

2025年3月期 決算説明会

FY2024 Financial Results Meeting

May 8, 2025

Today's Attendees

代表取締役 社長 COO

Representative Director, President and Chief Operating Officer

滝野 十一

Toichi Takino

執行役員 経営戦略本部 経営管理統括部長

Corporate Officer /
Division Director, Corporate Strategy & Planning,
Business Management Division,

伊藤 雅樹

Masaki Itoh

執行役員 開発本部長

Corporate Officer / Executive Director, Clinical Development

岡本 達也

Tatsuya Okamoto

執行役員 営業本部長

Corporate Officer / Executive Director, Sales and Marketing

北田 浩一

Hirokazu Kitada

オンコロジー統括部長

Director of Oncology Business Division

高橋 宏幸

Hiroyuki Takahashi

Agenda

2025年3月期 業績および今後の見通し

Financial Overview FY 2024 / New-term vision (14:00-14:25)

代表取締役 社長 COO

Representative Director, President and Chief Operating Officer

滝野 十一

Toichi Takino

開発品の進捗状況

Development Pipeline Progress Status (14:25-14:40)

執行役員 開発本部長

Corporate Officer / Executive Director, Clinical Development

岡本 達也

Tatsuya Okamoto

オプジーボの動向

Trend of OPDIVO (14:40-14:55)

執行役員 営業本部長

Corporate Officer / Executive Director, Sales and Marketing

北田 浩一

Hirokazu Kitada

質疑応答

Q&A Session (14:55-15:30)

Cautionary Notes

Forecasts and other forward-looking statements included in this document are based on information currently available and certain assumptions that the Company deems reasonable.

Actual performance and other results may differ significantly due to various factors. Such factors include, but are not limited to:

- (i) failures in new product development**
- (ii) changes in general economic conditions due to reform of medical insurance system**
- (iii) failures in obtaining the expected results due to effects of competing products or generic drugs**
- (iv) infringements of the Company's intellectual property rights by third parties**
- (v) stagnation of product supply from the delay in production due to natural disasters, fires and so on**
- (vi) onset of new side effect of post-licensure medical product and,**
- (vii) currency exchange rate fluctuations and interest rate trend.**

Information about pharmaceutical products (including products currently in development) included in this document is not intended to constitute an advertisement of medical advice.

Key Points of this Meeting

Fiscal year ended March 31, 2025 Full-year results	Decreased revenue and profit in FY2024 compared to FY2023 <ul style="list-style-type: none"> • Revenue, Core Operating Profit, and Core Profit for the Year achieved full-year forecasts • Full-basis operating profit and profit for the period were not achieved as FORXIGA sales milestones fell short
Fiscal year ended March 31, 2026 Full-Year Forecast	For the fiscal year ending March 2026, revenue and profit are expected to increase year on year <ul style="list-style-type: none"> • Forecasts reflect 12 months of sales and expenses related to Deciphera • Increase in OPDIVO Japan sales and royalty income • Decrease in sales of FORXIGA due to drug price reductions and entry of generic products
R & D	In March 2025, Ionis will introduce sapablursen to treat polycythemia vera <ul style="list-style-type: none"> • P2 study expected to be completed by the first half of 2025 Phase 2 study of ONO-4059 to be completed <ul style="list-style-type: none"> • Filing for approval in the US planned by the end of FY2025
Cross- shareholdings Investment Allocation	Cross-shareholdings: Less than 10% of net assets <ul style="list-style-type: none"> • Reduction to continue Updated investment allocation planned for 2022 to 2026

Highlights of Financial Results for FY2024 (Core Basis)

- **Revenue decreased by 3.1% compared to the previous year, totaling ¥486.9 billion, surpassing the revised full-year forecast (announced on October 31, 2024) of ¥485.0 billion.**

The decrease was due to the revision of drug price of OPDIVO, the decline in royalty income from Merck and others due to lower royalty rates, and the absence of the lump-sum payment of ¥17.0 billion from the settlement of a patent-related lawsuit with AstraZeneca recorded in the previous year. However, this was offset by sales of "FORXIGA Tablets" and "QINLOCK" from the Deciphera Pharmaceuticals, LLC.

