FASF MEMBERSHIP

CHUGAI PHARMACEUTICAL CO., LTD.

A member of the Roche group

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) (Non-Audited)

(for the six months ended June 30, 2026)

Name of Company: Chugai Pharmaceutical Co., Ltd. July 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 of Submission of Semi-annual Marketable Securities Filings: July 27, 2026
Date on which Dividend Payments to Commence: August 28, 2026
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 six months ended June 30, 2026

(1) Consolidated operating results

	Revenue	% change	Operating profit	% change	Net income	% change
FY2026 Q2	¥663,331 million	14.7	¥319,623 million	16.9	¥231,749 million	19.2
FY2025 Q2	¥578,463 million	4.6	¥273,342 million	5.9	¥194,389 million	4.4

	Net income attributable to Chugai shareholders	% change	Total comprehensive income	% change
FY2026 Q2	¥231,749 million	19.2	¥247,467 million	39.8
FY2025 Q2	¥194,389 million	4.4	¥177,047 million	(7.6)

	Earnings per share (Basic)	Earnings per share (Diluted)
FY2026 Q2	¥140.82	¥140.82
FY2025 Q2	¥118.13	¥118.12

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 Jun. 30, 2026	¥2,449,914 million	¥2,027,663 million	¥2,027,663 million	82.8%
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	―	¥66.00			
FY ending Dec. 2026 (Forecast)			―	¥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 Q2 (Results)	¥663,331 million	49.3	¥329,141 million	49.1	¥238,365 million	49.1
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 Q2 (Results)	¥144.84	49.1	―
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)	As of Jun. 30, 2026	1,679,057,667	As of Dec. 31, 2025	1,679,057,667
(b) Number of treasury stock at the end of the period	As of Jun. 30, 2026	33,754,703	As of Dec. 31, 2025	33,344,248
(c) Average number of shares issued during the period (six months)	FY2026 Q2	1,645,672,680	FY2025 Q2	1,645,614,260

Note: The number of treasury stock at the end of the period includes shares of the Company held by the Executive Compensation BIP Trust (177,900 shares as of June 30, 2026) and the Stock Grant ESOP Trust (274,200 shares as of June 30, 2026). Additionally, shares of the Company held by the Executive Compensation BIP Trust and the Stock Grant ESOP Trust were included in the treasury stock to be deducted in the calculation of the average number of shares issued during the period.

Notes:

The interim consolidated financial statements are exempt from interim review conducted by certified public accountants or an audit firm.

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 7 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 second quarter results announcement.

Presentation for institutional investors, securities analysts and the media (Onsite/online conference with simultaneous interpretation): Friday, July 24, 2026 (Japan time).

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

Index of the Attachment

1. Qualitative Information

(1) Consolidated operating results in billions of yen

	Six months ended June 30, 2026	Six months ended June 30, 2025	% change
Core results			
Revenue	**663.3**	**578.5**	**+14.7**
Sales	566.5	511.4	+10.8
Other revenue	96.8	67.0	+44.5
Cost of sales	(195.9)	(175.2)	+11.8
Gross profit	**467.5**	**403.3**	**+15.9**
Research and development	(90.2)	(86.3)	+4.5
Selling, general and administration	(49.0)	(45.4)	+7.9
Other operating income (expense)	0.9	0.4	+125.0
Operating profit	**329.1**	**272.0**	**+21.0**
Net income	**238.4**	**193.5**	**+23.2**
IFRS results			
Revenue	663.3	578.5	+14.7
Operating profit	319.6	273.3	+16.9
Net income	231.7	194.4	+19.2

Consolidated financial highlights (IFRS results)
Revenue for the six months under review was ¥663.3 billion (an increase of 14.7% year on year), operating profit for the six months under review was ¥319.6 billion (an increase of 16.9% year on year), and net income for the six months under review was ¥231.7 billion (an increase of 19.2% 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 ¥1.2 billion and business rebuilding expenses, etc. of ¥8.3 billion.

Consolidated financial highlights (Core results)
Revenue for the six months under review was ¥663.3 billion (an increase of 14.7% year on year), due to increases in sales and other revenue.

