

Consolidated Financial Results for the Nine-Month Period Ended September 30, 2026 [IFRS]

October 30, 2026

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 Stock exchange listing : Tokyo Stock Exchange
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 Scheduled date of dividend payment commencement : –
 Supplementary materials for financial results : Yes
 Earnings announcement for financial results : Yes (for institutional investors, analysts and the press)

(Figures are rounded down to the nearest million unless otherwise stated)

1. Consolidated Financial Results for the Nine-Month Period Ended September 30, 2026 (January 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (cumulative)

(% indicates percentage of change from the same period of the previous fiscal year)

	Revenue		Business profit		Operating profit		Profit for the period		Profit attributable to owners of the Company		Total comprehensive income for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine-month period ended September 30, 2026	2,042,439	12.3	436,884	19.2	423,733	4.0	326,463	8.3	322,105	8.2	323,881	21.0
September 30, 2025	1,818,743	5.1	366,503	1.3	407,421	56.1	301,425	54.6	297,658	55.3	267,571	31.6

(Reference) Profit before tax: Nine-month period ended September 30, 2026 ¥422,273 million [7.5%]
 Nine-month period ended September 30, 2025 ¥392,772 million [53.4%]

* Business profit is an indicator of ordinary earnings power calculated as follows: Revenue – Cost of sales – Selling, general and administrative expenses – Research and development expenses + Share of profit of investments accounted for using the equity method

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine-month period ended September 30, 2026	612.03	–
September 30, 2025	560.81	–

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of September 30, 2026	4,323,273	3,285,658	3,216,875	74.4	6,140.15
As of December 31, 2025	4,197,562	3,099,761	3,033,444	72.3	5,743.73

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2025	—	70.00	—	70.00	140.00
FY2026	—	100.00	—		
FY2026 (forecast)				100.00	200.00

* Revisions to dividends forecast most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(% indicates percentage of change from the same period of the previous fiscal year)

	Revenue		Business profit		Operating profit		Profit for the year		Profit attributable to owners of the Company	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
FY2026	2,725,000	10.4	500,000	12.1	488,000	1.8	375,000	2.4	370,000	1.9

*1 Revisions to financial forecast most recently announced: Yes

*2 Otsuka Holdings Co., Ltd. (hereinafter referred to as the “Company”) resolved to implement share buybacks and cancellation of treasury shares at the Meeting of the Board of Directors held on February 13, 2026, and to conduct a cancellation of treasury shares at the Meeting of the Board of Directors held on October 30, 2026. The Company has considered the impact of the share buybacks and cancellation of treasury shares on “Basic earnings per share” in the forecast of consolidated financial results. Please refer to “2. Condensed Interim Consolidated Financial Statements and Major Notes (6) Notes to Condensed Interim Consolidated Financial Statements, (Significant Subsequent Events)” on page 19 for details on this share buybacks and cancellation of treasury shares.

† Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (Otsuka Clinical Nutrition America LLC, Transcend Therapeutics, Inc.)
Excluded: – companies (–)
- (2) Changes in accounting policies and changes in accounting estimates
 - 1) Changes in accounting policies required by IFRS: None
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
- (3) Number of shares issued and outstanding (ordinary shares)
 - 1) Number of shares issued and outstanding as of the end of the period (including treasury shares):

September 30, 2026	542,988,917 shares
December 31, 2025	542,988,917 shares
 - 2) Number of shares of treasury shares as of the end of the period:

September 30, 2026	19,081,004 shares
December 31, 2025	14,857,548 shares
 - 3) Average number of shares outstanding during the period:

Nine-month period ended September 30, 2026	526,289,803 shares
Nine-month period ended September 30, 2025	530,759,580 shares

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

* Note to ensure appropriate use of forecasts, and other comments in particular

Forecasts and other forward-looking statements included in this report 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. Please refer to “1. Overview of Operating Results and Financial Position (3) Forecast for Consolidated Financial Results” on page 9 for details with regard to the assumptions and other matters concerning the financial forecast.

The Company will hold a conference call for institutional investors, analysts and the press on Friday, October 30, 2026. The video and audio of the proceedings, along with the presentation materials to be used on the day, will be made available on the Company’s website promptly after the call.

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1. Overview of Operating Results and Financial Position

The forward-looking statements in this report were prepared based on information available as of September 30, 2026.

(1) Overview of Consolidated Operating Results for the Nine-Month Period Ended September 30, 2026

Summary of consolidated financial results for the nine-month period ended September 30, 2026

The Company and its affiliated companies (hereinafter referred to as the “Group”) adopted “Business profit” as an indicator of ordinary earnings power, which is calculated as follows:

Revenue – Cost of sales – Selling, general and administrative expenses – Research and development expenses + Share of profit of investments accounted for using the equity method

	(Millions of yen)			
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2026	Change	% Change
Revenue	1,818,743	2,042,439	223,695	12.3%
Business profit before research and development expenses	615,151	697,201	82,049	13.3%
Business profit	366,503	436,884	70,381	19.2%
Operating profit	407,421	423,733	16,312	4.0%
Profit before tax	392,772	422,273	29,501	7.5%
Profit for the period	301,425	326,463	25,037	8.3%
Profit attributable to owners of the Company	297,658	322,105	24,447	8.2%
Research and development expenses	248,648	260,316	11,668	4.7%
Impairment losses	14,272	14,750	478	3.4%

The Otsuka Group identifies unmet or potential needs and challenges related to health and proposes new perspectives and behavioral transformation on health to society in order to address them. As people’s health needs evolve toward well-being, which encompasses physical, mental, and social aspects, we create and provide products and services across a wide range of business areas supporting health—from disease treatment to diagnosis, prevention, and health maintenance and promotion. Furthermore, we aim to be a company that not only creates and provides such products and services but also offers new choices and appropriate information for daily life, collaborates with local communities, and delivers value that supports each individual’s health and way of life.

