



Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (IFRS)

Listed Company Name:	Santen Pharmaceutical Co.,Ltd.
Exchanges Listed:	Tokyo (Prime Market)
Stock Code:	4536
URL:	https://www.santen.com/en
Representative:	Takeshi Ito, President and CEO
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Filing of Securities Report (Scheduled):	November 11, 2024
Distribution of Dividends (Scheduled):	November 29, 2024
Preparation of Supplementary Material of the Financial Results:	Yes
Holding of Presentation of Financial Results:	Yes (for securities analysts and institutional investors)

(JPY millions)

1. Consolidated Performance for the Six Months Ended September 30, 2024

(1) Operating Results

(Core basis)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Revenue	145,806	146,404	+0.4%
Core operating profit	31,533	29,739	(5.7%)
Core net profit for the period	25,861	23,186	(10.3%)
Core net profit for the period attributable to owners of the company	25,877	23,203	(10.3%)
Basic core earnings per share (yen)	69.88	65.37	
Diluted core earnings per share (yen)	69.68	65.19	

(IFRS)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Revenue	145,806	146,404	+0.4%
Operating profit	25,099	23,873	(4.9%)
Profit before tax	24,075	23,839	(1.0%)
Net profit for the period	19,274	18,704	(3.0%)
Net profit for the period attributable to owners of the company	19,280	18,772	(2.6%)
Total comprehensive income for the period	30,597	13,020	(57.4%)
Basic earnings per share (yen)	52.06	52.88	
Diluted earnings per share (yen)	51.92	52.74	

(2) Financial Position

	March 31, 2024	September 30, 2024
Total assets	435,699	409,085
Total equity	305,369	288,254
Total equity attributable to owners of the company	306,055	288,977
Total equity attributable to owners of the company ratio (%)	70.2	70.6
Equity per share attributable to owners of the company (yen)	843.24	828.34

2. Dividends

	Year to March 2024	Year to March 2025	(Forecasts) Year to March 2025
First quarter dividends per share (yen)	—	—	—
Second quarter dividends per share (yen)	16.00	17.00	—
Third quarter dividends per share (yen)	—	—	—
Year-end dividends per share (yen)	17.00	—	17.00
Annual dividends per share (yen)	33.00	—	34.00

(Note):

Revisions to the forecasts of dividends from the latest announcement: No

3. Consolidated Forecasts of Results for the Year Ending March 31, 2025

(Core basis)

	Year to March 2025	Year-on-year change
Revenue	302,000	+0.0%
Core operating profit	55,000	(12.4%)
Core net profit for the year	41,250	(15.0%)
Basic core earnings per share (yen)	117.05	

(IFRS)

	Year to March 2025	Year-on-year change
Revenue	302,000	+0.0%
Operating profit	44,500	+15.5%
Profit before tax	45,000	+50.6%
Net profit for the year	33,500	+25.5%
Net profit for the period attributable to owners of the company	32,500	+22.0%
Basic earnings per share (yen)	92.22	

(Note):

Revisions to the forecasts of consolidated results from the latest announcement: No

1. Please refer to "1. Summary of Consolidated Results and Others (1) Summary of Consolidated Results for the Period" on page 3 of the attached material for details of the reconciliation from IFRS basis figures to core-based figures.
2. At a meeting of the Board of Directors on November 7, 2024, the Board resolved to cancel treasury shares; the shares will be cancelled on November 29, 2024. The Board also resolved to undertake a share repurchase at the meeting of the Board of Directors on November 7, 2024. While the share cancellation and repurchase have been factored into the basic core earnings per share and basic earnings per share forecasts for the year ending March 31, 2025, there are no changes to the forecast of consolidated results as disclosed on August 6, 2024. Please refer to "2. Condensed Interim Consolidated Financial Statements and Major Notes (5) Notes to Condensed Interim Consolidated Financial Statements" on page 14 for details of the cancellation and repurchase of treasury shares.

***Notes**

(1) Significant changes in scope of consolidation during the period: No

(2) Changes in accounting policies and accounting estimates

- (i) Changes in accounting policies required by IFRS : No
- (ii) Changes in accounting policies other than (i) : No
- (iii) Changes in accounting estimates : No

(3) Number of ordinary shares issued

(i) Number of shares outstanding at the end of period (including treasury shares)

September 30, 2024	364,022,254 shares
March 31, 2024	363,996,254 shares

(ii) Number of treasury shares at the end of period

September 30, 2024	14,869,915 shares
March 31, 2024	786,780 shares

(iii) Average number of outstanding shares

The second quarter ended September 30, 2024	354,892,503 shares
The second quarter ended September 30, 2023	370,273,119 shares

(Note):

The number of treasury shares at the end of the period includes shares (49,311 shares at the end of the fiscal year ended March 31, 2024 and 59,329 shares as of September 30, 2024 of the fiscal year ending March 31, 2025) owned in trust for the stock compensation system. Such shares are included in the treasury shares which are excluded from the calculation of the average number of shares outstanding during the period.

*This financial summary is not subject to audit by a certified public accountant or auditing firm.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual results may differ from these forecasts due to various factors.

(Method of obtaining supplementary explanatory materials for financial results and results presentation contents)

The Santen Group plans to hold a conference call on the results for securities analysts and institutional investors on November 7, 2024. The materials used in this briefing will be posted on our website.