- **Expense increased compared to the previous year due to the addition of “research and development expenses”, and “selling, general, and administrative expenses” from Deciphera Pharmaceuticals, LLC.**
 - Research and Development Expenses: Continued proactive investment in research and development, including costs related to the drug discovery partnership agreement with LigaChem Biosciences.
 - Selling, General, and Administrative Expenses: Expenses remained at the same level as the previous period, except co-promotion costs for "FORXIGA Tablets".
- **Core operating profit decreased by 37.7% compared to the previous year, totaling ¥112.7 billion, surpassing the revised full-year forecast (announced on October 31, 2024) of ¥110.0 billion.**



Revenue
¥486.9 billion

**YoY -15.8
billion
(-3.1%)**



Goods and Products Sales
¥330.8 billion

YoY +13.8 billion (+4.3%)

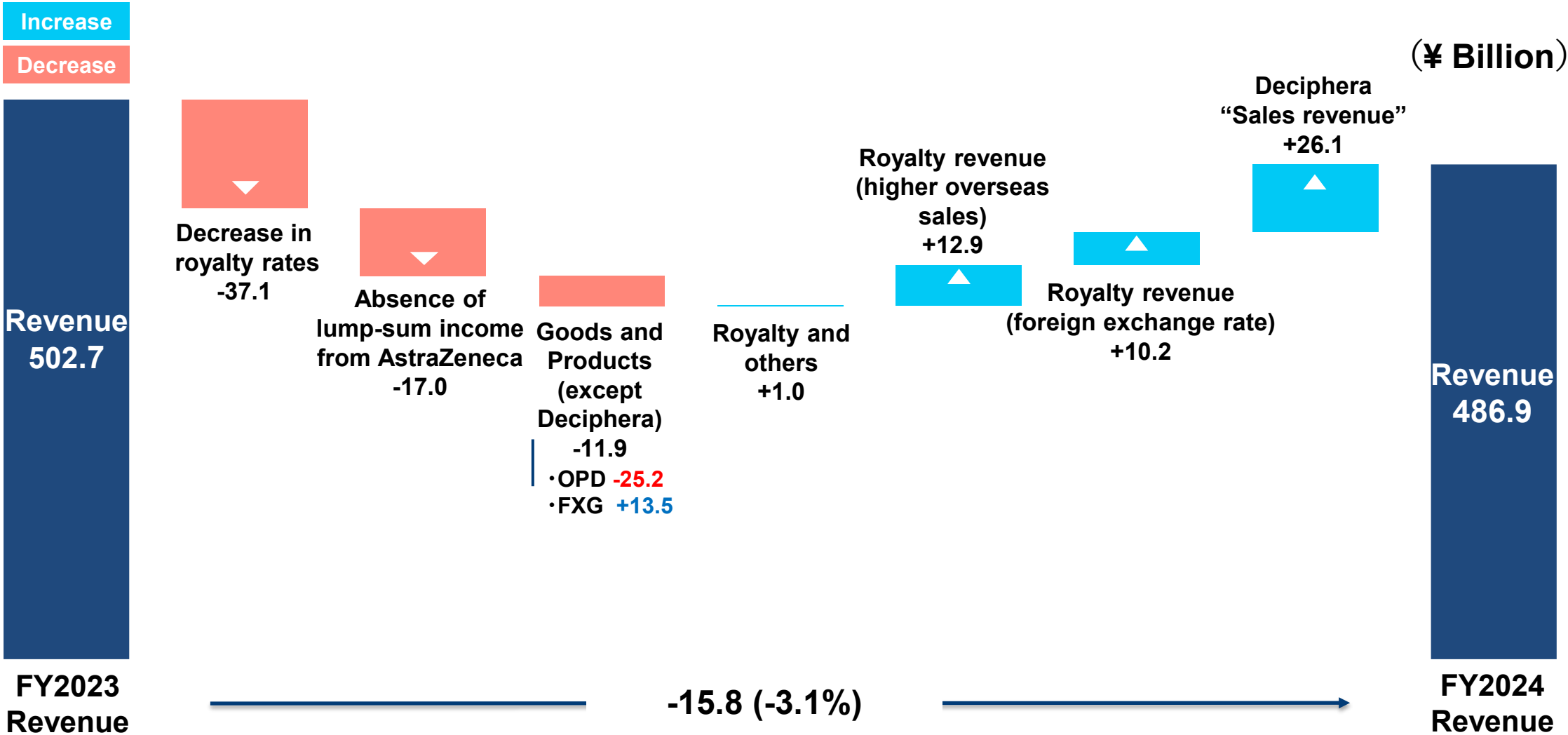


Royalty and Others
¥156.1 billion

YoY -29.6 billion (-15.9%)

FY2024 : Sales Revenue (Breakdown)

- Revenue was decreased mainly due to the revision of drug price of OPDIVO, despite an increase in sales of FORXIGA Tablets.
- Royalty revenue was decreased mainly due to a decrease in royalty rates from Merck, despite an increase in royalty revenue from Bristol-Myers Squibb.