Of revenue, sales were ¥566.5 billion (an increase of 10.8% 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, Polivy, Enspryng and Phesgo, and the new products Elevidys and 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 the increase in the export of Hemlibra to Roche and the significant increase in the export of NEMLUVIO to Galderma, the company to which the drug was out-licensed. Other revenue was ¥96.8 billion (an increase of 44.5% year on year). It greatly exceeded the levels of the same period of the previous fiscal year mainly due to the increase in royalty income related to Hemlibra and NEMLUVIO, in addition to the significant increase in one-time income. Furthermore, cost to sales ratio was 34.6%, a 0.3 percentage point rise year on year, reflecting a change in product mix and other factors. As a result, gross profit amounted to ¥467.5 billion (an increase of 15.9% year on year).

Research and development expenses were ¥90.2 billion (an increase of 4.5% 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 ¥49.0 billion (an increase of 7.9% year on year), increasing compared to the same period of the previous fiscal year primarily due to an increase in corporate enterprise tax (factor-based tax) and a temporary increase in various expenses. Other operating income (expense) was income of ¥0.9 billion (¥0.4 billion of income for the same period of the previous fiscal year). As a result, core operating profit was ¥329.1 billion (an increase of 21.0% year on year) and core net income was ¥238.4 billion (an increase of 23.2% 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 six months ended June 30, 2026 (IFRS), dated July 24, 2026, on page 1, entitled "Reconciliation of IFRS results to Core results."

Sales breakdown in billions of yen

	Six months ended June 30, 2026	Six months ended June 30, 2025	% change
Sales	**566.5**	**511.4**	**+10.8**
Domestic sales	**237.9**	**223.3**	**+6.5**
Oncology	117.4	116.6	+0.7
Specialty	120.5	106.7	+12.9
Overseas sales	**328.6**	**288.1**	**+14.1**

Domestic sales
Domestic sales were ¥237.9 billion (an increase of 6.5% 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 ¥117.4 billion (an increase of 0.7% year on year). Sales of Avastin (an antineoplastic agent/humanized anti-VEGF monoclonal antibody) 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 anticancer agent/antimicrotubule binding anti-CD79b monoclonal antibody) and Phesgo (an antineoplastic agent/anti-HER2 humanized monoclonal antibody/hyaluronan-degradation enzyme combination drug) performed favorably, and the new product Lunsumio (an antineoplastic agent/humanized anti-CD20/CD3 bispecific monoclonal antibody) penetrated the market.

Specialty products sales were ¥120.5 billion (an increase of 12.9% year on year). This was due to the steady sales of Enspryng (a pH-dependent binding humanized anti-IL-6 receptor monoclonal antibody), in addition 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), despite the effects of the NHI drug price revisions. Elevidys (a viral vector product), which was launched in February 2026, also successfully penetrated the market.

Overseas sales
Overseas sales amounted to ¥328.6 billion (an increase of 14.1% year on year). The export of Hemlibra (a blood coagulation factor VIII substitute/anti-coagulation factor IXa/X humanized bispecific monoclonal antibody) to Roche increased, while the export of NEMLUVIO (a humanized anti-human IL-31 receptor A monoclonal antibody) to Galderma also increased significantly.

R&D activities

R&D expenses on a Core basis for the first six months under review totaled ¥90.2 billion (an increase of 4.5% year on year), and the ratio of R&D expenses to revenue was 13.6%.

Main progress made in R&D activities for the first six months under review was as follows.

Oncology

- We obtained approval for an antineoplastic agent/humanized anti-CD20/CD3 bispecific monoclonal 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 obtained approval for an antineoplastic agent/ALK inhibitor AF802/RG7853 (Product name: Alecensa) for an additional indication of the treatment of advanced or recurrent *ALK* fusion gene-positive solid tumors in May 2026.
- We obtained approval for an antineoplastic agent/humanized anti-VEGF monoclonal antibody RG435 (Product name: Avastin) for an additional indication of the treatment of neurofibromatosis type 2 in June 2026.
- We filed for an antineoplastic agent/humanized anti-PD-L1 monoclonal antibody RG7446 (Product name: Tecentriq) for additional indications of adjuvant therapy for MRD-positive bladder cancer in January 2026, and maintenance therapy following definitive chemoradiotherapy in locally advanced esophageal cancer in June 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 filed for a selective estrogen receptor degrader RG6171 for adjuvant therapy for hormone receptor-positive, HER2-negative breast cancer with intermediate to high risk of recurrence, and for the treatment of hormone receptor-positive, HER2-negative unresectable or recurrent breast cancer in May 2026, respectively. We also decided to discontinue the development for RG6171 for the treatment of breast cancer (1st Line) (combination with palbociclib), in consideration of the result of global Phase III study persevERA.
- 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 PI3Kα 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.

