Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2025 (IFRS)

February 3, 2025

Company name : **ONO PHARMACEUTICAL CO., LTD.**
Stock exchange listing : Tokyo Stock Exchange
Securities Code : 4528
URL : https://www.ono-pharma.com/en
Representative : Toichi Takino
Representative Director, President and Chief Operating Officer
Inquiries : Ryuta Imura
Senior Director of Corporate Communications
Telephone : +81-(0)6-6263-5670

Scheduled date of dividend payment commencement : —
Supplementary materials for quarterly financial results : Yes
Earnings announcement for quarterly financial results : Yes (for institutional investors and securities analysts)

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

1. Consolidated Financial Results for the Third Quarter of FY 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

IFRS (Full) basis (% change from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the Company		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2024 Q3	374,562	(3.9)	70,754	(51.1)	72,037	(51.1)	56,533	(48.9)	56,592	(48.8)	60,357	(48.5)
FY 2023 Q3	389,903	15.0	144,626	18.0	147,292	18.4	110,610	15.4	110,544	15.6	117,218	23.0

	Basic earnings per share	Diluted earnings per share	Core operating profit		Core Profit for the period		Basic core earnings per share
	Yen	Yen	Million yen	%	Million yen	%	yen
FY 2024 Q3	120.49	120.42	97,654	(36.8)	76,497	(38.1)	162.87
FY 2023 Q3	229.08	229.06	154,590	—	123,557	—	256.04

Note: From the fiscal year 2024, we will disclose core-basis financial results to present our performance in our core business.

(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
	Million yen	Million yen	Million yen	%
As of December 31, 2024	1,082,304	821,495	815,918	75.4
As of March 31, 2024	913,668	798,604	792,961	86.8

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	40.00	—	40.00	80.00
FY 2024	—	40.00	—		
FY 2024 (Forecast)				40.00	80.00

(Note) Revisions to dividend forecast most recently announced: None

3. Consolidated Financial Forecast for FY 2024 (April 1, 2024 to March 31, 2025)

IFRS (Full) basis (% change from the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2024	485,000	(3.5)	82,000	(48.7)	81,500	(50.2)	58,100	(54.6)	58,000	(54.7)	123.49

4.

Core basis (% change from the previous fiscal year)

	Revenue		Core operating profit		Core profit for the year		Basic core earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2024	485,000	(3.5)	110,000	(39.2)	81,000	(43.2)	172.46

(Note) Revisions to financial forecast most recently announced: None

Notes

(1) Significant changes in scope of consolidation during the period: Yes
Newly included: 12 companies (Company name) Deciphera Pharmaceuticals, Inc.
Other subsidiaries (11 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 than (2) – 1) above: None
3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common shares)
1) Number of shares issued and outstanding as of the end of the period (including treasury shares):

As of December 31, 2024	498,692,800	shares
As of March 31, 2024	498,692,800	shares

2) Number of treasury shares as of the end of the period:

As of December 31, 2024	28,984,945	shares
As of March 31, 2024	29,045,346	shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024	469,671,563	shares
Nine months ended December 31, 2023	482,561,180	shares

* Review of the attached consolidated financial statements by certified public accountants or an auditing 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 “(4) Future Outlook” on page 5 for information regarding the consolidated financial forecasts.

Index of the Attachment

1. Overview of Operating Results and Other Information

(1) Overview of Operating Results for the 3rd Quarter of FY 2024

① Overview of Financial Results (Core basis)

(Millions of yen)

	Nine months ended December 31, 2023	**Nine months ended December 31, 2024**	Change	Change (%)
Revenue	389,903	**374,562**	(15,341)	(3.9)%
Core operating profit	154,590	**97,654**	(56,936)	(36.8)%
Core profit for the period	123,557	**76,497**	(47,060)	(38.1)%

[Revenue]

Revenue totaled ¥374.6 billion, which was a decrease of ¥15.3 billion (3.9%) from the corresponding period of the previous fiscal year (year on year).

<Sales of Domestic Products>

- Sales of Opdivo Intravenous Infusion for malignant tumors were decreased by ¥18.9 billion (16.5%) year on year to ¥96.0 billion, mainly due to the revision of the National Health Insurance (NHI) drug price.
- Sales of Forxiga Tablets for diabetes, chronic heart failure, and chronic kidney disease were increased by ¥11.2 billion (19.5%) year on year to ¥68.7 billion, mainly due to its expanded use, particularly in the treatment for chronic kidney disease.
- With respect to other main products, sales of Orencia Subcutaneous Injection for rheumatoid arthritis were ¥20.8 billion (3.7% increase year on year). Sales of Glactiv Tablets for type-2 diabetes were ¥14.7 billion (12.2% decrease year on year). Sales of Velexbru Tablets for malignant tumors were ¥8.2 billion (3.1% increase year on year). Sales of Kyprolis for Intravenous Infusion for multiple myeloma were ¥6.9 billion (2.6% decrease year on year). Sales of Parsabiv Intravenous Injection for Dialysis for secondary hyperparathyroidism on hemodialysis were ¥6.6 billion (2.8% increase year on year). Sales of Ongentys Tablets for Parkinson's disease were ¥6.0 billion (22.5% increase year on year).