Revenue for the nine-month period ended September 30, 2026 totaled ¥2,042,439 million (up 12.3% over the same period of the previous fiscal year), as all operating segments recorded increased revenue. The main factors behind this growth were increases in the two core products of antipsychotic agent *REXULTI/RXULTI* and anti-cancer agent *LONSURF*, which have been designated the growth drivers under the Fourth Medium-Term Management Plan, as well as sales growth of the long-acting injection *ABILIFY MAINTENA/ABILIFY ASIMTUFI* and the anti-APRIL antibody *VOYXACT* launched in 2025, the increase in royalty income, and the new IV solution business in the U.S. launched in May 2025, among others, in the pharmaceutical business. In the nutraceutical business, revenue increased due to growth in all three designated growth driver categories by social issues.

Business profit before research and development expenses was ¥697,201 million (up 13.3%). The main factor was the increase in gross profit due to increased revenue of main products in the pharmaceutical business and growth in royalty income.

Research and development expenses totaled ¥260,316 million (up 4.7%). Development expenses related to clinical development increased, primarily driven by repinetrabit, in development for the treatment of Phenylketonuria, TSND-201, in development for the treatment of post-traumatic stress disorder (PTSD), futibatnib, in development for biliary tract cancer, and ARC-02, an antibody-drug conjugate (ADC), for which clinical trials have been newly initiated. On the other hand, development expenses for centanafadine and ulotaront, etc. decreased, resulting in expenses being at the same level as the same period of the previous fiscal year when excluding the impact of exchange rates.

Against the backdrop of steady revenue growth, business profit totaled ¥436,884 million (up 19.2%) and operating profit totaled ¥423,733 million (up 4.0%).

Profit for the period was ¥326,463 million (up 8.3%), and profit attributable to owners of the Company was ¥322,105 million (up 8.2%).

Results by business segment are as follows.

Revenue and business profit by business segment during the nine-month period ended September 30, 2026

(Millions of yen)

	Pharmaceuticals	Nutraceuticals	Consumer products	Others	Adjustments	Consolidated
Revenue	1,460,575	460,631	26,967	97,033	(2,769)	2,042,439
Business profit	389,601	61,478	24,511	7,361	(46,067)	436,884

Reference (nine-month period ended September 30, 2025)

(Millions of yen)

	Pharmaceuticals	Nutraceuticals	Consumer products	Others	Adjustments	Consolidated
Revenue	1,278,680	430,767	25,811	85,991	(2,506)	1,818,743
Business profit	320,986	59,142	21,174	6,701	(41,502)	366,503

1) Pharmaceuticals

Revenue for the nine-month period ended September 30, 2026 totaled ¥1,460,575 million (up 14.2%), with business profit of ¥389,601 million (up 21.4%).

Main products

- Antipsychotic agent *REXULTI**¹/*RXULTI**²

In the U.S., prescriptions grew mainly due to ongoing activities to raise awareness of major depressive disorder and agitation associated with dementia due to Alzheimer's disease and enhancement of detailing activities. In Japan, in addition to the indication for the treatment of schizophrenia, depression, and depressive states, prescriptions grew due to the continued provision of information related to agitation associated with dementia due to Alzheimer's disease*³. As a result, sales of *REXULTI*/*RXULTI* totaled ¥296,484 million (up 21.4%).

*1: Brand name for the antipsychotic agent outside Europe

*2: Brand name for the antipsychotic agent in Europe

*3: In the Japanese package insert, the indications and effects are described as "excessive motor activity or physically/verbally aggressive behavior due to rapid changes in mood, irritability, and/or outbursts associated with dementia due to Alzheimer's disease."

- Anti-cancer agent *LONSURF*

In the U.S., Europe and Japan, the number of prescriptions for treatment in combination with bevacizumab for colorectal cancer increased as awareness grew. Sales of *LONSURF* totaled ¥90,031 million (up 15.4%).

- Aripiprazole long-acting injection (1 month) *ABILIFY MAINTENA*

In the U.S. and Japan, continued detailing activities for bipolar I disorder and schizophrenia led to sales of ¥186,532 million (up 11.4%).

- Aripiprazole long-acting injection (2 months) *ABILIFY ASIMTUFII*

In the U.S. and Europe, sales increased significantly atop growth in prescriptions as a result of the progress made in the switch from the aripiprazole long-acting injection (1 month) *ABILIFY MAINTENA*, etc., in addition to detailing activities regarding the efficacy of the product. As a result, sales of *ABILIFY ASIMTUFII* totaled ¥42,939 million (up 66.6%).

- V₂-receptor antagonist *Samsca*/*JINARC**⁴/*JYNARQUE**⁵

In the U.S., the penetration of generics following the end of the exclusive sales period as treatment for autosomal dominant polycystic kidney disease (ADPKD) led to a significant decrease in sales. Sales of *Samsca*/*JINARC*/*JYNARQUE* totaled ¥125,133 million (down 31.1%).

*4: Brand name for ADPKD treatment in multiple regions outside Japan

*5: Brand name for ADPKD treatment in the U.S.

- Anti-APRIL antibody *VOYXACT*

In the U.S., in November 2025, accelerated approval was granted for the treatment of adult IgA nephropathy, and it was launched as the first anti-APRIL antibody treatment, with the number of prescriptions continuing to progress favorably. Sales of *VOYXACT* totaled ¥35,465 million.