Immunology

- We filed for an antineoplastic agent/humanized anti-CD20 monoclonal antibody RG7159 (Product name: Gazyva) for an additional indication of idiopathic nephrotic syndrome in May 2026.
- We filed for an endothelin/angiotensin II receptor dual antagonist sparsentan for the treatment of IgA nephropathy in June 2026.
- We started Phase II study for an anti-HLA-DQ2.5/gluten peptides multispecific antibody DONQ52 for the treatment of celiac disease in April 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 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.

Hematology

- We started global Phase III study for an anti-coagulation factor IXa/X bispecific antibody NXT007/RG6512 for the treatment of hemophilia A in April 2026.

Ophthalmology

- A filing application for regulatory approval of a pH-dependent binding humanized anti-IL-6 receptor monoclonal antibody SA237/RG6168 (Product name: Enspryng) for an additional indication of the treatment of thyroid eye disease was accepted by the U.S. FDA in June 2026.
- We filed for a humanized anti-VEGF monoclonal antibody fragment (Fab) RG6321 for the treatment of neovascular age-related macular degeneration and diabetic macular edema in June 2026, respectively.

Other Diseases

- We started global Phase III study for a long-acting GLP-1/GIP receptor agonist RG6640 for the treatment of obesity in April 2026.

(2) Consolidated financial position

Assets, liabilities and net assets in billions of yen

	June 30, 2026	December 31, 2025	Change in amount
Net operating assets (NOA) and Net assets			
Net working capital	497.2	527.0	(29.8)
Long-term net operating assets	617.2	583.3	33.9
Net operating assets (NOA)	**1,114.5**	**1,110.3**	**4.2**
Net cash	962.6	979.7	(17.1)
Other non-operating assets – net	(49.4)	(64.3)	14.9
Total net assets	**2,027.7**	**2,025.7**	**2.0**
Consolidated balance sheet (IFRS basis)			
Total assets	2,449.9	2,468.6	(18.7)
Total liabilities	(422.3)	(442.9)	20.6
Total net assets	2,027.7	2,025.7	2.0

Net operating assets (NOA) as of June 30, 2026 were ¥1,114.5 billion, an increase of ¥4.2 billion since the end of the previous fiscal year. Of NOA, net working capital was ¥497.2 billion, a decrease of ¥29.8 billion from the end of the previous fiscal year, due mainly to a decrease in other accounts receivable and an increase in trade accounts payable, despite an increase in inventories. Long-term net operating assets increased by ¥33.9 billion to ¥617.2 billion since the end of the previous fiscal year, mainly due to investments in the new research building (UKX) and the Bio Drug Substance Manufacturing Building (UK3) at the Ukima Plant.

As indicated in “Cash flows” on the next page, net cash, including marketable securities and interest-bearing debt, decreased by ¥17.1 billion since the end of the previous fiscal year to ¥962.6 billion. Other non-operating assets – net increased by ¥14.9 billion since the end of the previous fiscal year to ¥(49.4) billion due mainly to a decrease in foreign exchange contract liability.

As a consequence, total net assets were ¥2,027.7 billion (an increase of ¥2.0 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, right-of-use assets, intangible assets etc. minus provisions.

Cash flows in billions of yen

	Six months ended June 30, 2026	Six months ended June 30, 2025	% change
Free cash flows			
Operating profit - IFRS basis	319.6	273.3	+16.9
Operating profit, net of operating cash adjustments	339.1	289.8	+17.0
Operating free cash flows	315.7	236.8	+33.3
Free cash flows	**227.0**	**122.8**	**+84.9**
Net change in net cash	(17.1)	31.3	—
Consolidated statement of cash flows (IFRS basis)			
Cash flows from operating activities	249.1	186.1	+33.9
Cash flows from investing activities	(36.0)	(133.5)	(73.0)
Cash flows from financing activities	(250.9)	(97.8)	+156.5
Net change in cash and cash equivalents	(36.2)	(43.1)	(16.0)
Cash and cash equivalents at June 30	390.4	497.1	(21.5)

Operating profit, net of operating cash adjustments, amounted to ¥339.1 billion (an increase of 17.0% 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 six months under review amounted to a net inflow of ¥315.7 billion (an increase of 33.3% year on year) mainly due to a decrease in net working capital, etc. of ¥12.4 billion, despite deducting an expenditure of ¥21.2 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 ¥227.0 billion (an increase of 84.9% year on year) due mainly to income taxes paid of ¥89.5 billion from operating free cash flows.