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1. Summary of Consolidated Results and Others

(1) Summary of Consolidated Results for the Period

(I) Consolidated Results

A) Core basis ^{*1} (please refer to page 3)

(JPY billions)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Year-on-year change
Revenue	145.8	146.4	0.4%
Core operating profit	31.5	29.7	(5.7%)
Core net profit for the period	25.9	23.2	(10.3%)
Core net profit for the period attributable to owners of the company	25.9	23.2	(10.3%)

[Revenue]

Revenue in the six months ended September 30, 2024 increased by 0.4% year-on-year to ¥146.4 billion.

This was mainly due to the focus on expanding sales of new and mainstay products despite the impact of NHI price revisions and a voluntary recall of *Diquas LX* in Japan, solid performances from mainstay products in China, Asia and EMEA as well as FX impact.

◇ Japan

Revenue in the six months ended September 30, 2024 decreased by 2.2% year-on-year to ¥79.4 billion.

NHI price revisions at the high end of the 6% level and a voluntary recall of *Diquas LX* were mitigated by the focus on growing mainstay products including *EYLEA* 8 mg which was launched in April 2024 and *Alesion* eyelid cream launched in May 2024.

Revenues of major products are as follows.

<i>Eybelis</i> ophthalmic solution	¥2.3 billion	(YoY +7.9%)
<i>Diquas</i> ophthalmic solution ^{*2} (refer to Page3)	¥3.3 billion	(YoY -68.5%)
<i>Alesion</i> ^{*3} (refer to Page3)	¥10.6 billion	(YoY +63.3%)
<i>EYLEA</i> ^{*4} (refer to Page3) (solution for intravitreal injection)	¥39.2 billion	(YoY +6.5%)
OTC pharmaceuticals	¥5.4 billion	(YoY +0.4%)
Medical devices	¥2.1 billion	(YoY +26.4%)

◇ China

On a JPY basis, revenue in the six months ended September 30, 2024 increased by 5.6% year-on-year (-2.2% excluding FX impact) to ¥16.0 billion. This was due to the focus on sales of mainstay products. Revenues of major products are as follows.

<i>Diquas</i> ophthalmic solution	¥1.7 billion	(YoY -28.1%)
<i>Hyalein</i> ophthalmic solution	¥4.5 billion	(YoY +9.3%)
<i>Cravit</i> ophthalmic solution	¥5.1 billion	(YoY +19.2%)

◇ Asia (excluding China)

On a JPY basis, revenue in the six months ended September 30, 2024 increased by 5.1% year-on-year (+0.0% excluding FX impact) to ¥14.6 billion. This was due to the steady growth of mainstay products posted in major markets despite the impact of HCP strikes in South Korea.

<i>Cosopt</i> ophthalmic solution	¥3.5 billion	(YoY +6.1%)
<i>Cravit</i> ophthalmic solution	¥1.4 billion	(YoY -5.0%)

◇ EMEA

On a JPY basis, revenue in the six months ended September 30, 2024 increased by 6.3% year-on-year (-1.4% excluding FX impact) to ¥35.6 billion. This was mainly due to growth in sales of glaucoma products, the disease area in which Santen holds No.1 market share^{*5} (refer to Page 3). Revenues of major products are as follows.

<i>Cosopt</i> ophthalmic solution	¥9.0 billion	(YoY +24.2%)
<i>Tapros</i> ophthalmic solution	¥4.3 billion	(YoY +0.7%)
<i>Tapcom</i> ophthalmic solution	¥3.3 billion	(YoY +13.0%)
<i>Ikervis</i>	¥4.3 billion	(YoY -30.1%)
<i>PRESERFLO MicroShunt</i>	¥1.9 billion	(YoY +31.7%)

[Core operating profit]

Gross profit in the six months ended September 30, 2024 decreased by 4.1% year-on-year to ¥82.9 billion.

SG&A expenses on a core basis in the six months ended September 30, 2024 decreased by 0.9% year-on-year (-5.3% excluding FX impact) to ¥42.2 billion.

R&D expenses in the six months ended September 30, 2024 decreased by 11.2% year-on-year (-15.4% excluding FX impact) to ¥10.9 billion.

As a result, operating profit on a core basis in the six months ended September 30, 2024 decreased by 5.7 % year-on-year (-7.9% excluding FX impact) to ¥29.7 billion.

*1 With the adoption of IFRS in the fiscal year ended March 31, 2015, the Santen Group discloses financial information on a core basis, which is calculated by excluding certain income and expense items from the IFRS basis, as an indicator of ordinary performance. The core basis is calculated by adjusting the following income and expense items, which are deducted from IFRS results, and the related income tax expenses.

- Amortization on intangible assets associated with products
- Other income
- Other expenses
- Finance income
- Finance expenses
- Share of profit (loss) of investments accounted for using equity method
- Expenses related to acquisitions of companies and initiatives for the resumption of growth such as productivity improvements and streamlining measures

*2 Including *Diquas LX*

*3 Including *Alesion*, *Alesion LX* and *Alesion* eyelid cream

*4 Co-promoted product of Bayer Yakuhin, Ltd. (MAH), including *EYLEA* 8 mg

*5 Source: Copyright © 2024 IQVIA. IQVIA MIDAS 2023Q1-2023Q4. Santen analysis based on IQVIA data. Reprinted with permission.