<Sales of Overseas Products>

- Sales of QINLOCK for gastrointestinal stromal tumor, marketed by Deciphera Pharmaceuticals, LLC, the operating company of Deciphera Pharmaceuticals, Inc., were ¥17.3 billion for the period from July 2024 to December 2024.

<Royalty and Others>

- Royalty and others decreased by ¥25.3 billion (17.7%) year on year to ¥117.7 billion mainly due to a decrease in royalty revenue from Merck & Co., Inc., and others in line with a decrease in royalty rates, and the absence of the lump-sum income of ¥17.0 billion recorded in the same period of the previous year associated with the settlement of the litigation on patents with AstraZeneca UK Limited.

[Core Operating Profit]

Core operating profit was ¥97.7 billion, a decrease of ¥56.9 billion (36.8%) year on year.

- Cost of sales decreased by ¥2.2 billion (2.6%) year on year to ¥83.1 billion.
- Research and development costs increased by ¥26.9 billion (35.1%) year on year to ¥103.4 billion mainly due to increases in development costs for clinical trials, costs associated with the licensing agreement with LigaChem Biosciences, Inc., and the inclusion of research and development expenses from Deciphera Pharmaceuticals, LLC.
- Selling, general, and administrative expenses (except for research and development costs) increased by ¥16.9 billion (23.0%) year on year to ¥90.2 billion mainly due to increases in co-promotion fees associated with expanding sales of Forxiga Tablets, and the recording of business operating costs from Deciphera Pharmaceuticals, LLC.

[Core Profit for the period]

Core profit attributable to owners of the Company decreased by ¥47.1 billion (38.1%) year on year to ¥76.5 billion.

Reference: Overview of Financial Results (IFRS (Full) basis)

	Nine months ended December 31, 2023	**Nine months ended December 31, 2024**	Change	Change (%)
Revenue	389,903	**374,562**	(15,341)	(3.9)%
Operating profit	144,626	**70,754**	(73,872)	(51.1)%
Profit before tax	147,292	**72,037**	(75,255)	(51.1)%
Profit for the period (attributable to owners of the Company)	110,544	**56,592**	(53,952)	(48.8)%

[Revenue]

Sales revenue (IFRS (full) basis) is the same as on a core basis.

[Operating Profit]

Operating profit was ¥70.8 billion, a decrease of ¥73.9 billion (51.1%) year on year.

- Cost of sales increased by ¥7.3 billion (7.6%) year on year to ¥102.7 billion, mainly due to the recording of amortization expenses arising from QINLOCK and expensing of inventories evaluated at fair value, totaling ¥15.1 billion, acquired through the acquisition of Deciphera Pharmaceuticals, LLC, despite the absence of impairment losses of ¥5.4 billion on sales licenses recorded in the same period of the previous year.
- Research and development costs increased by ¥30.6 billion (40.0%) year on year to ¥107.1 billion mainly due to increases in development costs for clinical trials, costs associated with the licensing agreement with LigaChem Biosciences, Inc., the recording of the impairment loss of ¥3.5 billion on intangible assets related to development compounds, and the inclusion of research and development expenses from Deciphera Pharmaceuticals, LLC.
- Selling, general, and administrative expenses (except for research and development costs) increased by ¥20.4 billion (27.9%) year on year to ¥93.7 billion mainly due to increases in co-promotion fees associated with expanding sales of Forxiga Tablets, as well as the recording of business operating costs and acquisition-related expenses for Deciphera Pharmaceuticals, LLC.

[Profit for the period] (attributable to owners of the Company)

Profit attributable to owners of the Company decreased by ¥54.0 billion (48.8%) year on year to ¥56.6 billion in association with the decrease of the profit before tax.

(2) Overview of Financial Position for the 3rd Quarter of FY 2024

(Millions of yen)

	As of March 31, 2024	**As of December 31, 2024**	Change
Total assets	913,668	**1,082,304**	168,636
Equity attributable to owners of the Company	792,961	**815,918**	22,957
Ratio of equity attributable to owners of the Company to total assets	86.8%	**75.4%**	
Equity attributable to owners of the Company per share	1,688.43 yen	**1,737.12 yen**	

Total assets increased to ¥1,082.3 billion by ¥168.6 billion from the end of the previous fiscal year.
Current assets increased by ¥18.3 billion to ¥431.9 billion mainly due to increases in inventories and “trade and other receivables”, despite a decrease in other financial assets.
Non-current assets increased by ¥150.3 billion to ¥650.4 billion mainly due to an increase in intangible assets and goodwill associated with the acquisition of Deciphera Pharmaceuticals, Inc., despite a decrease in other financial assets.
Liabilities increased by ¥145.7 billion to ¥260.8 billion mainly due to the loans from financial institutions to finance the acquisition of Deciphera Pharmaceuticals, Inc.
Equity attributable to owners of the Company increased by ¥23.0 billion to ¥815.9 billion mainly due to the recording of the profit for the period, despite there being cash dividends.