The net change in net cash calculated by adjusting for dividends paid of ¥241.9 billion, etc. from free cash flows was a decrease of ¥17.1 billion.

The net change in cash and cash equivalents, excluding changes in marketable securities and interest-bearing debt, was a net cash outflow of ¥36.2 billion. The cash and cash equivalents balance at the end of this period amounted to ¥390.4 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, 2026 since the announcement regarding the forecast issued on January 29, 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

	Six months ended June 30	
	2026	2025
Revenue	**663,331**	**578,463**
Sales	566,487	511,439
Other revenue	96,844	67,025
Cost of sales	(197,008)	(175,891)
Gross profit	**466,323**	**402,573**
Research and development	(89,642)	(86,591)
Selling, general and administration	(57,945)	(51,648)
Other operating income (expense)	887	9,008
Operating profit	**319,623**	**273,342**
Financing costs	86	(54)
Other financial income (expense)	5,045	(1,458)
Other income	4,466	–
Profit before taxes	**329,220**	**271,830**
Income taxes	(97,472)	(77,441)
Net income	**231,749**	**194,389**
Attributable to:		
Chugai shareholders	231,749	194,389
Earnings per share		
Basic (yen)	140.82	118.13
Diluted (yen)	140.82	118.12

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

	Six months ended June 30	
	2026	2025
Net income recognized in income statement	**231,749**	**194,389**
Other comprehensive income		
Remeasurements of defined benefit plans	—	(12)
Financial assets measured at fair value through OCI	(111)	65
Items that will never be reclassified to the income statement	**(111)**	**54**
Financial assets measured at fair value through OCI	1	0
Cash flow hedges	13,939	(19,362)
Currency translation of foreign operations	1,889	1,967
Items that are or may be reclassified to the income statement	**15,830**	**(17,395)**
Other comprehensive income, net of tax	**15,718**	**(17,341)**
Total comprehensive income	**247,467**	**177,047**
Attributable to:		
Chugai shareholders	247,467	177,047

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

	June 30, 2026	December 31, 2025
Assets		
Non-current assets:		
Property, plant and equipment	481,623	456,578
Right-of-use assets	21,854	22,903
Intangible assets	59,277	54,539
Deferred tax assets	84,689	88,304
Defined benefit plan assets	26,693	26,249
Other non-current assets	71,590	79,263
Total non-current assets	**745,725**	**727,837**
Current assets:		
Inventories	317,580	276,848
Accounts receivable	381,845	442,876
Current income tax assets	57	236
Marketable securities	572,134	553,094
Cash and cash equivalents	390,439	426,602
Other current assets	42,134	41,104
Total current assets	**1,704,189**	**1,740,758**
Total assets	**2,449,914**	**2,468,595**
Liabilities		
Non-current liabilities:		
Deferred tax liabilities	(4,104)	(4,015)
Defined benefit plan liabilities	(4,898)	(4,245)
Long-term provisions	(3,368)	(4,610)
Other non-current liabilities	(17,693)	(18,914)
Total non-current liabilities	**(30,063)**	**(31,785)**
Current liabilities:		
Current income tax liabilities	(101,149)	(91,004)
Short-term provisions	(2,659)	(3,356)
Accounts payable	(160,700)	(127,247)
Other current liabilities	(127,681)	(189,469)
Total current liabilities	**(392,189)**	**(411,077)**
Total liabilities	**(422,251)**	**(442,862)**
Total net assets	**2,027,663**	**2,025,732**
Equity:		
Capital and reserves attributable to Chugai shareholders	2,027,663	2,025,732
Total equity	**2,027,663**	**2,025,732**
Total liabilities and equity	**2,449,914**	**2,468,595**