B) IFRS basis

(JPY billions)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Year-on-year change
Revenue	145.8	146.4	0.4%
Operating profit (loss)	25.1	23.9	(4.9%)
Net profit (loss) for the period	19.3	18.7	(3.0%)
Net profit (loss) for the period attributable to owners of the company	19.3	18.8	(2.6%)

[Revenue]

There are no adjustments from the core basis.

[Operating profit]

For the adjustments from the core basis, with regard to expenses related to the streamlining of costs in the Americas, in the six months of previous fiscal year ended September 30, 2023 deductions of ¥0.1 billion, ¥0.6 billion and ¥0.1 billion were made to Cost of Sales, SG&A and R&D expenses respectively.

Amortization on intangible assets associated with products in the six months ended September 30, 2024 decreased by 4.1% year-on-year (-7.0% excluding FX impact) to ¥4.5 billion. This was mainly due to the amortization on intangible assets associated with products acquired from Merck & Co., Inc. (U.S.) in 2014, *PRESERFLO MicroShunt* acquired in connection with the acquisition of InnFocus, Inc. (U.S.) in 2016, *Ikervis* which was launched in Europe in 2015, and *Rhopressa / Rocklatan* which Santen began selling in Europe in 2023.

Other income amounted to ¥0.2 billion.

Other expenses amounted to ¥1.6 billion.

As a result, operating profit on an IFRS basis in the six months ended September 30, 2024 decreased by 4.9% year-on-year (-7.3% excluding FX impact) to ¥23.9 billion.

[Net profit for the period]

Finance income amounted to ¥1.0 billion.

Finance expenses amounted to ¥1.0 billion.

Income tax expenses amounted to ¥5.1 billion, up ¥0.3 billion year-on-year.

As a result, net profit for the period ended September 30, 2024 decreased by 3.0% year-on-year to ¥18.7 billion.

[Net profit for the period attributable to owners of the company]

Net profit for the period attributable to owners of the company in the six months ended September 30, 2024 decreased by 2.6% year-on-year to ¥18.8 billion.

The ratio to revenue was 12.8%.

(II) Research & Development Activities

<Glaucoma and ocular hypertension area>

STN1011101 (DE-111A, generic name: tafluprost / timolol maleate) is a fixed dose combination drug of a prostaglandin $F_{2\alpha}$ derivative and a beta-adrenergic receptor blocker. The Company filed for marketing approval in December 2022 in China.

STN1012600 (DE-126, generic name: sepetaprost) is a dual agonist that activates both FP and EP3 receptors. An additional Phase 2 trial was completed in December 2021 in the U.S.. The company filed for manufacturing and marketing approval in September 2024 in Japan. Phase 2 trial (exploratory study) was completed in Europe.

STN1013001 (DE-130A, generic name: latanoprost) is an ophthalmic emulsion of a prostaglandin $F_{2\alpha}$ derivative. Phase 3 trial was completed in March 2022 in Asia. The Company launched the product in August 2024 in European countries including Spain.

STN1013900 (AR-13324, generic name: netarsudil mesilate) is a ROCK inhibitor. Phase 3 trial has been under way since November 2020 in Japan. Marketing approval has been received in Europe and the Company has launched the product in Sweden and other countries from February 2023 onward. The Company has successively received marketing approval in Asian countries and launched in South Korea in November 2024.

STN1014000 (PG-324, generic name: netarsudil mesilate / latanoprost) is a fixed dose combination drug of a ROCK inhibitor and a prostaglandin $F_{2\alpha}$ derivative. Marketing approval has been received in Europe and the Company has launched the product in Germany and other countries from January 2023 onward. The Company has successively filed for marketing approval in Asian countries and received marketing approval in Thailand and other countries from January 2023 onward.

<Keratoconjunctival disease area including dry eye >

STN1007603 (DE-076C, generic name: ciclosporin) for vernal keratoconjunctivitis has been approved and launched in Europe and Asia. Marketing approval has been received in April 2022 in China.

STN1008903 (DE-089C, generic name: diquafosol sodium) is for the treatment of dry eye. The Company launched the product in November 2022 in Japan. In Asia, the Company received marketing approval in South Korea in March 2024 but deregistered the product license in August 2024.

STN1014100 (generic name: olodaterol hydrochloride) is for the treatment of dry eye. Phase 1/2a trial was completed in March 2024 in Japan.

STN1010904* (generic name: sirolimus) is for the treatment of Fuchs endothelial corneal dystrophy. The Company has executed a joint development agreement with ActualEyes Inc.. Phase 2a trial has been under way in U.S., France and India since May 2022. (*The development code (STN1010904) is due to be assigned to the product when Santen obtains an exclusive license upon completion of Phase 2 clinical trial.)

STN1010905 (generic name: sirolimus) is for the treatment of meibomian gland dysfunction. The Company started an additional Phase 2a trial in June 2024 in Japan.

STN1011402 (generic name: epinastine hydrochloride) is eyelid cream for the treatment of allergic conjunctivitis. The Company launched the product in May 2024 in Japan.