(3) Overview of Cash Flows for the 3rd Quarter of FY 2024

(Millions of yen)

	Nine months ended December 31, 2023	**Nine months ended December 31, 2024**	Change
Cash and cash equivalents at the beginning of the period	96,135	**166,141**	
Cash flows from operating activities	61,498	**43,463**	(18,036)
Cash flows from investing activities	19,373	**(152,111)**	(171,484)
Cash flows from financing activities	(75,358)	**103,597**	178,955
Net increase (decrease) in cash and cash equivalents	5,513	**(5,052)**	
Effects of exchange rate changes on cash and cash equivalents	599	**(106)**	
Cash and cash equivalents at the end of the period	102,247	**160,982**	

Net increase/decrease in cash and cash equivalents for the third quarter (nine months) of the fiscal year ending March 31, 2025, was a decrease of ¥5.1 billion.
Net cash provided by operating activities was ¥43.5 billion, as a result of profit before tax of ¥72.0 billion and depreciation and amortization of ¥18.2 billion etc., while there were income taxes paid of ¥43.9 billion, etc.
Net cash used in investing activities was ¥152.1 billion, as a result of the acquisition of subsidiaries of ¥364.8 billion, etc., while there were proceeds from withdrawal of time deposits of ¥203.3 billion, etc.
Net cash provided by financing activities was ¥103.6 billion, as a result of proceeds from long-term loans of ¥150.0 billion, while there were dividends paid of ¥36.5 billion, etc.

(4) Future Outlook

There are no changes from the consolidated financial forecast for the year ending March 31, 2025, announced on October 31, 2024.

2. Basic Approach to the Selection of Accounting Standards

Our group has applied International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2014, for the purpose of improving comparability by disclosing financial information based on international standards and enhancing the convenience of various stakeholders such as shareholders, investors, and business partners.

3. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	166,141	160,982
Trade and other receivables	136,066	152,211
Marketable securities	—	9,858
Other financial assets	38,454	1,291
Inventories	48,629	77,621
Other current assets	24,306	29,962
Total current assets	413,596	431,926
Non-current assets		
Property, plant, and equipment	104,752	106,733
Goodwill	—	22,413
Intangible assets	57,288	354,792
Investment securities	121,147	110,816
Investments in associates	115	121
Other financial assets	173,113	7,885
Deferred tax assets	40,863	43,011
Other non-current assets	2,795	4,608
Total non-current assets	500,072	650,378
Total assets	913,668	1,082,304

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities and Equity		
Current liabilities		
Trade and other payables	60,691	61,124
Short-term loans	—	30,000
Lease liabilities	2,310	3,005
Other financial liabilities	2,273	5,516
Income taxes payable	22,093	2,220
Other current liabilities	16,257	19,973
Total current liabilities	103,624	121,838
Non-current liabilities		
Long-term loans	—	112,500
Lease liabilities	6,552	8,781
Other financial liabilities	0	0
Retirement benefit liabilities	3,294	3,306
Deferred tax liabilities	1,013	13,812
Other non-current liabilities	580	571
Total non-current liabilities	11,439	138,971
Total liabilities	115,063	260,809
Equity		
Share capital	17,358	17,358
Capital reserves	17,458	17,458
Treasury shares	(63,233)	(63,096)
Other components of equity	53,194	52,589
Retained earnings	768,183	791,609
Equity attributable to owners of the Company	792,961	815,918
Non-controlling interests	5,644	5,577
Total equity	798,604	821,495
Total liabilities and equity	913,668	1,082,304

(2) Condensed Interim Consolidated Statement of Income and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	389,903	374,562
Cost of sales	(95,462)	(102,713)
Gross profit	294,441	271,849
Selling, general, and administrative expenses	(73,295)	(93,739)
Research and development costs	(76,493)	(107,072)
Other income	979	776
Other expenses	(1,007)	(1,060)
Operating profit	144,626	70,754
Finance income	3,120	4,139
Finance costs	(458)	(2,859)
Share of profit (loss) from investments in associates	4	3
Profit before tax	147,292	72,037
Income tax expense	(36,682)	(15,504)
Profit for the period	110,610	56,533
Profit for the period attributable to:		
Owners of the Company	110,544	56,592
Non-controlling interests	66	(59)
Profit for the period	110,610	56,533
Earnings per share:		
Basic earnings per share (Yen)	229.08	120.49
Diluted earnings per share (Yen)	229.06	120.42