FY2024 : Sales Revenue by Product (Domestic)

¥ in Billion	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change (%)	
Revenue	502.7	<u>486.9</u>	(15.8)	(3.1%)	485.0
Goods and products	317.0	<u>330.8</u>	13.8	4.3%	333.0
Royalty and others	185.7	<u>156.1</u>	(29.6)	(15.9%)	152.0

Goods and Products (Domestic)	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change (%)	
OPDIVO Intravenous Infusion	145.5	<u>120.3</u>	(25.2)	(17.3%)	125.0
FORXIGA Tablets	76.1	<u>89.6</u>	13.5	17.7%	89.0
Orencia for Subcutaneous Injection	25.8	<u>26.6</u>	0.8	3.0%	27.0
Glactiv Tablets	21.2	<u>18.3</u>	(2.8)	(13.4%)	18.5
Velexbru Tablets	10.2	<u>10.5</u>	0.3	3.1%	10.0
Kyprolis for Intravenous Infusion	9.1	<u>8.6</u>	(0.5)	(5.9%)	9.5
Parsabiv Intravenous Injection	8.2	<u>8.4</u>	0.2	2.5%	8.5
Ongentys Tablets	6.3	<u>7.6</u>	1.3	21.0%	7.5

* The consolidated financial forecast for the fiscal year ending March 2025, announced on October 31, 2024, is provided.

• Sales revenue of domestic products is shown in a gross sales basis (shipment price).

• Sales revenue of overseas products is shown in a net sales basis.

FY2024 : Sales Revenue by Product (Overseas) / Royalty

¥ in Billion	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change (%)	
Revenue	502.7	486.9	(15.8)	(3.1%)	485.0
Goods and products	317.0	330.8	13.8	4.3%	333.0
Royalty and others	185.7	156.1	(29.6)	(15.9%)	152.0

Goods and Product (Overseas)	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change (%)	
OPDIVO	12.0	13.1	1.1	9.3%	13.5
QINLOCK	—	25.5	—	—	25.0

Royalty and others	FY2023	FY2024	YoY		
			Change	Change (%)	
OPDIVO	97.9	113.0	15.1	15.4%	
KEYTRUDA®	53.0	26.4	(26.6)	(50.1%)	

* The consolidated financial forecast for the fiscal year ending March 2025, announced on October 31, 2024, is provided.

• Sales revenue of domestic products is shown in a gross sales basis (shipment price).

• Sales revenue of overseas products is shown in a net sales basis.

FY2024 : Core Operating Profit



Core Operating Profit
¥ 112.7 billion

YoY -68.3 billion
(-37.7%)



Revenue ¥ 486.9 billion

YoY -15.8 billion (-3.1%)



R&D Expense ¥143.3 billion

YoY +34.9 billion
(+32.1%)