2) Nutraceuticals

Revenue for the nine-month period ended September 30, 2026 totaled ¥460,631 million (up 6.9%), with business profit of ¥61,478 million (up 3.9%).

<Three categories by social issues>

- For Climate & Environmental Risk

Sales volume of *POCARI SWEAT*, an electrolyte supplement drink, was lower than the previous year in Japan mainly due to the impact of unfavorable weather conditions from July to September. Nevertheless, we continued efforts to educate and support consumers about hydration and replenishment of electrolytes for heat acclimatization and heatstroke prevention even before the heat intensified. On the other hand, overseas, our efforts to improve brand value contributed to an increase in sales volume in certain areas, particularly in Indonesia, the Philippines and Vietnam, leading to an overall increase in sales over the same period of the previous fiscal year. Sales of the Nutrition & Santé SAS, which sells health food products mainly in Europe, increased mainly due to steady performance in the main products such as *Gerblé*. As a result, revenue for this category totaled ¥163,542 million (up 3.6%).

- For Women's Health

In Japan, for *EQUELLE*, a food and supplement brand containing equol, the acquisition of new customers and the expansion of regular customers contributed to increased sales, driven by the expansion of product trial opportunities and other initiatives. As a result, revenue for this category totaled ¥47,759 million (up 6.0%).

- For Healthier Life

Nature Made supplements by Pharmavite LLC are created and expanded around three core value pillars - Science, Quality, and Innovation. In the U.S., sales of main products continued to perform favorably, and the market share also expanded. Revenue for this category, including the new product */zeroz*, which focuses on oxygen and was launched by Otsuka Pharmaceutical Co., Ltd. ("Otsuka Pharmaceutical") in Japan in March 2026 totaled ¥193,383 million (up 14.2%).

[Products comprising the category]

For Climate & Environmental Risk: *POCARI SWEAT*, *OS-1*, *Daiya*, the Nutrition & Santé SAS brand

For Women's Health: *EQUELLE*, *Bonafide*, *Ugora*, Cosmedics*⁶ (*InnerSignal*, *Sakuraé*)

For Healthier Life: *Nature Made*, *MegaFood*, *Calorie Mate*, */zeroz*

*6: Cosmedics: a word coined by cosmetics + medicine = Otsuka's unique concept for skin health products

3) Consumer products

Revenue for the nine-month period ended September 30, 2026 totaled ¥26,967 million (up 4.5%), with business profit of ¥24,511 million (up 15.8%) in part due to an increase in share of profit of investments accounted for using the equity method.

Sales volume of *CRYSTAL GEYSER*, mineral water, and *MATCH*, a carbonated vitamin drink, decreased from the same period of the previous fiscal year, as the overall beverage market in Japan faced challenging conditions due to the impact of the weather.

4) Others

Revenue for the nine-month period ended September 30, 2026 totaled ¥97,033 million (up 12.8%), with business profit of ¥7,361 million (up 9.9%).

In the specialty chemical business, shipments for automobiles and electronic equipment grew, primarily in the global markets, leading to increased revenue.

Revenue increased in the transportation and warehousing business due to the expansion of joint pharmaceutical logistics and the acquisition of new external sales contracts.

* Please refer to the Supplement Documents (FACT BOOK) for sales by product and other information.

<https://www.otsuka.com/en/ir/library/materials.html>

Research and Development Activities

Research and development expenses for the nine-month period ended September 30, 2026 totaled ¥260,316 million.

The primary areas of research and development as well as the status of new product development by segment were as follows:

Pharmaceuticals

Based on the theme of “unmet medical needs,” the Group conducts research and development with a primary focus on the areas of psychiatry and neurology, oncology, the autoimmunity, and rare diseases.

Research and development expenses in the pharmaceutical business for the nine-month period ended September 30, 2026 were ¥246,316 million.

Research and development activities in the pharmaceutical business carried out for the nine-month period ended September 30, 2026 are summarized below.

Category	Development Code	Brand Name	Generic Name	Area	Treatment/ Indication	Status* ¹
Psychiatry and neurology	OPC-214870	—	—	U.S.	Epilepsy	Discontinued for strategic reasons
	EB-1020	SIMTRIYO	centanafadine	China	Attention-deficit hyperactivity disorder	Phase II/III trial was initiated in March 2026
				U.S.	Attention-deficit hyperactivity disorder	Granted approval in July 2026
	SEP-363856	—	ulotaront	U.S.	Major depressive disorder	Discontinued for strategic reasons
				Japan and U.S.	Generalized anxiety disorder	Phase III trial was initiated in August 2026
	TSND-201	—	methylone	U.S.	Post-traumatic stress disorder	Phase III trial was initiated in April 2026
	SEP-380135	—	—	U.S.	Undetermined	Discontinued for strategic reasons
Oncology	TAS1553	—	—	U.S.	Acute myeloid leukemia	Discontinued for strategic reasons
	ASTX727	INQOVI/ INAQOVI	decitabine, cedazuridine	U.S.	Acute myeloid leukemia* ²	Granted approval in May 2026
				Europe	Acute myeloid leukemia* ²	Granted approval in June 2026
	AB122 + TAS-120	—	zimberelimab + futibatinib	Japan	Biliary tract cancer	Phase III trial was initiated in June 2026
	AB521	—	casdatifan	Japan	Clear cell renal cell carcinoma	Phase III trial was initiated in June 2026
	ARC-02	—	—	U.S.	Non-Hodgkin lymphoma	Phase I trial was initiated in June 2026
	TAS-120	LYTGOBI	futibatinib	U.S. and Europe	Breast cancer	Discontinued for strategic reasons
				Japan, U.S. and Europe	Cancers with FGFR aberrations	Discontinued for strategic reasons
				U.S. and Europe	Urothelial cancer	Discontinued for strategic reasons
				U.S. and Europe	Solid tumors (esophageal cancer, pancreatic cancer)	Discontinued for strategic reasons
	TAS0612	—	—	U.S. and Europe	Solid tumors	Discontinued for strategic reasons
	TAS2940	—	—	U.S. and Europe	Solid tumors	Discontinued for strategic reasons

