	Other reserves		
<b>As of January 1, 2025</b>	<b>73,202</b>	<b>69,896</b>	<b>1,746,934</b>	<b>11,468</b>	<b>1,901,499</b>	<b>1,901,499</b>
Net income recognized in income statement	—	—	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)
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>97,222</b>	<b>2,048</b>	<b>99,271</b>	<b>99,271</b>
Dividends	—	—	(93,795)	—	(93,795)	(93,795)
Equity compensation plans	—	13	—	—	13	13
Own equity instruments	—	233	—	—	233	233
<b>As of March 31, 2025</b>	<b>73,202</b>	<b>70,142</b>	<b>1,750,362</b>	<b>13,516</b>	<b>1,907,222</b>	<b>1,907,222</b>

**For the three months ended March 31, 2026**

	Attributable to Chugai shareholders				Subtotal	Total equity
	Share capital	Capital surplus	Retained earnings	Other reserves		
<b>As of January 1, 2026</b>	<b>73,202</b>	<b>70,515</b>	<b>1,890,042</b>	<b>(8,026)</b>	<b>2,025,732</b>	<b>2,025,732</b>
Net income recognized in income statement	—	—	115,418	—	115,418	115,418
Financial assets measured at fair value through OCI	—	—	—	(121)	(121)	(121)
Cash flow hedges	—	—	—	8,171	8,171	8,171
Currency translation of foreign operations	—	—	—	254	254	254
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>115,418</b>	<b>8,305</b>	<b>123,723</b>	<b>123,723</b>
Dividends	—	—	(241,920)	—	(241,920)	(241,920)
Equity compensation plans	—	95	—	—	95	95
Own equity instruments	—	85	—	—	85	85
Transfer from other reserves to retained earnings	—	—	14	(14)	—	—
<b>As of March 31, 2026</b>	<b>73,202</b>	<b>70,694</b>	<b>1,763,554</b>	<b>265</b>	<b>1,907,715</b>	<b>1,907,715</b>

**(5) Notes regarding the going concern assumption**

None

**(6) Notes to 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, 2026.

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% (61.10% 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, 2025 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			
	2026		2025	
	Sales	Other revenue	Sales	Other revenue
Japan	111,429	166	102,990	360
Overseas	180,148	30,005	156,732	28,377
of which Switzerland	171,783	27,639	148,541	28,255
<b>Total</b>	<b>291,577</b>	<b>30,170</b>	<b>259,722</b>	<b>28,737</b>

**Information on revenue by major customers in millions of yen**

	Three months ended March 31	
	2026	2025
F. Hoffmann-La Roche Ltd.	185,712	170,405
Alfresa Holdings Corporation and its affiliates	37,250	30,114

**3) Related parties****Dividends**

The dividends distributed to Roche by Chugai in respect to its holdings of Chugai shares totaled ¥147,834 million as of March 31, 2026 (2025: ¥183,032 million).

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

	Three months ended March 31	
	2026	2025
Revenue	185,712	170,405
Purchases	66,401	36,073

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

	March 31, 2026	December 31, 2025
Accounts receivable	205,648	247,468
Trade accounts payable	64,659	35,177