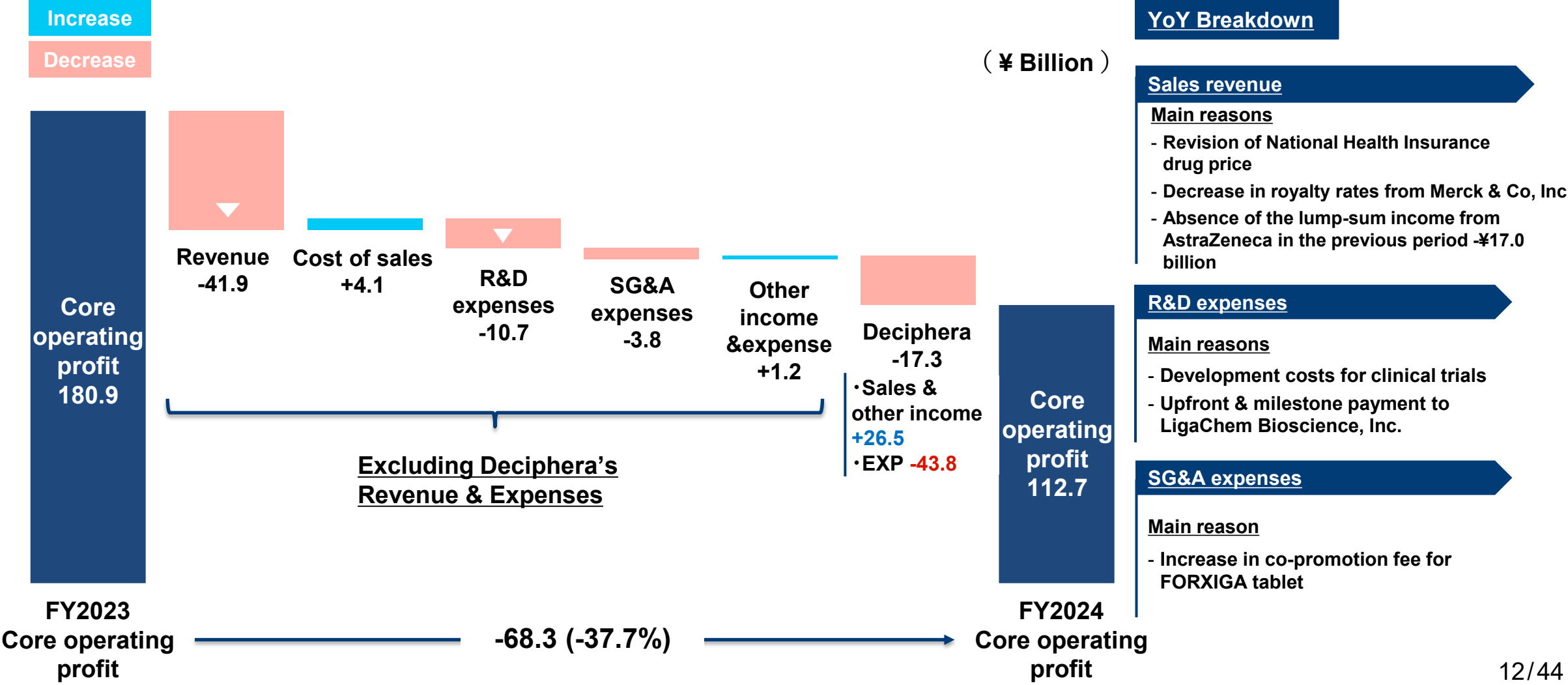


SG&A Expense ¥122.2 billion

YoY +21.9 billion (+21.8%)

FY2024 : Core Operating Profit (Breakdown)

• While revenue decreased, R&D expenses and SG&A expenses increased, and an operating loss was recorded by Deciphera Pharmaceuticals, LLC., resulting in a decrease of ¥68.3 billion from the same period last year to ¥112.7 billion.



FY2024 : Financial Overview (Core)

¥ in Billion	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change(%)	
Revenue	502.7	<u>486.9</u>	(15.8)	(3.1%)	485.0
Cost of sales	109.6	<u>106.9</u>	(2.7)	(2.5%)	109.0
R&D expenses	108.5	<u>143.3</u>	34.9	32.1%	143.0
SG&A expenses	100.3	<u>122.2</u>	21.9	21.8%	120.0
Other income	0.6	<u>1.0</u>	0.4	66.2%	0.5
Other expenses	4.0	<u>2.8</u>	(1.2)	(30.6%)	3.5
Core operating profit	180.9	<u>112.7</u>	(68.3)	(37.7%)	110.0
Core profit before tax	184.7	<u>113.9</u>	(70.8)	(38.3%)	110.5
Core profit for the period (attributable to owners of the Company)	142.5	<u>90.4</u>	(52.2)	(36.6%)	81.0

YoY Breakdown

R&D expenses +¥34.9 billion (+32.1%)

R&D ratio : 29.4%

Main reasons

- Development costs for clinical trials
- R&D expenses from Deciphera +¥24.2 billion
- Upfront & Milestone payment to LigaChem Bioscience, Inc.

SG&A expenses +¥21.9 billion (+21.8%)

Main reasons

- Co-promotion fees for FORXIGA Tablets
- SG&A expenses from Deciphera +¥18.1 billion

* The consolidated financial forecast for the fiscal year ending March 2025, announced on October 31, 2024, is provided.