Category	Development Code	Brand Name	Generic Name	Area	Treatment/ Indication	Status* ¹
Autoimmunity	VIS649	<i>VOYXACT</i>	sibeprenlimab	China	IgA nephropathy	Granted approval in June 2026
Others	ISIS 721744	<i>Dawnzera</i>	donidalorsen	Europe	Hereditary angioedema	Granted approval in January 2026
	4D-150	—	zunibergene rocparovvec	Japan	Neovascular age-related macular degeneration	Phase III trial ongoing
	EN-P11	<i>ENOFEED Liquid for Enteral Use</i>	—	Japan	Nutrition management through enteral tube feeding	Granted approval in September 2026

*1 The above description of status in the U.S. and Europe, “an application was filed” indicates that an application for approval has been submitted to or accepted by the relevant authorities. For other countries and regions, it indicates that an application for approval has been submitted to the relevant authorities.

*2 Treatment in combination with venetoclax

Nutraceuticals

In the nutraceutical business, the Group draws on its knowledge in the pharmaceutical business to conduct research and development of scientifically grounded creative products that help to address social issues in order to maintain and promote the health of people and the well-being of the entire society.

Research and development expenses in the nutraceutical business for the nine-month period ended September 30, 2026 were ¥9,148 million.

Consumer products

The core of the consumer product business consists of foods and beverages, and the Group is engaged in research and development of innovative products on themes of food and health that are familiar elements of daily life.

Research and development expenses in the consumer product business for the nine-month period ended September 30, 2026 were ¥484 million.

Others

In the other businesses, the Group is focusing on organic and inorganic synthesis technologies and conducting research and development of new products as well as next-generation fields based on its own technology.

Research and development expenses in the other businesses for the nine-month period ended September 30, 2026 were ¥4,367 million.

(2) Overview of Consolidated Financial Position as of September 30, 2026

1) Assets, Liabilities and Equity

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026	Change
Current assets	1,622,006	1,601,242	(20,764)
Non-current assets	2,575,556	2,722,031	146,474
Total assets	4,197,562	4,323,273	125,710
Current liabilities	749,112	701,980	(47,132)
Non-current liabilities	348,688	335,634	(13,054)
Total liabilities	1,097,801	1,037,614	(60,186)
Total equity	3,099,761	3,285,658	185,897

a. Assets

Total assets as of September 30, 2026 were ¥4,323,273 million, an increase of ¥125,710 million compared to ¥4,197,562 million as of December 31, 2025. Current assets decreased by ¥20,764 million, and non-current assets increased by ¥146,474 million.

(Current Assets)

Current assets as of September 30, 2026 were ¥1,601,242 million, a decrease of ¥20,764 million compared to ¥1,622,006 million as of December 31, 2025. Compared with the end of the previous fiscal year, while cash and cash equivalents decreased by ¥62,156 million and other current assets decreased by ¥9,945 million, trade and other receivables increased by ¥11,917 million, and inventories increased by ¥39,505 million.

(Non-current Assets)

Non-current assets as of September 30, 2026 were ¥2,722,031 million, an increase of ¥146,474 million compared to ¥2,575,556 million as of December 31, 2025. Compared with the end of the previous fiscal year, intangible assets increased by ¥93,542 million mainly due to the acquisition of Transcend Therapeutics, Inc. (hereinafter “Transcend”). In addition, property, plant and equipment increased by ¥23,011 million, investments accounted for using the equity method increased by ¥15,550 million, and other financial assets increased by ¥17,140 million.

b. Liabilities

Liabilities as of September 30, 2026 were ¥1,037,614 million, a decrease of ¥60,186 million compared to ¥1,097,801 million as of December 31, 2025. Current liabilities decreased by ¥47,132 million, and non-current liabilities decreased by ¥13,054 million.

(Current Liabilities)

Current liabilities as of September 30, 2026 were ¥701,980 million, a decrease of ¥47,132 million compared to ¥749,112 million as of December 31, 2025. Compared with the end of the previous fiscal year, while other current liabilities increased by ¥15,775 million, trade and other payables decreased by ¥25,753 million, and bonds and borrowings decreased by ¥32,185 million mainly due to the redemption of bonds.

(Non-current Liabilities)

Non-current liabilities as of September 30, 2026 were ¥335,634 million, a decrease of ¥13,054 million compared to ¥348,688 million as of December 31, 2025. Compared with the end of the previous fiscal year, lease liabilities decreased by ¥3,837 million, and contract liabilities decreased by ¥5,814 million.

c. Equity

Total equity as of September 30, 2026 was ¥3,285,658 million, an increase of ¥185,897 million compared to ¥3,099,761 million as of December 31, 2025. Treasury shares increased by ¥46,567 million compared with the end of the previous fiscal year due to a share buyback implemented to improve capital efficiency and return profits to shareholders. On the other hand, retained earnings increased by ¥234,651 million, mainly due to the recording of profit attributable to owners of the Company.