STN1011403 (generic name: epinastine hydrochloride) is high dose formulation to instill twice a day for the treatment of allergic conjunctivitis. Phase 3 trial was started in March 2024 in China.

<Refractive error>

STN1012700 (DE-127, generic name: atropine sulfate) is for the treatment of myopia in children. The company filed for manufacturing and marketing approval in February 2024 in Japan. Phase 2/3 trial has been under way since June 2022 in China. Phase 2 trial was completed in April 2020 in Asia.

STN1012701 (SYD-101, generic name: atropine sulfate) is for the treatment of myopia in children. Sydnexis Inc. (U.S.), the licensor, is conducting Phase 3 trials in Europe and the U.S.. Santen has obtained the exclusive license for Europe, Middle East and Africa.

STN1013400 (compound name: AFDX0250BS) is for the treatment of myopia. The Company is conducting Phase 2a trial from May 2023 in Japan. Phase 1 trial was completed in March 2024 in China.

<Others>

STN1013800 (generic name: oxymetazoline hydrochloride) is for the treatment of ptosis. Phase 3 trial was completed in March 2024 in Japan. Phase 3 trial was started in October 2024 in China.

※ The numbering method for development codes has changed. Both existing development codes (DE-XXX) and new development codes (STNXXXXXX) are shown. AR-13324/PG-324 and SYD-101 are the development codes of Alcon Inc. (Switzerland) and Sydnexis Inc. (U.S.) respectively.

(2) Summary of Financial Position for the Period

(I) Assets, equity and liabilities

Total assets at the end of September 30, 2024 amounted to ¥409.1 billion, down ¥26.6 billion from the end of the previous fiscal year ended March 31, 2024. Despite an increase in inventories, there were decreases in working capital associated with the liquidation of trade receivables, and a cash payment owing to share repurchases.

Equity amounted to ¥288.3 billion, a decrease of ¥17.1 billion from the end of the previous fiscal year ended March 31, 2024. This was due to a reduction in capital owing to share repurchases and decreases in other components of equity, despite an increase in retained earnings.

Liabilities amounted to ¥120.8 billion, falling by ¥9.5 billion from the end of the previous fiscal year ended March 31, 2024. This was mainly due to payment of bonuses and corporate taxes.

As a result, the ratio of equity attributable to owners of the company to total assets increased by 0.4% points from the end of the previous fiscal year ended March 31, 2024 to 70.6%.

The Santen Group views ROE (equity attributable to owners of the company profit ratio) as its most important management metric. The Company aims to maximize shareholder value by focusing on both maximizing cash flow and lowering the cost of capital. While the inflow of cash from operating activities is considered the basic source of cash, the Company is also implementing measures to maximize cash-generating capability by improving working capital efficiency through the management of the cash conversion cycle.

(II) Cash Flows

Cash flows from operating activities amounted to an inflow of ¥28.3 billion (inflow of ¥27.7 billion in the six months ended September 30, 2023). This was mainly due to the net profit of ¥18.7 billion, depreciation and amortization of ¥9.0 billion, a decrease of ¥18.7 billion in trade and other receivables, an increase of ¥10.2 billion in inventories and a ¥6.2 billion corporate tax payment.

Cash flows from investing activities amounted to an outflow of ¥4.5 billion (outflow of ¥3.8 billion in the six months ended September 30, 2023). This was mainly due to payments for the acquisition of property, plant and equipment and intangible assets amounting to ¥2.7 billion and ¥1.8 billion respectively.

Cash flows from financing activities amounted to an outflow of ¥32.2 billion (outflow of ¥19.7 billion in the six months ended September 30, 2023). This was mainly due to share repurchases and cash dividends paid of ¥24.4 billion and ¥6.2 billion respectively.

As a result, cash and cash equivalents at the end of September 30, 2024 decreased by ¥10.1 billion from the end of the fiscal year ended March 31, 2024 to ¥84.4 billion.

(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

The results for the period of the fiscal year under review have generally remained in line with plan. No changes have been made to the forecasts of consolidated financial results for the year ending March 31, 2025 announced on August 6, 2024.

2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statements of Income and Comprehensive Income

IFRS	(JPY millions)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	145,806	146,404
Cost of sales	(59,455)	(63,507)
Gross profit	86,351	82,897
Selling, general and administrative expenses	(43,174)	(42,214)
Research and development expenses	(12,461)	(10,944)
Amortization on intangible assets associated with products	(4,699)	(4,505)
Other income	1,211	207
Other expenses	(2,128)	(1,568)
Operating profit	25,099	23,873
Finance income	1,123	1,008
Finance expenses	(575)	(1,043)
Share of loss of investments accounted for using equity method	(1,573)	—
Profit before tax	24,075	23,839
Income tax expenses	(4,800)	(5,135)
Net profit for the period	19,274	18,704
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net gain on financial assets measured at fair value through other comprehensive income	1,245	(1,287)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	9,091	(4,259)
Cash flow hedges	(23)	10
Share of other comprehensive income of investments accounted for using equity method	1,010	(148)
Other comprehensive income	11,323	(5,683)
Total comprehensive income	30,597	13,020
Net profit attributable to		
Owners of the company	19,280	18,772
Non-controlling interests	(6)	(68)
Net profit for the period	19,274	18,704
Total comprehensive income attributable to		
Owners of the company	30,650	13,058
Non-controlling interests	(53)	(38)
Total comprehensive income	30,597	13,020
Earnings per share		
Basic earnings per share (yen)	52.06	52.88
Diluted earnings per share (yen)	51.92	52.74