(Ref) FY2024 : Financial Overview (Full Basis)

¥ in Billion	FY2023	FY2024	YoY		FY2024 Forecast*
			Change	Change (%)	
Revenue	502.7	486.9	(15.8)	(3.1%)	485.0
Cost of sales	127.1	147.9	20.8	16.4%	130.0
R&D expenses	112.2	149.9	37.7	33.6%	147.0
SG&A expenses	100.3	125.7	25.4	25.3%	123.0
Operating profit	159.9	59.7	(100.2)	(62.6%)	82.0
Profit before tax	163.7	59.3	(104.4)	(63.8%)	81.5
Profit for the period (attributable to owners of the Company)	128.0	50.0	(77.9)	(60.9%)	58.0

YoY Breakdown

Cost of sales +¥20.8 billion

Main reasons

- Amortization expenses for intangible assets and inventory assets evaluated at fair value +¥21.5 billion
- Absence of impairment losses on sales licenses recorded in the previous fiscal year -¥11.1 billion
- Recording of sales milestone associated with FORXIGA +¥13.6 billion

R&D expenses +¥37.7 billion R&D ratio : 30.8%

Main reasons

- Increase of development costs for clinical trials
- R&D expenses from Deciphera +¥24.2 billion
- Impairment loss for itolizumab and ONO-7018 +¥6.0 billion
- Upfront & Milestone payment to LigaChem Bioscience, Inc.

SG&A expenses +¥25.4 billion

Main reasons

- Increase of co-promotion fees for FORXIGA Tablets
- R&D expenses from Deciphera +¥18.1 billion
- Expenses associated with the acquisition of Deciphera

* The consolidated financial forecast for the fiscal year ending March 2025, announced on October 31, 2024, is provided.

(Ref) FY2024 : Reconciliation from Full to Core Basis

¥ in Billion	IFRS (Full) basis	Adjustment			Core basis
		Amortization	Impairment loss	Others	
Sales revenue	486.9				486.9
Cost of sales	(147.9)	14.6		26.5	(106.9)
Gross profit	338.9	14.6	—	26.5	380.0
R&D costs	(149.9)		6.0	0.5	(143.3)
SG&A expenses	(125.7)			3.5	(122.2)
Other income /expenses	(3.7)		2.0	(0.2)	(1.8)
Operating profit	59.7	14.6	8.0	30.3	112.7
Operating profit ratio	12.3%				23.1%
Finance income / Finance cost	(0.5)			1.8	1.2
Profit before tax	59.3	14.6	8.0	32.0	113.9
Income tax expense	(9.2)	(4.0)	(2.3)	(8.0)	(23.4)
Profit for the year	50.0	10.7	5.7	24.0	90.4

Breakdown

Cost of sales -¥41.1 billion

Main reasons

- Amortization expenses related to intangible assets acquired through acquisitions or in-licensing
- FORXIGA sales milestone ¥13.6 billion
- Amortization expenses related to inventories from PPA

R&D expenses -¥6.5 billion

Main reasons

- Impairment loss from itolizumab ¥3.5 billion
- Impairment loss from ONO-7018 ¥2.5 billion

SG&A expenses and Other income&expense -¥5.3 billion

Main reasons

- Expenses related to the acquisition of Deciphera
- Impairment losses related to the integration of Deciphera & Ono Pharma US



Revenue
¥490.0 billion

**YoY +3.1 billion
(+0.6%)**



Goods and Products Sales
¥330.0 billion

YoY -0.8 billion (-0.2%)



Royalty and Others
¥160.0 billion

YoY +3.9 billion (+2.5%)

FY2025 : Financial Forecast (Sales by Product)

¥ in Billion

Goods and Products (Domestic)	FY2024	FY2025 Forecast	YoY	
			Change	Change (%)
Opdivo Intravenous Infusion	120.3	<u>125.0</u>	4.7	3.9%
FORXIGA Tablets	89.6	<u>80.0</u>	(9.6)	(10.7%)
Orencia for Subcutaneous Injection	26.6	<u>28.0</u>	1.4	5.2%
Glactiv Tablets	18.3	<u>12.0</u>	(6.3)	(34.6%)
Velexbru Tablets	10.5	<u>11.0</u>	0.5	4.4%
Kyprolis for Intravenous Infusion	8.6	<u>9.0</u>	0.4	4.6%
Parsabiv Intravenous Injection	8.4	<u>9.0</u>	0.6	6.7%
Ongentys Tablets	7.6	<u>9.0</u>	1.4	17.8%

Goods and Product (Overseas)	FY2024	FY2025 Forecast	YoY	
			Change	Change (%)
OPDIVO	13.1	<u>13.5</u>	0.4	2.9%
QINLOCK	25.5	<u>34.0</u>	8.5	33.4%
ROMVIMZA	N/A	<u>5.0</u>	—	—

* Sales revenue of domestic products is shown in a gross sales basis (shipment price).

* Sales revenue of overseas products is shown in a net sales basis.