2) Cash Flows

(Millions of yen)

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2026	Change
Net cash flows provided by operating activities	318,886	334,168	15,282
Net cash flows used in investing activities	(112,269)	(206,203)	(93,933)
Net cash flows used in financing activities	(130,527)	(191,364)	(60,836)
Increase (decrease) in cash and cash equivalents	76,089	(63,398)	(139,487)
Cash and cash equivalents at the beginning of the period	426,173	534,645	108,471
Effect of exchange rate changes on cash and cash equivalents	(10,117)	1,242	11,360
Cash and cash equivalents at the end of the period	492,145	472,489	(19,656)

Cash and cash equivalents as of September 30, 2026 were ¥472,489 million, a decrease of ¥62,156 million compared to the balance as of December 31, 2025. For the nine-month period ended September 30, 2026, net cash flows provided by operating activities were ¥334,168 million, while net cash flows used in investing activities were ¥206,203 million mainly as a result of capital investments toward sustainable growth, centered on the pharmaceutical business and nutraceutical business. In addition, share buybacks were implemented in order to improve capital efficiency and return profits to shareholders, bonds were redeemed, lease liabilities were repaid, and dividends were paid, resulting in net cash flows used in financing activities of ¥191,364 million.

Thus, cash and cash equivalents decreased from the end of the previous fiscal year to ¥472,489 million as the total investing and financing cash outflows exceeded operating cash inflows.

Cash Flows from Operating Activities

Net cash flows provided by operating activities were ¥334,168 million, an increase of ¥15,282 million compared to the figure for the nine-month period ended September 30, 2025.

Cash flows provided by operating activities for the nine-month period ended September 30, 2026 mainly consisted of ¥422,273 million of profit before tax and ¥88,699 million of income taxes paid. Compared to the figures for the nine-month period ended September 30, 2025, while there was a ¥29,317 million increase in income taxes paid, the strong performance driven by higher revenue in all segments, led by the pharmaceutical business and nutraceutical business, resulted in a ¥29,501 million increase in profit before tax. Additionally, there was a ¥10,918 million decrease in inflow from trade and other receivables, along with other factors, leading to an increase of ¥15,282 million in the net inflow.

Cash Flows from Investing Activities

Net cash flows used in investing activities were ¥206,203 million, an increase in outflows of ¥93,933 million compared to the figure for the nine-month period ended September 30, 2025.

Cash flows used in investing activities for the nine-month period ended September 30, 2026 mainly consisted of ¥76,543 million of payments for acquisition of property, plant and equipment, and ¥132,742 million of payments for acquisition of intangible assets. Compared to the figures for the nine-month period ended September 30, 2025, while there were ¥65,460 million of proceeds from sales and redemption of investments following the sale of shares in MicroPort Scientific Corporation, etc., and ¥87,279 million of payments for acquisition of subsidiaries related to Araris Biotech AG, Otsuka ICU Medical LLC, and others during the nine-month period ended September 30, 2025, there were ¥132,742 million of payments for acquisition of intangible assets mainly due to the acquisition of TSND-201 associated with the acquisition of Transcend during the nine-month period ended September 30, 2026, leading to an increase of ¥93,933 million in the net outflow.

Cash Flows from Financing Activities

Net cash flows used in financing activities were ¥191,364 million, an increase in outflows of ¥60,836 million compared to the figure for the nine-month period ended September 30, 2025.

Cash flows used in financing activities for the nine-month period ended September 30, 2026 mainly consisted of ¥47,085 million of share buybacks, ¥30,000 million of redemption of bonds, ¥19,571 million of repayments of lease liabilities and ¥91,920 million of dividends paid. Outflows for share buybacks decreased by ¥23,010 million compared to the figure for the nine-month period ended September 30, 2025. However, an increase of ¥20,944 million in dividends paid, and the impact of the issuance of bonds during the nine-month period ended September 30, 2025 and the redemption of bonds during the nine-month period ended September 30, 2026, resulted in an increase of ¥60,836 million in the net outflow.

(3) Forecast for Consolidated Financial Results

In response to the consolidated operating results for the nine-month period ended September 30, 2026, the Company revised its consolidated operating results forecast for the fiscal year ending December 31, 2026, announced on July 31, 2026 as follows.

Furthermore, there are uncertainties regarding the situation in the Middle East and the trends in pharmaceutical pricing policies and tariff policies in the U.S. However, based on the assumption that the impact on the operating results for the fiscal year ending December 31, 2026 will be limited, the Company is making significant accounting estimates. If these situations change in the future, there could be a significant impact on the reported amounts of assets, liabilities, revenues, and expenses for the fiscal year ending December 31, 2026 and beyond.

Revisions of the consolidated operating results forecast for the fiscal year ending December 31, 2026

(Millions of yen)

	Previous forecast (A)	Revised forecast (B)	Amount of change (B) – (A)	Change (%)	(Reference) FY2025
Revenue	2,725,000	2,725,000	–	–	2,468,892
Business profit before research and development expenses	855,000	873,000	18,000	2.1	798,968
Business profit	470,000	500,000	30,000	6.4	446,129
Operating profit	469,000	488,000	19,000	4.1	479,375
Profit before tax	472,000	490,000	18,000	3.8	468,037
Profit for the year	360,000	375,000	15,000	4.2	366,216
Profit attributable to owners of the Company	355,000	370,000	15,000	4.2	363,150
Basic earnings per share (Yen)	675.47	703.91			685.06

Research and development expenses	385,000	373,000	(12,000)	(3.1)	352,838
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(Note) Forecast exchange rates are as follows:

	Previous forecast	Revised forecast
USD	158 yen	158 yen
EUR	185 yen	185 yen

In the pharmaceutical business, while revenue is expected to exceed the previous forecast owing to strong sales of antipsychotic agent *REXULTI/RXULTI* and anti-APRIL antibody *VOYXACT*, etc., in the nutraceutical business, sales of functional beverages are expected to fall short of the previous forecast. As a result, consolidated revenue is expected to be in line with the previous forecast.