Core basis (JPY millions)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	145,806	146,404
Core operating profit	31,533	29,739
Core net profit for the period	25,861	23,186
Basic core earnings per share (yen)	69.88	65.37
Diluted core earnings per share (yen)	69.68	65.19
Core net profit attributable to		
Owners of the company	25,877	23,203
Non-controlling interests	(17)	(17)
Core net profit for the period	25,861	23,186

(2) Condensed Interim Consolidated Statements of Financial Position

Assets		(JPY millions)
	As of March 31, 2024	As of September 30, 2024
Non-current assets		
Property, plant and equipment	71,576	71,164
Intangible assets	83,819	79,411
Financial assets	21,832	18,870
Retirement benefit assets	7,165	6,925
Investments accounted for using equity method	2,574	2,426
Deferred tax assets	10,765	10,076
Other non-current assets	1,829	1,734
Total non-current assets	199,560	190,607
Current assets		
Inventories	43,185	53,060
Trade and other receivables	90,539	71,124
Other financial assets	379	1,477
Other current assets	7,453	8,375
Cash and cash equivalents	94,582	84,441
Total current assets	236,139	218,478
Total assets	435,699	409,085

Equity and liabilities

(JPY millions)

	As of March 31, 2024	As of September 30, 2024
Equity		
Equity attributable to owners of the company		
Share capital	8,777	8,791
Capital surplus	9,854	9,374
Treasury shares	(1,018)	(24,484)
Retained earnings	240,029	252,938
Other components of equity	48,411	42,358
Total equity attributable to owners of the company	306,055	288,977
Non-controlling interests	(685)	(723)
Total equity	305,369	288,254
Liabilities		
Non-current liabilities		
Financial liabilities	32,439	31,632
Net defined benefit liabilities	1,292	1,284
Income tax payable	—	371
Provisions	687	707
Deferred tax liabilities	1,377	1,254
Other non-current liabilities	1,739	1,716
Total non-current liabilities	37,534	36,963
Current liabilities		
Trade and other payables	43,531	41,599
Other financial liabilities	25,711	24,859
Income tax payable	5,127	2,701
Provisions	1,783	1,332
Other current liabilities	16,643	13,376
Total current liabilities	92,796	83,868
Total liabilities	130,329	120,831
Total equity and liabilities	435,699	409,085

(3) Condensed Interim Consolidated Statements of Changes in Equity

Six months ended September 30, 2023

(JPY millions)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
					Remeasurements of defined benefit plans	Net gain or loss on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2023	8,702	9,789	(364)	238,071	—	7,917	27,971
Comprehensive income							
Net profit for the period				19,280			
Other comprehensive income						1,245	9,137
Total comprehensive income	—	—	—	19,280	—	1,245	9,137
Transactions with owners							
Issuance of new shares	54	54					
Repurchase of treasury shares		(14)	(11,767)				
Disposal of treasury shares		1	807				
Dividends				(6,009)			
Share-based payments		(458)					
Other				364		(364)	
Total transactions with owners	54	(416)	(10,960)	(5,646)	—	(364)	—
Balance at September 30, 2023	8,756	9,373	(11,324)	251,706	—	8,798	37,109

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Cash flow hedges	Share of other comprehensive income of investments accounted for using equity method	Share acquisition rights	Total			
Balance at April 1, 2023	—	1,562	331	37,781	293,979	(683)	293,297
Comprehensive income							
Net profit for the period				—	19,280	(6)	19,274
Other comprehensive income	(23)	1,010		11,370	11,370	(47)	11,323
Total comprehensive income	(23)	1,010	—	11,370	30,650	(53)	30,597
Transactions with owners							
Issuance of new shares			(108)	(108)	0		0
Repurchase of treasury shares				—	(11,781)		(11,781)
Disposal of treasury shares				—	808		808
Dividends				—	(6,009)		(6,009)
Share-based payments				—	(458)		(458)
Other				(364)	—		—
Total transactions with owners	—	—	(108)	(472)	(17,440)	—	(17,440)
Balance at September 30, 2023	(23)	2,572	223	48,679	307,190	(735)	306,454

Six months ended September 30, 2024

(JPY millions)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
					Remeasurements of defined benefit plans	Net gain or loss on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2024	8,777	9,854	(1,018)	240,029	—	5,481	40,306
Comprehensive income							
Net profit for the period				18,772			
Other comprehensive income						(1,287)	(4,289)
Total comprehensive income	—	—	—	18,772	—	(1,287)	(4,289)
Transactions with owners							
Issuance of new shares	14	14					
Repurchase of treasury shares		(30)	(24,340)				
Disposal of treasury shares		8	875				
Dividends				(6,175)			
Share-based payments		(473)					
Other				312		(312)	
Total transactions with owners	14	(481)	(23,466)	(5,863)	—	(312)	—
Balance at September 30, 2024	8,791	9,374	(24,484)	252,938	—	3,881	36,017