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit for the period	110,610	56,533
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	6,728	456
Remeasurements of defined benefit plans	(79)	(168)
Share of net gain (loss) on financial assets measured at fair value through other comprehensive income of investments in associates	(4)	(1)
Total of items that will not be reclassified to profit or loss	6,645	286
Items that may be reclassified subsequently to profit or loss:		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	—	64
Exchange differences on translation of foreign operations	1,000	3,837
Net fair value gain (loss) on cash flow hedges	(1,038)	(364)
Total of items that may be reclassified subsequently to profit or loss	(38)	3,537
Total other comprehensive income	6,608	3,824
Total comprehensive income for the period	117,218	60,357
Comprehensive income for the period attributable to:		
Owners of the Company	117,129	60,412
Non-controlling interests	88	(55)
Total comprehensive income for the period	117,218	60,357

(3) Condensed Interim Consolidated Statement of Changes in Equity

Nine months ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of the Company							
	Share capital	Capital reserves	Treasury shares	Other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2023	17,358	17,080	(54,161)	51,701	709,890	741,869	5,944	747,812
Profit for the period					110,544	110,544	66	110,610
Other comprehensive income				6,586		6,586	22	6,608
Total comprehensive income for the period	–	–	–	6,586	110,544	117,129	88	117,218
Purchase of treasury shares			(37,251)			(37,251)		(37,251)
Disposition of treasury shares		(1)	86			86		86
Cash dividends					(37,208)	(37,208)	(9)	(37,217)
Share-based payments		33				33		33
Transfer from other components of equity to retained earnings				(992)	992	—		—
Total transactions with the owners	–	33	(37,165)	(992)	(36,216)	(74,341)	(9)	(74,349)
Balance as of December 31, 2023	17,358	17,113	(91,326)	57,294	784,218	784,657	6,023	790,680

Nine months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the Company							
	Share capital	Capital reserves	Treasury shares	Other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2024	17,358	17,458	(63,233)	53,194	768,183	792,961	5,644	798,604
Profit for the period					56,592	56,592	(59)	56,533
Other comprehensive income				3,821		3,821	3	3,824
Total comprehensive income for the period	—	—	—	3,821	56,592	60,412	(55)	60,357
Purchase of treasury shares			(1)			(1)		(1)
Disposition of treasury shares		(53)	138			85		85
Cash dividends					(37,574)	(37,574)	(11)	(37,585)
Share-based payments		35				35		35
Transfer from retained earnings to capital reserves		18			(18)	—		—
Transfer from other components of equity to retained earnings				(4,426)	4,426	—		—
Total transactions with the owners	—	—	137	(4,426)	(33,166)	(37,455)	(11)	(37,466)
Balance as of December 31, 2024	17,358	17,458	(63,096)	52,589	791,609	815,918	5,577	821,495

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	147,292	72,037
Depreciation and amortization	13,429	18,166
Impairment losses	5,447	3,510
Interest and dividend income	(3,117)	(4,043)
Interest expense	70	848
(Increase) decrease in inventories	(1,330)	11,534
(Increase) decrease in trade and other receivables	(34,696)	(9,313)
Increase (decrease) in trade and other payables	(7,718)	(6,455)
Increase (decrease) in retirement benefit liabilities	2	(229)
Increase (decrease) in accrued consumption tax	(3,614)	(2,149)
Other	(571)	1,002
Subtotal	115,195	84,910
Interest received	167	866
Dividends received	2,410	2,400
Interest paid	(70)	(848)
Income taxes paid	(56,203)	(43,865)
Net cash provided by (used in) operating activities	61,498	43,463
Cash flows from investing activities		
Purchase of property, plant, and equipment	(3,270)	(4,010)
Proceeds from sales of property, plant, and equipment	869	4
Purchase of intangible assets	(7,023)	(2,390)
Purchase of investments	(2,932)	(1,974)
Proceeds from sales and redemption of investments	2,820	19,639
Payments into time deposits	(33,009)	(991)
Proceeds from withdrawal of time deposits	63,009	203,281
Payments of the acquisition of subsidiaries	—	(364,816)
Other	(1,092)	(854)
Net cash provided by (used in) investing activities	19,373	(152,111)
Cash flows from financing activities		
Dividends paid	(36,152)	(36,524)
Dividends paid to non-controlling interests	(9)	(11)
Repayment of long-term loans	—	(7,500)
Proceeds from long-term loans	—	150,000
Repayments of lease liabilities	(1,946)	(2,367)
Purchase of treasury shares	(37,251)	(1)
Net cash provided by (used in) financing activities	(75,358)	103,597
Net increase (decrease) in cash and cash equivalents	5,513	(5,052)
Cash and cash equivalents at the beginning of the period	96,135	166,141
Effects of exchange rate changes on cash and cash equivalents	599	(106)
Cash and cash equivalents at the end of the period	102,247	160,982

(5) Notes to Condensed Interim Consolidated Financial Statements

(Note Regarding Assumption of Going Concern)

Not Applicable

(Segment Information)

Segment information is omitted herein because our group's business is a single segment of the pharmaceutical business.

(Business Combination)

In April 2024, ONO Pharmaceutical, Co, Ltd. ("the Company") and Deciphera Pharmaceuticals, Inc. ("Deciphera") entered into a definitive merger agreement through a tender offer, followed by a merger of a wholly owned subsidiary of the Company with Deciphera, with Deciphera surviving as a wholly owned subsidiary of the Company (the "Acquisition"). The Acquisition was completed under the agreement on June 11, 2024 (New York City Time), making Deciphera a wholly owned subsidiary of the Company.