Selling, general and administrative expenses are expected to be lower than the previous forecast, mainly due to expense control in the pharmaceutical business and nutraceutical business. The Group will continue to engage in growth investment involving new businesses that take on challenges in new frontiers. Meanwhile, the Group will also promote further cost optimization in existing businesses.

Although the clinical development of growth drivers is progressing smoothly, research and development expenses are expected to be lower than the level of the previous forecast mainly due to the review of certain projects.

Business profit is expected to exceed the previous forecast as gross profit is progressing better than anticipated. Research and development expenses are expected to be lower than the previous forecast.

Operating profit is expected to exceed the previous forecast due to the increase in business profit.

In line with this, profit before tax and profit attributable to owners of the Company are expected to exceed the previous forecast.

2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statements of Financial Position

	(Millions of yen)	
	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	534,645	472,489
Trade and other receivables	565,990	577,907
Inventories	374,323	413,828
Income taxes receivable	4,326	8,310
Other financial assets	34,354	32,939
Other current assets	105,712	95,767
Subtotal	1,619,352	1,601,242
Assets held for sale	2,653	—
Total current assets	1,622,006	1,601,242
Non-current assets		
Property, plant and equipment	696,808	719,819
Goodwill	509,984	506,360
Intangible assets	574,134	667,676
Investments accounted for using the equity method	359,036	374,587
Other financial assets	223,003	240,144
Deferred tax assets	185,009	185,009
Other non-current assets	27,580	28,433
Total non-current assets	2,575,556	2,722,031
Total assets	4,197,562	4,323,273

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	225,562	199,808
Bonds and borrowings	39,150	6,964
Lease liabilities	21,906	22,240
Other financial liabilities	10,215	4,492
Income taxes payable	39,895	42,434
Provisions	1,077	1,732
Contract liabilities	11,331	8,559
Other current liabilities	399,972	415,747
Total current liabilities	749,112	701,980
Non-current liabilities		
Bonds and borrowings	87,856	87,062
Lease liabilities	79,063	75,225
Other financial liabilities	68,045	68,277
Income taxes payable	2,109	1,052
Net defined benefit liabilities	12,574	9,987
Provisions	3,944	4,191
Contract liabilities	26,025	20,211
Deferred tax liabilities	33,593	32,090
Other non-current liabilities	35,474	37,536
Total non-current liabilities	348,688	335,634
Total liabilities	1,097,801	1,037,614
Equity		
Equity attributable to owners of the Company		
Share capital	81,690	81,690
Capital surplus	428,044	428,580
Treasury shares	(85,186)	(131,754)
Retained earnings	2,205,740	2,440,392
Other components of equity	403,154	397,965
Total equity attributable to owners of the Company	3,033,444	3,216,875
Non-controlling interests	66,317	68,783
Total equity	3,099,761	3,285,658
Total liabilities and equity	4,197,562	4,323,273

(2) Condensed Interim Consolidated Statements of Income

(Millions of yen)

	FY2025 (From January 1, 2025 to September 30, 2025)	FY2026 (From January 1, 2026 to September 30, 2026)
Revenue	1,818,743	2,042,439
Cost of sales	(506,378)	(563,315)
Gross profit	1,312,365	1,479,124
Selling, general and administrative expenses	(726,202)	(815,783)
Share of profit of investments accounted for using the equity method	28,988	33,860
Research and development expenses	(248,648)	(260,316)
Impairment losses	(14,272)	(14,750)
Other income	59,445	10,108
Other expenses	(4,254)	(8,508)
Operating profit	407,421	423,733
Finance income	10,173	11,833
Finance expenses	(24,822)	(13,293)
Profit before tax	392,772	422,273
Income tax expenses	(91,346)	(95,810)
Profit for the period	301,425	326,463
Attributable to:		
Owners of the Company	297,658	322,105
Non-controlling interests	3,767	4,357
Profit for the period	301,425	326,463
Earnings per share:		
Basic earnings per share (Yen)	560.81	612.03
Diluted earnings per share (Yen)	—	—

(3) Condensed Interim Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2025 (From January 1, 2025 to September 30, 2025)	FY2026 (From January 1, 2026 to September 30, 2026)
Profit for the period	301,425	326,463
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(301)	(234)
Financial assets measured at fair value through other comprehensive income	6,379	10,733
Share of other comprehensive income of investments accounted for using the equity method	201	266
Subtotal	6,279	10,765
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(45,762)	(7,661)
Cash flow hedges	19	(45)
Share of other comprehensive income of investments accounted for using the equity method	5,609	(5,640)
Subtotal	(40,133)	(13,346)
Total other comprehensive income	(33,853)	(2,581)
Total comprehensive income for the period	267,571	323,881
Attributable to:		
Owners of the Company	263,954	319,127
Non-controlling interests	3,616	4,753
Total comprehensive income for the period	267,571	323,881

(4) Condensed Interim Consolidated Statements of Changes in Equity
FY2025 (From January 1, 2025 to September 30, 2025)

(Millions of yen)