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Cash flow hedges	Share of other comprehensive income of investments accounted for using equity method	Share acquisition rights	Total			
Balance at April 1, 2024	(20)	2,464	181	48,411	306,055	(685)	305,369
Comprehensive income							
Net profit for the period				—	18,772	(68)	18,704
Other comprehensive income	10	(148)		(5,713)	(5,713)	30	(5,683)
Total comprehensive income	10	(148)	—	(5,713)	13,058	(38)	13,020
Transactions with owners							
Issuance of new shares			(28)	(28)	0		0
Repurchase of treasury shares				—	(24,370)		(24,370)
Disposal of treasury shares				—	882		882
Dividends				—	(6,175)		(6,175)
Share-based payments				—	(473)		(473)
Other				(312)	—		—
Total transactions with owners	—	—	(28)	(340)	(30,136)	—	(30,136)
Balance at September 30, 2024	(10)	2,317	153	42,358	288,977	(723)	288,254

(4) Condensed Interim Consolidated Statements of Cash Flows

(JPY millions)

	Six months ended September 30, 2023	Six months ended September 30, 2024
I. Cash flows from operating activities:		
Net profit for the period	19,274	18,704
Depreciation and amortization	8,933	9,042
Impairment losses	2	—
Business structure improvement expenses	1,833	—
Shares of loss (profit) of entities accounted for using equity method	1,573	—
Interest income, dividend income and interest expenses	(143)	(324)
Income tax expenses	4,800	5,135
Decrease (increase) in trade and other receivables	15,049	18,680
Decrease (increase) in inventories	(4,774)	(10,245)
Increase (decrease) in trade and other payables	(1,727)	(1,640)
Increase (decrease) in provisions and net defined benefit liabilities	(963)	(142)
Decrease (increase) in other current assets	(2,304)	(1,463)
Increase (decrease) in accounts payable - bonuses	(2,643)	(3,323)
Increase (decrease) in accounts payable - other	(3,828)	(2,455)
Increase (decrease) in deposits received	24	(173)
Other	(595)	2,426
Subtotal	34,510	34,221
Interest received	155	562
Dividends received	242	207
Interest paid	(358)	(504)
Income tax paid	(6,818)	(6,178)
Net cash flows from (used in) operating activities	27,732	28,308
II. Cash flows from investing activities:		
Payments for acquisition of investments	(6)	(2)
Proceeds from sales of investments	768	—
Payments for acquisition of property, plant and equipment	(4,644)	(2,679)
Payments for acquisition of intangible assets	(551)	(1,761)
Proceeds from sales of intangible assets	778	—
Payments for acquisition of investments accounted for using equity method	(135)	—
Other	6	(37)
Net cash flows from (used in) investing activities	(3,784)	(4,478)
III. Cash flows from financing activities:		
Repayments of long-term borrowings	(216)	(159)
Purchase of treasury shares	(11,781)	(24,370)
Dividends paid	(6,008)	(6,168)
Repayments of lease obligation	(1,658)	(1,533)
Other	0	0
Net cash flows from (used in) financing activities	(19,663)	(32,229)
IV. Net increase (decrease) in cash and cash equivalents	4,286	(8,400)
V. Cash and cash equivalents at the beginning of period	57,903	94,582
VI. Effect of exchange rate changes on cash and cash equivalents	2,539	(1,740)
VII. Cash and cash equivalents at the end of period	64,728	84,441

(5) Notes to Condensed Interim Consolidated Financial Statements (Going Concern Assumption)

Not applicable.

(Segment Information and Others)

Segment information is omitted because the Santen Group is a single segment.

(Business Structure Improvement Expenses)

Six months ended September 30, 2023

The Company recorded business structure improvement expenses of ¥1,833 million included under other expenses of the Condensed Interim Consolidated Statements of Income and Comprehensive Income. This was mainly due to the maximized streamlining of the pharmaceutical commercial business in the Americas. The business structure improvement expenses mainly include premium severance pay.

(Statement of Significant Changes in Shareholders' Equity)

Six months ended September 30, 2023

(Repurchase of own shares)

At a meeting of the Board of Directors on May 11, 2023, the Board resolved to repurchase its own shares in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3.

Santen repurchased a total of 8,809,300 of its own shares for a total value of 11,124 million yen during the period between May 12, 2023 to September 30, 2023.

(I) Reasons for repurchase of own shares

To enhance capital efficiency and improve return of profits.

(II) Details of repurchase

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	18,750,000 shares (maximum) *Representing 5.0% of the total number of shares outstanding (excluding treasury shares)
(3) Total amount of repurchase	24.5 billion yen (maximum)
(4) Period of repurchase	May 12, 2023 to March 22, 2024
(5) Method of repurchase	Open-market repurchase by discretionary trading method

Six months ended September 30, 2024

(Repurchase of own shares)

At a meeting of the Board of Directors on May 9, 2024, the Board resolved to repurchase its own shares in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3.

Santen repurchased a total of 14,178,600 of its own shares for a total value of 23,639 million yen during the period between May 10, 2024 to September 30, 2024.

(I) Reasons for repurchase of own shares

This repurchase is implemented in accordance with the capital allocation policy set out in the medium-term management plan (FY2023-2025) dated April 13, 2023, to enhance capital efficiency and improve return on profits based on a comprehensive consideration of factors such as profitability improvement and business environment.