(1) Overview of the business combination

1. Overview of the acquired company

Company name	Deciphera Pharmaceuticals, Inc.
Business description	R&D and Commercialization of pharmaceuticals

2. Acquisition date

June 11, 2024 (New York City Time)

3. Percentage of voting equity interest acquired

100%

4. Process of obtaining control of the acquired company

Acquisition of outstanding stock in cash

5. Main objectives of the Acquisition

The Company, as a global specialty pharma company, is committed to delivering innovative new drugs to patients around the world. As a part of our medium-term management plan, the Company aims to reinforce our pipeline and accelerate global development, as well as realize direct sales in the United States and Europe through our wholly owned subsidiary, Deciphera. In addition, the Company has designated oncology, immunological diseases, central nervous system diseases, and specialty areas with high medical needs as priority research areas, and we accumulate disease know-how in each area to create new drugs that will bring innovation to medicine on-site. Through the Acquisition, the Company is pleased to welcome Deciphera as a partner with commercial capabilities in the United States and Europe and research and development capabilities in oncology, which will further enhance the Group's pipeline and accelerate its globalization.

Deciphera focuses on the discovery, development, and commercialization of innovative medicines for cancer and has deep expertise in kinase biology. QINLOCK® (ripretinib), a KIT inhibitor, is approved in over 40 countries and marketed globally, including in the US, Europe, and China, for the treatment of adult patients with advanced gastrointestinal stromal tumor (GIST) who have received prior treatment with three or more kinase inhibitors, including imatinib. Vimseltinib, a CSF1R inhibitor, demonstrated statistically significant and clinically meaningful efficacy across all primary and secondary endpoints in the Phase III MOTION trial in patients with tenosynovial giant cell tumor (TGCT), not amenable to surgery. Data from the MOTION trial was used to support marketing applications in the US and EU in 2024. Deciphera has established successful commercial operations in the United States and key European countries, which could be leveraged for vimseltinib, if approved.

With this Acquisition, the Group will expand its oncology pipeline with near-term revenue growth, notably through the immediate addition of QINLOCK and potential addition of vimseltinib, if approved. Moreover, Deciphera's commercial capabilities in the United States and Europe will strengthen the Group's global commercial presence. By leveraging Deciphera's drug discovery capabilities, the Group will further accelerate its research and development capabilities in the field of oncology.

(2) Fair value of assets acquired, liabilities assumed and purchase consideration transferred at the acquisition date are as follows:

(Millions of yen)

	Initial provisional fair value	Revision	Fair value after revision
Cash and cash equivalents	15,433	—	15,433
Trade and other receivables	6,729	—	6,729
Marketable securities	16,650	—	16,650
Inventories	4,478	37,339	41,816
Property, plant, and equipment	5,182	—	5,182
Intangible assets *2	—	315,036	315,036
Investment securities	1,156	—	1,156
Other assets	4,332	—	4,332
Trade and other payables	(8,941)	—	(8,941)
Lease liabilities	(3,890)	—	(3,890)
Other liabilities	(5,790)	249	(5,541)
Deferred tax liabilities	—	(19,566)	(19,566)
Fair value of assets acquired and liabilities assumed (Net)	35,338	333,059	368,396
Basis adjustments	1,886	—	1,886
Goodwill *3	344,911	(322,088)	22,822
Foreign currency translation adjustment	—	(10,970)	(10,970)
Total	382,135	—	382,135
Total fair value of purchase consideration transferred	382,135	—	382,135

Notes: 1. At the end of the third quarter of the current fiscal year, the fair value of identifiable assets and liabilities at the date of acquisition was determined and the allocation of consideration paid was completed.
2. Intangible assets consist of sales rights related to marketable products and in-process R&D expenses.
3. Goodwill mainly relates to expected future earning capacity. None of the recognized goodwill is expected to be deductible for tax purposes.

(3) Cash flow information

(Millions of yen)

Total fair value of purchase consideration transferred	382,135
Cash and cash equivalents held by the acquiree	(15,433)
Basis adjustments	(1,886)
Payments for the acquisition of subsidiaries	364,816

(4) Acquisition-related costs

3,382 million yen
Acquisition-related costs have been recorded as “selling, general, and administrative expenses” in the consolidated statement of income for the fiscal year ended March 31, 2024, and for the nine months ended December 31, 2024.

(5) Impact on the condensed interim consolidated statement of income

1. Revenue and profit for the year of the acquired company after the acquisition date that are recognized in the condensed interim consolidated statement of income for the nine months ended December 31, 2024

Revenue 17,633 million yen
Profit for the period (loss) (19,976) million yen

The above quarterly gains (losses) include amortization of intangible assets recognized at the acquisition date and expensing of inventories evaluated at fair value.