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

	Six months ended June 30	
	2026	2025
Cash flows from operating activities		
Cash generated from operations	341,970	286,336
(Increase) decrease in working capital	12,437	16,081
Payments made for defined benefit plans	(1,054)	(1,188)
Utilization of provisions	(1,456)	(2,353)
Other operating cash flows	(13,298)	(5,554)
Cash flows from operating activities, before income taxes paid	**338,600**	**293,323**
Income taxes paid	(89,498)	(107,240)
Total cash flows from operating activities	**249,102**	**186,084**
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,228)	(48,925)
Purchase of intangible assets	(9,891)	(16,230)
Disposal of property, plant and equipment	(60)	7,357
Disposal of intangible assets	14	28
Interest and dividends received	2,636	1,417
Purchases of marketable securities	(590,452)	(589,985)
Sales of marketable securities	571,450	515,630
Purchases of investment securities	(394)	(2,761)
Sales of investment securities	11,876	—
Total cash flows from investing activities	**(36,049)**	**(133,469)**
Cash flows from financing activities		
Interest paid	(285)	(165)
Lease liabilities paid	(4,793)	(3,957)
Dividends paid to Chugai shareholders	(241,925)	(93,846)
Exercise of equity compensation plans	62	126
(Increase) decrease in own equity instruments	(3,932)	(2)
Total cash flows from financing activities	**(250,874)**	**(97,843)**
Net effect of currency translation on cash and cash equivalents	1,658	2,114
Increase (decrease) in cash and cash equivalents	**(36,163)**	**(43,114)**
Cash and cash equivalents at January 1	426,602	540,202
Cash and cash equivalents at June 30	**390,439**	**497,088**

(4) Interim condensed consolidated statement of changes in equity in millions of yen

For the six months ended June 30, 2025

	Attributable to Chugai shareholders					
	Share capital	Capital surplus	Retained earnings	Other reserves	Subtotal	Total equity
As of January 1, 2025	**73,202**	**69,896**	**1,746,934**	**11,468**	**1,901,499**	**1,901,499**
Net income recognized in income statement	—	—	194,389	—	194,389	194,389
Financial assets measured at fair value through OCI	—	—	—	65	65	65
Cash flow hedges	—	—	—	(19,362)	(19,362)	(19,362)
Currency translation of foreign operations	—	—	—	1,967	1,967	1,967
Remeasurements of defined benefit plans	—	—	(12)	—	(12)	(12)
Total comprehensive income	—	—	**194,377**	**(17,330)**	**177,047**	**177,047**
Dividends	—	—	(93,795)	—	(93,795)	(93,795)
Equity compensation plans	—	(120)	—	—	(120)	(120)
Own equity instruments	—	495	—	—	495	495
As of June 30, 2025	**73,202**	**70,271**	**1,847,517**	**(5,862)**	**1,985,127**	**1,985,127**

For the six months ended June 30, 2026

	Attributable to Chugai shareholders					
	Share capital	Capital surplus	Retained earnings	Other reserves	Subtotal	Total equity
As of January 1, 2026	**73,202**	**70,515**	**1,890,042**	**(8,026)**	**2,025,732**	**2,025,732**
Net income recognized in income statement	—	—	231,749	—	231,749	231,749
Financial assets measured at fair value through OCI	—	—	—	(111)	(111)	(111)
Cash flow hedges	—	—	—	13,939	13,939	13,939
Currency translation of foreign operations	—	—	—	1,889	1,889	1,889
Total comprehensive income	—	—	**231,749**	**15,718**	**247,467**	**247,467**
Dividends	—	—	(241,920)	—	(241,920)	(241,920)
Equity compensation plans	—	(67)	—	—	(67)	(67)
Own equity instruments	—	(3,549)	—	—	(3,549)	(3,549)
Transfer from other reserves to retained earnings	—	—	14	(14)	—	—
As of June 30, 2026	**73,202**	**66,898**	**1,879,884**	**7,679**	**2,027,663**	**2,027,663**

(5) Notes regarding the going concern assumption

None

(6) Notes to the interim condensed consolidated financial statements

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 July 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% (61.12% 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 meets all of the requirements for a "Specified Company under Designated International Financial Reporting Standards" as stipulated under Article 1-2, Item (ii) of the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976). Hence, in accordance with Article 312 of the same Ordinance, the Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) No. 34 "Interim Financial Reporting."

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.