	Equity attributable to owners of the Company					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of January 1, 2025	81,690	478,486	(67,398)	1,904,404	—	39,323
Profit for the period	—	—	—	297,658	—	—
Other comprehensive income	—	—	—	—	(278)	6,553
Comprehensive income for the period	—	—	—	297,658	(278)	6,553
Share buybacks	—	—	(70,096)	—	—	—
Cancellation of treasury shares	—	(51,802)	51,802	—	—	—
Dividends	—	—	—	(69,194)	—	—
Share-based payment transactions	—	361	506	—	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	8	—	—	—	—
Changes in non-controlling interests in subsidiaries that result in obtaining of control	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	1,478	—	(1,478)	—	—
Transfer from other components of equity to retained earnings	—	—	—	4,705	278	(4,984)
Total transactions with owners	—	(49,953)	(17,787)	(65,967)	278	(4,984)
Balance as of September 30, 2025	81,690	428,532	(85,186)	2,136,094	—	40,892

	Equity attributable to owners of the Company					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance as of January 1, 2025	297,086	(11)	336,397	2,733,580	44,584	2,778,165
Profit for the period	—	—	—	297,658	3,767	301,425
Other comprehensive income	(39,997)	19	(33,703)	(33,703)	(150)	(33,853)
Comprehensive income for the period	(39,997)	19	(33,703)	263,954	3,616	267,571
Share buybacks	—	—	—	(70,096)	—	(70,096)
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	—	(69,194)	(1,780)	(70,975)
Share-based payment transactions	—	—	—	867	—	867
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	8	(8)	—
Changes in non-controlling interests in subsidiaries that result in obtaining of control	—	—	—	—	20,141	20,141
Transfer from retained earnings to capital surplus	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(4,705)	—	—	—
Total transactions with owners	—	—	(4,705)	(138,414)	18,351	(120,062)
Balance as of September 30, 2025	257,088	7	297,989	2,859,120	66,553	2,925,674

	Equity attributable to owners of the Company					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of January 1, 2026	81,690	428,044	(85,186)	2,205,740	—	47,691
Profit for the period	—	—	—	322,105	—	—
Other comprehensive income	—	—	—	—	(32)	10,910
Comprehensive income for the period	—	—	—	322,105	(32)	10,910
Share buybacks	—	—	(47,085)	—	—	—
Dividends	—	—	—	(89,508)	—	—
Share-based payment transactions	—	505	517	—	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	(126)	—	—	—	—
Changes in non-controlling interests in subsidiaries that result in obtaining of control	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	156	—	(156)	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,211	32	(2,243)
Total transactions with owners	—	535	(46,567)	(87,453)	32	(2,243)
Balance as of September 30, 2026	81,690	428,580	(131,754)	2,440,392	—	56,358

	Equity attributable to owners of the Company					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance as of January 1, 2026	355,461	1	403,154	3,033,444	66,317	3,099,761
Profit for the period	—	—	—	322,105	4,357	326,463
Other comprehensive income	(13,810)	(45)	(2,977)	(2,977)	395	(2,581)
Comprehensive income for the period	(13,810)	(45)	(2,977)	319,127	4,753	323,881
Share buybacks	—	—	—	(47,085)	—	(47,085)
Dividends	—	—	—	(89,508)	(2,531)	(92,039)
Share-based payment transactions	—	—	—	1,023	—	1,023
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	(126)	(100)	(227)
Changes in non-controlling interests in subsidiaries that result in obtaining of control	—	—	—	—	344	344
Transfer from retained earnings to capital surplus	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,211)	—	—	—
Total transactions with owners	—	—	(2,211)	(135,696)	(2,287)	(137,983)
Balance as of September 30, 2026	341,650	(43)	397,965	3,216,875	68,783	3,285,658

(5) Condensed Interim Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2025 (From January 1, 2025 to September 30, 2025)	FY2026 (From January 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Profit before tax	392,772	422,273
Depreciation and amortization expenses	83,644	91,107
Impairment losses and reversal of impairment losses	14,272	14,750
Share of profit of investments accounted for using the equity method	(28,988)	(33,860)
Finance income	(10,173)	(11,833)
Finance expenses	24,822	13,293
Increase in inventories	(48,838)	(40,223)
Increase in trade and other receivables	(24,880)	(13,961)
Decrease in trade and other payables	(2,932)	(23,597)
Other	(34,254)	(12,732)
Subtotal	365,444	405,217
Interest and dividends received	16,034	21,000
Interest paid	(3,210)	(3,350)
Income taxes paid	(59,381)	(88,699)
Net cash flows provided by operating activities	318,886	334,168
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	478	4,268
Payments for acquisition of property, plant and equipment	(64,090)	(76,543)
Payments for acquisition of intangible assets	(24,282)	(132,742)
Proceeds from sales and redemption of investments	65,460	6,348
Payments for acquisition of investments	(7,420)	(10,911)
Payments for acquisition of subsidiaries	(87,279)	(1,301)
Decrease in time deposits	5,988	5,522
Other	(1,123)	(841)
Net cash flows used in investing activities	(112,269)	(206,203)
Cash flows from financing activities		
Share buybacks	(70,096)	(47,085)
Change in short-term borrowings, net	(734)	(1,454)
Proceeds from long-term borrowings	—	201
Repayments of long-term borrowings	(1,153)	(1,651)
Proceeds from issuance of bonds	30,000	—
Redemption of bonds	—	(30,000)
Repayments of lease liabilities	(17,567)	(19,571)
Dividends paid	(70,975)	(91,920)
Capital contribution from non-controlling interests	—	344
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(226)
Net cash flows used in financing activities	(130,527)	(191,364)
Increase (decrease) in cash and cash equivalents	76,089	(63,398)
Cash and cash equivalents at the beginning of the period	426,173	534,645
Effect of exchange rate changes on cash and cash equivalents	(10,117)	1,242
Cash and cash equivalents at the end of the period	492,145	472,489

(6) Notes to Condensed Interim Consolidated Financial Statements

Note to Going Concern Assumptions

Not applicable.