2. Impact on revenue and profit for the period in the condensed interim consolidated statement of income for the nine months ended December 31, 2024 assuming that this business combination had been conducted at the beginning of the fiscal year

Revenue 26,077 million yen
Profit for the year (loss) (27,563) million yen

(Significant Subsequent Events)

Not applicable.

4. Supplementary Information

(1) Sales Revenue and Forecast of Major Products

(Billions of yen)

Product Name	Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)						FY 2024 Forecast (April 1, 2024 to March 31, 2025)				
	Cumulative				YoY		Previous Forecast	Change from Previous Forecast	**Revised Forecast**	YoY	
	Apr ~ Jun	Jul ~ Sep	Oct ~ Dec		Change	Change (%)				Change	Change (%)
Opdivo Intravenous Infusion	32.1	30.6	33.3	**96.0**	(18.9)	(16.5%)	125.0		**125.0**	(20.5)	(14.1%)
Forxiga Tablets	22.2	21.5	25.0	**68.7**	11.2	19.5%	89.0		**89.0**	12.9	16.9%
Orencia for Subcutaneous Injection	6.9	6.6	7.3	**20.8**	0.7	3.7%	27.0		**27.0**	1.2	4.5%
Glactiv Tablets	5.0	4.6	5.0	**14.7**	(2.0)	(12.2%)	18.5		**18.5**	(2.7)	(12.7%)
Velexbru Tablets	2.7	2.5	3.0	**8.2**	0.3	3.1%	10.0		**10.0**	(0.2)	(2.1%)
Kyprolis for Intravenous Infusion	2.3	2.2	2.4	**6.9**	(0.2)	(2.6%)	9.5		**9.5**	0.4	3.9%
Parsabiv Intravenous Injection	2.1	2.1	2.4	**6.6**	0.2	2.8%	8.5		**8.5**	0.3	3.3%
Ongentys Tablets	1.9	1.8	2.2	**6.0**	1.1	22.5%	7.5		**7.5**	1.2	18.8%
<Overseas>											
Opdivo	3.1	3.4	3.5	**10.0**	0.9	10.2%	13.5		**13.5**	1.3	10.9%
QINLOCK		8.1	9.2	**17.3**			23.5	1.5	**25.0**		

Notes: 1. Sales revenue of domestic products is shown in a gross sales basis (shipment price).
2. Sales revenue of overseas products is shown in a net sales basis.

(2) Details of Sales Revenue

(Billions of yen)

	Nine months ended December 31, 2023	**Nine months ended December 31, 2024**
Revenue of goods and products	246.9	**256.9**
Royalty and others	143.0	**117.7**
Total	389.9	**374.6**

Note: In "Royalty and others", royalty revenue of Opdivo Intravenous Infusion from Bristol-Myers Squibb Company is included, which is ¥73.9 billion for the third quarter (nine months) ended December 31, 2023, and ¥86.3 billion for the third quarter (nine months) ended December 31, 2024. Royalty revenue of Keytruda® from Merck & Co., Inc. is included, which is ¥38.9 billion for the third quarter (nine months) ended December 31, 2023, and ¥19.4 billion for the third quarter (nine months) ended December 31, 2024.

(3) Revenue by Geographic Area

(Billions of yen)

	Nine months ended December 31, 2023	**Nine months ended December 31, 2024**
Japan	240.2	**232.3**
USA	118.6	**124.7**
Asia	10.4	**12.2**
Europe	20.6	**5.0**
Others	—	**0.4**
Total	389.9	**374.6**

Notes: 1. Revenue by geographic area is presented on the basis of the place of customers.
2. Due to the inclusion of revenue from Deciphera Pharmaceuticals, LLC, the Company has revised the classification of revenue by geographic area, starting from the third quarter (nine months) ended December 31, 2024.

(4) Main Status of Development Pipelines (Oncology)

As of January 24, 2025

<Filed> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	In-house*) / In-license
Opdivo Intravenous Infusion / Nivolumab	Additional indication	Hepatocellular carcinoma	Injection	Japan	In-house (Co-development with Bristol-Myers Squibb)
Yervoy Injection ★ / Ipilimumab	Additional indication	Hepatocellular carcinoma	Injection	Japan	In-license (Co-development with Bristol-Myers Squibb)

★: Combination with Opdivo

<Clinical Trial Stage>

<Opdivo> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
Opdivo Intravenous Infusion / Nivolumab	Additional indication	Hepatocellular carcinoma	Injection	S. Korea	III	In-house (Co-development with Bristol-Myers Squibb)
	Additional indication	Bladder cancer	Injection	Japan S. Korea Taiwan	III	In-house (Co-development with Bristol-Myers Squibb)
	Additional indication	Rhabdoid tumor	Injection	Japan	II	In-house (Co-development with Bristol-Myers Squibb)
	Additional indication	Richter transformation*1	Injection	Japan	II	In-house (Co-development with Bristol-Myers Squibb)