FY2025 : Financial Forecast (Core Operating Profit)



Core Operating Profit
¥ 114.0 billion

**YoY +1.3
billion
(+1.2%)**



Revenue ¥ 490.0 billion
YoY +3.1 billion (+0.6%)



R&D Expense ¥150.0 billion
YoY +6.7 billion (+4.7%)



SG&A Expense ¥120.0 billion
YoY -2.2 billion (-1.8%)

FY2025 : Financial Forecast

(Core/Compared to the Previous Year)



¥ in Billion	FY2024 Actual	FY2025 Forecast	Change	Change (%)
Revenue	486.9	<u>490.0</u>	3.1	0.6%
Cost of sales	106.9	<u>103.5</u>	(3.4)	(3.1%)
R&D expenses	143.3	<u>150.0</u>	6.7	4.7%
SG&A expenses	122.2	<u>120.0</u>	(2.2)	(1.8%)
Core operating profit	112.7	<u>114.0</u>	1.3	1.2%
Core profit before tax	113.9	<u>114.0</u>	0.1	0.1%
Income tax expense	23.4	<u>23.0</u>	(0.4)	(1.8%)
Core profit for the year	90.4	<u>91.0</u>	0.6	0.7%

Breakdown

Cost of sales -¥3.4 billion (-3.1%)

Main reason

- Decrease in sales related to FORXIGA tablets and long-term listed products

R&D expenses +¥6.7 billion (+4.7%)

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Costs associated with Sapablursen in-licensed from Ionis Pharmaceuticals, Inc.
- Promotion of cost efficiency measures

SG&A expenses -¥2.2 billion (-1.8%)

Main reasons

- Promotion of cost efficiency measures

* The exchange rate assumed in the financial forecast is ¥145 per US dollar.

FY2025 : Financial Forecast

(Full / Compared to the Previous Year)



<u>¥ in Billion</u>	FY2024 Actual	FY2025 Forecast	Change	Change (%)
Revenue	486.9	<u>490.0</u>	3.1	0.6%
Cost of sales	147.9	<u>135.0</u>	(12.9)	(8.8%)
R&D expenses	149.9	<u>150.0</u>	0.1	0.1%
SG&A expenses	125.7	<u>120.0</u>	(5.7)	(4.5%)
Operating profit	59.7	<u>85.0</u>	25.3	42.3%
Profit before tax	59.3	<u>85.0</u>	25.7	43.3%
Income tax expense	9.2	<u>18.0</u>	8.8	96.5%
Profit for the year	50.0	<u>67.0</u>	17.0	33.9%

Breakdown

Cost of sales -¥12.9 billion (-8.8%)

Main reasons

- Decrease in sales related to FORXIGA tablets and long-term listed products
- Absence of sales milestone on FORXIGA recorded in the previous fiscal year

R&D expenses +¥0.1 billion (+0.1%)

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Costs associated with Sapablursen in-licensed from Ionis Pharmaceuticals, Inc.
- Absence of impairment losses on development compounds in the previous fiscal year

SG&A expenses -¥5.7 billion (-4.5%)

Main reasons

- Costs related to Deciphera Pharmaceuticals (from 9 months to 12 months)
- Promotion of cost efficiency measures

* The exchange rate assumed in the financial forecast is ¥145 per US dollar.

The sensitivity to exchange rates is assumed to be an increase of ¥1.3 billion in revenue and an increase of ¥0.3 billion in operating profit for every ¥1 depreciation of the yen.

Deciphera Performance Trends

- Acquisition completed in June 2024 and P/L consolidation started in July 2024
- Sales of QINLOCK, already launched, are progressing steadily. Sales in the fiscal year ended in March 2025 were 25.5 billion yen. Sales in the fiscal year ending March 2026 are expected to be 34 billion yen.
- In February 2025, we launched ROMVIMZA, a drug for the treatment of tenosynovial giant cell tumors, in the United States.

Functions of ONO Pharma US will be integrated into Deciphera around July 2025.

Single-year profitability is expected in FY2027.