(II) Details of repurchase

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	21,110,000 shares (maximum) *Representing 5.8% of the total number of shares outstanding (excluding treasury shares)
(3) Total amount of repurchase	38.0 billion yen (maximum)
(4) Period of repurchase	May 10, 2024 to November 6, 2024
(5) Method of repurchase	Open-market repurchase by discretionary trading method
(6) Other	Santen plans to cancel the repurchased shares by a resolution of its Board of Directors in accordance with Article 178 of the Companies Act (Japan). There is a possibility that some of the purchases may not be made depending on investment opportunities or market conditions.

(Significant Subsequent Events)

(I) Cancellation of Treasury Shares (in accordance with Article 178 of the Companies Act (Japan))

At a meeting of the Board of Directors on November 7, 2024, the Board resolved to cancel treasury shares in accordance with Article 178 of the Companies Act (Japan). The shares the Company cancelled are the treasury shares Santen repurchased based on the resolution at the Board of Directors meeting held on May 9, 2024.

(1) Class of shares to be cancelled	Common shares
(2) Total number of shares to be cancelled	16,985,400 shares *Representing 4.7% of the total number of shares outstanding (excluding treasury shares)
(3) Completion date of cancellation	November 29, 2024

(II) Repurchase of own shares (in accordance with provisions of the articles of incorporation pursuant to the provisions of Article 165, paragraph 2 of the Companies Act (Japan))

At a meeting of the Board of Directors on November 7, 2024, the Board resolved to repurchase its own shares in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3.

(1) Reasons for repurchase of own shares

This repurchase is implemented in accordance with the capital allocation policy set out in the medium-term management plan (FY2023-2025) dated April 13, 2023, to enhance capital efficiency and improve return on profits based on a comprehensive consideration of factors such as profitability improvement and business environment.

(2) Details of repurchase

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	5,000,000 shares (maximum) *Representing 1.4% of the total number of shares outstanding (excluding treasury shares)
(3) Total amount of repurchase	10.0 billion yen (maximum)
(4) Period of repurchase	November 8, 2024 to March 21, 2025
(5) Method of repurchase	Open-market repurchase by discretionary trading method

Santen plans to cancel the treasury shares by a resolution of its Board of Directors in accordance with Article 178 of the Companies Act (Japan).

There is a possibility that some of the purchases may not be made depending on investment opportunities or market conditions.