<Yervoy> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
Yervoy Injection ★ / Ipilimumab	Additional indication	Gastric cancer	Injection	Japan S. Korea Taiwan	III	In-license (Co-development with Bristol-Myers Squibb)
	Additional indication	Hepatocellular carcinoma	Injection	S. Korea	III	In-license (Co-development with Bristol-Myers Squibb)

★: Combination with Opdivo

The changes from the announcement of financial results for the second quarter of the fiscal year ending March 31, 2025, are as follows:

*1: Phase II of Opdivo was initiated in Japan for the treatment of richter transformation. Richter transformation (RT) is defined as a pathological condition where there is a transformation from chronic lymphocytic leukemia into diffuse large B-cell lymphoma, Hodgkin's lymphoma, or other similar conditions. RT is rare disease with unmet clinical need. It has prognosis following its onset and there are currently no medically approved drugs.

* The final results of the global study of Opdivo in combination with Yervoy in patients with urothelial carcinoma did not meet the pre-specified statistical hypothesis for the overall survival (OS) in the cisplatin-naive group, which was one of the primary endpoints of the study, and was therefore removed from the planned submission.

In the case of clinical development of the oncology drugs in the same indication, the most advanced clinical phase is described.

<ONO-4538 Subcutaneous Injection> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
ONO-4538 HSC	New chemical entities	Solid tumor	Injection	Japan	I	In-license (Co-development with Bristol-Myers Squibb)

<I-O Related> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
ONO-4578 ★	New chemical entities	Gastric cancer / Prostaglandin receptor (EP4) antagonist	Tablet	Japan S. Korea Taiwan	II	In-house
ONO-4482 ★ (BMS-986016) / Relatlimab	New chemical entities	Melanoma / Anti-LAG-3 antibody	Injection	Japan	I / II	In-license (Co-development with Bristol-Myers Squibb)
ONO-7427 ★	New chemical entities	Solid tumor / Anti-CCR8 antibody	Injection	Japan	I / II	In-license (Co-development with Bristol-Myers Squibb)
ONO-7475 ★ / Tamnorzatinib	New chemical entities	Pancreatic cancer / Axl/Mer inhibitor	Tablet	Japan	I	In-house
ONO-4578 ★	New chemical entities	Colorectal cancer / Prostaglandin receptor (EP4) antagonist	Tablet	Japan	I	In-house
	New chemical entities	Non-small cell lung cancer / Prostaglandin receptor (EP4) antagonist	Tablet	Japan	I	In-house
ONO-7913 ★ / Magrolimab	New chemical entities	Pancreatic cancer / Anti-CD47 antibody	Injection	Japan	I	In-license (Gilead Sciences, Inc.)
	New chemical entities	Colorectal cancer / Anti-CD47 antibody	Injection	Japan	I	In-license (Gilead Sciences, Inc.)
ONO-7914 ★	New chemical entities	Solid tumor / STING agonist	Injection	Japan	I	In-house
ONO-7428*2	New chemical entities	Solid tumor / Anti-ONCOKINE-1 antibody	Injection	Japan	I	In-license (NEX-I, Inc.)

★: Combination with Opdivo

The changes from the announcement of financial results for the second quarter of the fiscal year ending March 31, 2025, are as follows:

*2: Phase I of ONO-7428 (anti-ONCOKINE-1 antibody) was initiated in Japan for the treatment of solid tumor.

* A collaborative international study led by Bristol-Myers Squibb Company on the combination therapy of ONO-4482 (anti-LAG-3 antibody) and Opdivo for hepatocellular carcinoma was removed from the above table because the expected efficacy was not confirmed.

* Phase I of ONO-4578 (Prostaglandin receptor (EP4) antagonist) for the treatment of pancreatic cancer was conducted in Japan, but the project for the treatment of pancreatic cancer was discontinued due to strategic reasons.

In the case of clinical development of the oncology drugs in the same indication, the most advanced clinical phase is described.

<Others> ***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
QINLOCK / Ripretinib	Additional indication	Gastrointestinal stromal tumor (second line) KIT exon 11+17/18 / KIT inhibitor	Tablet	North and south America, Europe, Australia, etc.,	III	In-house (Deciphera Pharmaceuticals, LLC)
ONO-4059 / Tirabrutinib Hydrochloride	New chemical entities	Primary central nervous system lymphoma / BTK inhibitor	Tablet	USA	II	In-house
DCC-3116	New chemical entities	Solid tumor (in combination with Sotorasib) / ULK inhibitor	Tablet	USA	I/ II	In-house (Deciphera Pharmaceuticals, LLC)
	New chemical entities	Advanced malignancies (in combination with Ripretinib) / ULK inhibitor	Tablet	USA	I/ II	In-house (Deciphera Pharmaceuticals, LLC)
DCC-3084	New chemical entities	Advanced malignancies / Pan-RAF inhibitor	Tablet	USA	I/ II	In-house (Deciphera Pharmaceuticals, LLC)
DCC-3009*3	New chemical entities	Gastrointestinal stromal tumor / Pan-KIT inhibitor	Tablet	USA	I/ II	In-house (Deciphera Pharmaceuticals, LLC)
ONO-7475 / Tamnorzatinib	New chemical entities	EGFR-mutated non-small cell lung cancer / Axl/Mer inhibitor	Tablet	Japan	I	In-house
ONO-4578	New chemical entities	Hormone receptor-positive, HER2-negative breast cancer / Prostaglandin receptor (EP4) antagonist	Tablet	Japan	I	In-house
ONO-4685	New chemical entities	T-cell lymphoma / PD-1 x CD3 bispecific antibody	Injection	Japan USA	I	In-house
ONO-7018	New chemical entities	Non-Hodgkin lymphoma, Chronic lymphocytic leukemia / MALT1 inhibitor	Tablet	Japan USA	I	In-license (Chordia Therapeutics Inc.)
ONO-8250	New chemical entities	HER2-expressing solid tumors / iPS cell-derived HER2-targeted CAR-T cell therapeutics	Injection	USA	I	In-house (Co-development with Fate Therapeutics, Inc.)