FY2024 Results (2024.7-2025.3)

Product Sales: 26.1 billion yen (102.4% of plan)

Expenses: 42.3 billion yen

- R&D expenses 24.2 billion yen, SG&A expenses 18.1 billion yen



QINLOCK®
(ripretinib) 50 mg tablets

(Approved in 40 + countries)

FY2025 Full-Year Forecast (2025.4-2026.3)

Product sales: Approx. 40 billion yen

Expenses: About 57 billion yen

- R&D expenses approximately 36 billion yen, SG&A expenses approximately 21 billion yen

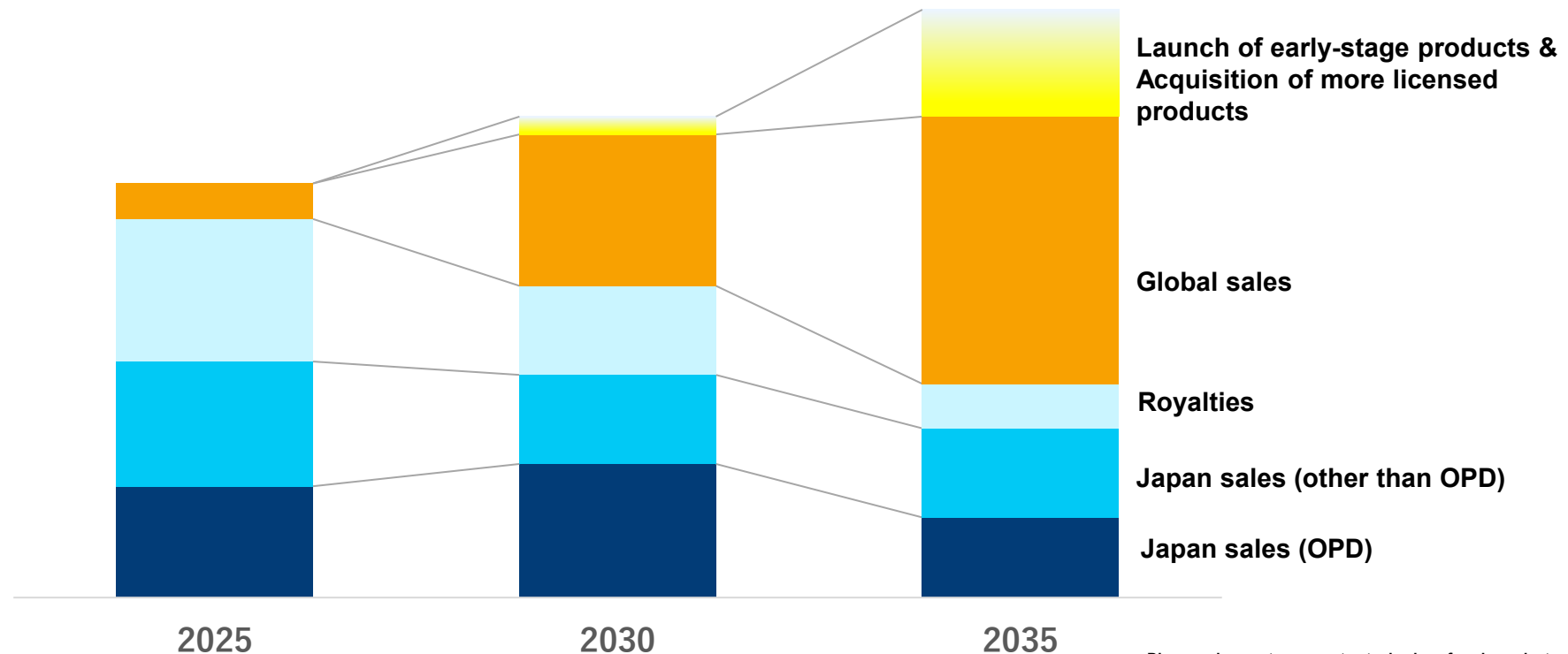


Romvimza™
(vimseltinib) 30mg Capsules

(Launched in US, EU pending)

Projection for the Next 10 Years

- + Increase sales of global products (QINLOCK, ROMVIMZA, VELEXBRU, Sapablursen) ↗
- + Royalties for OPDIVO's subcutaneous formulations and compounds will continue after the expiration of the patent for the intravenous formulation expires ↗
- + Launch of ONO-2017 and Gel-One in Japan ↗
- + Launch of in-house products ↗
- During 2025 to 2026, patents for diabetes-related products (FORXIGA, GLACTIV) will expire. ↘
- Patent expiration for OPDIVO (US 2028, Europe 2030, Japan 2031) ↘



Results of Reduction of Cross-Shareholdings

- Reduction plan (published on November 1, 2021)
 - Over the next 3 and a half years, the company will reduce its cross-shareholdings by about 30% as of the end of September 2021 (¥141.8 billion).
 - Under the medium-to long-term plan, we aim for the ratio of strategic shareholdings to net assets (on a balance sheet basis) to be less than 10%.