Operating Segments

1) Overview of reportable segments

The Group's reportable segments are the constituent units of the Group for which separate financial information is available and which are subject to periodic reviews by the Board of Directors in order to make decisions on allocation of business resources and to evaluate the business performance of the respective segments.

The Company, as a holding company, directs the Group's strategic planning and decision-making, monitors group operations and provides various common services to its Group companies. Business activities are conducted by the Group's subsidiaries and associates.

Centering on the healthcare business, the Group operates activities inside and outside Japan relating to the following four reportable segments: "Pharmaceuticals," "Nutraceuticals," "Consumer products" and "Others."

"Pharmaceuticals" comprises manufacturing and sales of prescription drugs and intravenous solutions. "Nutraceuticals" comprises manufacturing and sales of functional beverages, over-the-counter drugs and nutritional supplements. "Consumer products" comprises manufacturing and sales of mineral water, soft beverages and food products. "Others" comprises manufacturing and sales of chemicals and electronic equipment, etc. as well as warehousing and distribution.

2) Revenues and performance by reportable segment

Revenues and performance by the Group's reportable segments are as follows.

Segment profit is based on operating profit.

Intersegment revenue and transfers reflect reasonable prices for intersegment transfers based on market value.

FY2025 (From January 1, 2025 to September 30, 2025)

(Millions of yen)

	Reportable segment					Adjustments*	Consolidated
	Pharmaceuticals	Nutraceuticals	Consumer products	Others	Total		
Revenue							
Revenue from external customers	1,278,680	430,736	25,793	83,534	1,818,743	—	1,818,743
Intersegment revenue or transfers	—	31	18	2,457	2,506	(2,506)	—
Total	1,278,680	430,767	25,811	85,991	1,821,250	(2,506)	1,818,743
Segment profit	371,609	48,555	21,219	7,125	448,511	(41,090)	407,421

* Adjustments to segment profit of ¥(41,090) million include intersegment eliminations of ¥(422) million, unallocated corporate expenses of ¥(42,163) million and other income of ¥1,496 million. Corporate expenses are incurred in administrative departments such as headquarters.

	Reportable segment					Adjustments*	Consolidated
	Pharma- ceuticals	Nutra- ceuticals	Consumer products	Others	Total		
Revenue							
Revenue from external customers	1,460,575	460,602	26,944	94,316	2,042,439	—	2,042,439
Intersegment revenue or transfers	—	29	22	2,717	2,769	(2,769)	—
Total	1,460,575	460,631	26,967	97,033	2,045,208	(2,769)	2,042,439
Segment profit	380,241	55,965	24,483	7,202	467,892	(44,159)	423,733

* Adjustments to segment profit of ¥(44,159) million include intersegment eliminations of ¥(713) million, unallocated corporate expenses of ¥(46,711) million and other income of ¥3,265 million. Corporate expenses are incurred in administrative departments such as headquarters.

Acquisition of Transcend and TSND-201

Otsuka Pharmaceutical, a consolidated subsidiary of the Company, entered into an agreement on March 27, 2026 (U.S. time), under which it would make Transcend Therapeutics, Inc. (hereinafter “Transcend”) a wholly owned subsidiary (hereinafter the “Acquisition”) through its wholly owned subsidiary Otsuka America, Inc. After completing the necessary legal procedures, the Acquisition was finalized on June 12, 2026 (U.S. time). Based on the terms of the agreement, Otsuka Pharmaceutical paid a total of USD 700 million to Transcend shareholders as consideration for the acquisition of all of its issued shares. In the future, there is a possibility of paying an additional amount of up to USD 525 million, depending on revenue milestones related to assets. As a result of the Acquisition, TSND-201 (methylone), which is a rapid-acting neuroplastogen—an agent that induces rapid and durable neural plasticity in the brain—has been added to the Group’s pipeline. TSND-201 is being developed as a potential treatment for post-traumatic stress disorder (PTSD) and other psychiatric conditions.

As a result of conducting a concentration test in accordance with the provisions of IFRS 3 “Business Combinations” for the above transaction, the Group concluded that substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, and also determined that the integrated set of activities and assets acquired did not qualify as a business. For these reasons, the Group recorded this transaction as an asset acquisition. As a result, in the condensed interim consolidated statement of financial position, an amount of ¥114,279 million, which is part of the upfront payment for the asset acquisition, is recorded as intangible assets (in-process research and development).

Significant Subsequent Events

Cancellation of treasury shares

The Company resolved at the Meeting of the Board of Directors held on October 30, 2026, to conduct a cancellation of treasury shares pursuant to Article 178 of the Companies Act. The details are as follows:

Details of matters related to the cancellation

- (1) Class of shares to be cancelled: The Company's ordinary shares
- (2) Number of shares to be cancelled: 4,537,700 shares
(Percentage to the total number of issued shares before cancellation: 0.84%)
- (3) Total number of issued shares after cancellation: 538,451,217 shares
- (4) Scheduled date of cancellation: December 11, 2026

The above cancellation of treasury shares is for the following completed share buybacks, which was conducted based on the resolution at the Meeting of the Board of Directors held on February 13, 2026.

- (1) Class of shares repurchased: The Company's ordinary shares
- (2) Total number of shares repurchased: 4,537,700 shares
- (3) Total repurchase price of shares: ¥49,994 million
- (4) Repurchase period: From February 16, 2026 to October 28, 2026
- (5) Repurchase method: Market purchase on the Tokyo Stock Exchange