The changes from the announcement of financial results for the second quarter of the fiscal year ending March 31, 2025, are as follows:

*3: Phase I/II of DCC-3009 (Pan-KIT inhibitor) was initiated in the U.S. for the potential treatment of gastrointestinal stromal tumor.

In the case of clinical development of the oncology drugs in the same indication, the most advanced clinical phase is described.

(5) Main Status of Development Pipelines (Areas other than Oncology)

As of January 24, 2025

<Filed>

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	In-house*) / In-license
DCC-3014 / Vimseltinib	New chemical entities	Tenosynovial giant cell tumor / CSF-1R inhibitor	Tablet	North America, Europe,	In-house (Deciphera Pharmaceuticals, LLC)

<Clinical Trial Stage>

***) :** "In-house" compounds include a compound generated from collaborative research.

Product Name / Development Code / Generic Name	Classification	Target Indication / Pharmacological Action	Dosage Form	Area	Phase	In-house*) / In-license
ONO-2017 / Cenobamate	New chemical entities	Primary generalized tonic-clonic seizures / Inhibition of voltage-gated sodium currents/positive allosteric modulator of $GABA_A$ ion channel	Tablet	Japan	III	In-license (SK Biopharmaceuticals)
	New chemical entities	Partial-onset seizures / Inhibition of voltage-gated sodium currents/positive allosteric modulator of $GABA_A$ ion channel	Tablet	Japan	III	In-license (SK Biopharmaceuticals)
Velexbru Tablets / Tirabrutinib Hydrochloride	Additional indication	Pemphigus / BTK inhibitor	Tablet	Japan	III	In-house
ONO-2808	New chemical entities	Multiple system atrophy /S1P5 receptor agonist	Tablet	Japan USA	II	In-house
DCC-3014*4 / Vimseltinib	New chemical entities	cGCHD / CSF-1R inhibitor	Tablet	USA	II	In-house (Deciphera Pharmaceuticals, LLC)
ONO-2020*5	New chemical entities	Alzheimer's disease / Epigenetic regulation	Tablet	Japan USA	II	In-house
	New chemical entities	Agitation associated with dementia due to Alzheimer's disease / Epigenetic regulation	Tablet	Japan	II	In-house
ONO-1110*6	New chemical entities	Postherpetic neuralgia / Endocannabinoid regulation	Tablet	Japan	II	In-house
	New chemical entities	Fibromyalgia / Endocannabinoid regulation	Tablet	Japan	II	In-house
	New chemical entities	Hunner type interstitial cystitis / Endocannabinoid regulation	Tablet	Japan	II	In-house
	New chemical entities	Major depressive disorder / Endocannabinoid regulation	Tablet	Japan	II	In-house
	New chemical entities	Social anxiety disorder / Endocannabinoid regulation	Tablet	Japan	II	In-house
ONO-4685	New chemical entities	Autoimmune disease /PD-1×CD3 bispecific antibody	Injection	Japan Europe	I	In-house
ONO-4915	New chemical entities	Autoimmune disease / PD-1×CD19 bispecific antibody	Injection	Japan	I	In-house

The change from the announcement of financial results for the second quarter of the fiscal year ending March 31, 2025, is as follows:

*4: Phase II of DCC-3014 (CSF-1 receptor inhibitor) was initiated in the U.S. for the treatment of cGVHD.

*5: Phase II trials of ONO-2020 (epigenetic regulation) were initiated in Japan and the U.S. for the treatment of Alzheimer's disease, and in Japan for the treatment of agitation associated with dementia due to Alzheimer's disease.
*6: Phase II of ONO-1110 (endocannabinoid regulation) was initiated in Japan for the treatment of postherpetic neuralgia, fibromyalgia, hunner type interstitial, major depressive disorder, and social anxiety disorder.

*Phase II of ONO-2910 (Schwann cell differentiation promoter) for the treatment of chemotherapy-induced peripheral neuropathy was conducted in Japan, but the project was discontinued due to not being able to confirm expected efficacy.