➤ Results of reduction

- Reduction (Market price at the end of September 2021 : ¥ 69.5bil (49.0%))
- The ratio of cross-shareholdings to net assets (on a balance sheet basis) : 9.4%

	End of September 2021	End of March 2025	Reduction*	Reduction rate
Market price at the end of September 2021	¥ 141.8 bil	¥ 72.3 bil	¥ 69.5 bil	49.0%

*Contain the growth investments after October 2021

(Reference)

	End of September 2021	End of March 2025	Reduction	Reduction rate
Balance sheet accounting amount	¥ 141.8 bil	¥ 74.1 bil	¥ 67.7 bil	47.7%

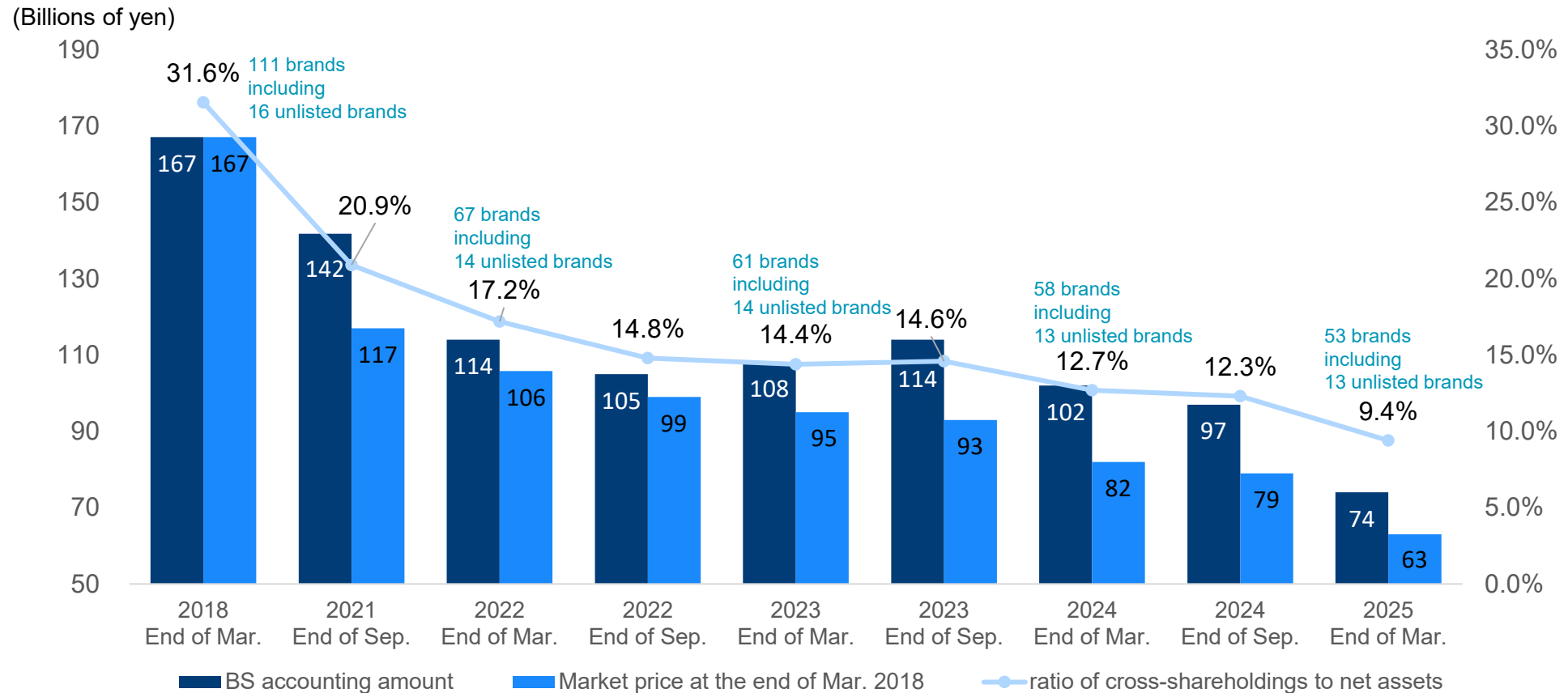
※End of March 2025
Ratio of Cross-shareholdings to net assets : 9.4%

Status of reduction of Cross-shareholdings

➤ Reduction plan

We will continue to reduce our cross-shareholdings as part of our efforts to enhance corporate value.

➤ Changes of reduction



Update of Investment Allocation (FY 2022 to FY 2026)