3. Consolidated Reference

(1) Revenue of Major Products

(JPY millions)										
Brand Name	Region	Year ended March 31, 2024				Year ending March 31, 2025				
		Six months ended September 30, 2023 Actual	Changes from the same period of previous year	Year ended March 31, 2024 Actual	Changes from the same period of previous year	Six months ended September 30, 2024 Actual	Changes from the same period of previous year	Forecast for the fiscal year ending March 31, 2025 (Announced on November 7)	Changes from the same period of previous year	Forecast for the fiscal year ending March 31, 2025 (Announced on August 6)
Glaucoma and ocular hypertension										
Cosopt	Total	12,640	9.9%	25,609	8.0%	14,069	11.3%	26,406	3.1%	26,406
	Japan	2,068	(16.2%)	3,955	(15.4%)	1,541	(25.5%)	2,411	(39.0%)	2,411
	Asia	3,335	13.8%	6,882	12.6%	3,538	6.1%	7,117	3.4%	7,117
	EMEA	7,237	18.7%	14,772	14.4%	8,990	24.2%	16,879	14.3%	16,879
Tapros	Total	9,609	2.1%	18,521	(1.2%)	8,531	(11.2%)	17,105	(7.6%)	17,105
	Japan	3,398	(15.0%)	5,937	(23.5%)	1,897	(44.2%)	3,537	(40.4%)	3,537
	China	836	88.8%	1,774	69.7%	1,169	39.9%	2,181	22.9%	2,181
	Asia	1,107	(1.5%)	2,386	4.8%	1,165	5.2%	2,753	15.4%	2,753
Tapcom	EMEA	4,268	10.8%	8,424	10.0%	4,300	0.7%	8,634	2.5%	8,634
	Total	4,737	15.8%	9,234	12.6%	4,874	2.9%	9,863	6.8%	9,863
	Japan	1,254	(7.6%)	2,192	(17.3%)	874	(30.3%)	1,563	(28.7%)	1,563
	Asia	604	15.4%	1,332	26.8%	748	23.7%	1,598	20.0%	1,598
Trusopt	EMEA	2,879	30.1%	5,710	26.8%	3,252	13.0%	6,702	17.4%	6,702
	Total	2,488	2.4%	4,927	0.9%	2,550	2.5%	5,012	1.7%	5,012
	Japan	454	(12.2%)	872	(11.1%)	413	(9.0%)	766	(12.1%)	766
	Asia	222	5.6%	449	(1.0%)	231	4.2%	450	0.0%	450
Eybelis	EMEA	1,813	6.4%	3,606	4.6%	1,906	5.1%	3,797	5.3%	3,797
	Total	2,349	14.9%	4,846	16.6%	2,596	10.5%	5,029	3.8%	5,029
	Japan	2,146	11.0%	4,345	11.3%	2,315	7.9%	4,411	1.5%	4,411
	Asia	203	81.3%	430	71.5%	281	38.3%	618	43.7%	618
Dry eye										
Diquas	Total	7,314	(21.7%)	12,610	(23.0%)	5,971	(18.4%)	12,232	(3.0%)	11,846
	Japan	3,624	(46.5%)	6,832	(41.3%)	3,253	(10.2%)	6,831	(0.0%)	6,200
	China	2,353	44.4%	3,315	19.6%	1,691	(28.1%)	3,039	(8.3%)	3,039
	Asia	1,338	41.7%	2,463	25.9%	1,028	(23.2%)	2,362	(4.1%)	2,606
Diquas LX	Total	6,712	—	13,251	186.8%	—	(100.0%)	—	(100.0%)	—
	Japan	6,712	—	13,251	186.8%	—	(100.0%)	—	(100.0%)	—
Hyalein	Total	8,328	20.4%	17,134	15.9%	8,976	7.8%	19,210	12.1%	19,733
	Japan	2,624	(10.6%)	5,184	(9.3%)	2,599	(0.9%)	4,411	(14.9%)	4,934
	China	4,102	58.3%	8,808	36.9%	4,484	9.3%	10,626	20.6%	10,626
	Asia	1,602	15.1%	3,142	19.4%	1,893	18.2%	4,173	32.8%	4,173
Ikervis	Total	7,052	91.3%	12,105	77.0%	5,363	(24.0%)	11,914	(1.6%)	11,914
	Asia	850	5.3%	1,933	24.8%	1,027	20.9%	2,498	29.2%	2,498
	EMEA	6,203	115.4%	10,172	92.3%	4,336	(30.1%)	9,416	(7.4%)	9,416
	Total	2,220	(4.0%)	4,526	12.9%	2,545	14.6%	4,829	6.7%	5,132
Cationorm	China	—	—	73	—	130	—	251	242.9%	553
	Asia	200	(23.3%)	623	41.2%	431	115.7%	994	59.4%	994
	EMEA	1,533	7.0%	2,923	11.3%	1,729	12.8%	3,351	14.7%	3,351
	Allergy									
Alesion (Including Alesion, Alesion LX and Alesion eyelid cream)	Total	6,615	(16.9%)	29,489	(12.1%)	10,749	62.5%	30,659	4.0%	28,960
	Japan	6,516	(17.3%)	29,305	(12.3%)	10,643	63.3%	30,421	3.8%	28,722
	Asia	99	14.1%	184	23.1%	106	7.2%	238	29.5%	238
	Total	866	61.4%	1,491	63.1%	886	2.3%	1,536	3.0%	1,536
Verkazia	EMEA	622	48.1%	1,181	57.9%	864	38.8%	1,514	28.2%	1,514
Intravitreal VEGF inhibitor										
EYLEA (Including EYLEA 8mg)	Total	36,804	2.7%	72,716	2.0%	39,189	6.5%	76,667	5.4%	76,025
	Japan	36,804	2.7%	72,716	2.0%	39,189	6.5%	76,667	5.4%	76,025
Bacterial conjunctivitis										
Cravit	Total	7,092	39.6%	14,703	29.2%	7,766	9.5%	14,657	(0.3%)	15,064
	Japan	612	(11.9%)	1,126	(12.4%)	446	(27.2%)	674	(40.2%)	674
	China	4,256	64.5%	8,837	40.1%	5,074	19.2%	9,047	2.4%	9,047
	Asia	1,453	39.0%	3,240	36.2%	1,380	(5.0%)	3,223	(0.5%)	3,631
EMEA	771	2.5%	1,499	6.5%	866	12.3%	1,712	14.2%	1,712	
Medical devices										
LENTIS Comfort	Total	655	2.5%	1,262	(5.2%)	549	(16.2%)	1,180	(6.5%)	1,362
	Japan	655	2.5%	1,262	(5.2%)	549	(16.2%)	1,180	(6.5%)	1,362
PRESERFLO MicroShunt	Total	1,746	55.4%	4,144	70.6%	2,705	55.0%	6,142	48.2%	5,865
	Japan	255	—	758	710.0%	729	186.5%	1,566	106.5%	1,289
	Asia	27	—	65	640.6%	47	72.6%	259	295.4%	259
	EMEA	1,464	30.8%	3,320	42.7%	1,928	31.7%	4,317	30.0%	4,317
OTC Pharmaceuticals	Total	5,914	4.9%	11,242	5.8%	5,919	0.1%	11,161	(0.7%)	11,161
	Japan	5,365	5.9%	10,096	5.2%	5,385	0.4%	9,987	(1.1%)	9,987
	China	136	19.3%	310	18.5%	131	(3.7%)	317	2.2%	317
	Asia	412	(9.6%)	836	8.4%	402	(2.4%)	857	2.5%	857

(2) FOREX

(JPY)					
Exchange rate (yen)	Major currency	Six months ended September 30, 2023	Fiscal year ended March 31, 2024	Six months ended September 30, 2024	Fiscal year ending March 31, 2025(Forecasts)
	USD	141.46	144.80	153.20	155.00
	EUR	153.66	156.88	166.19	165.00
	CNY	19.81	20.24	21.40	21.30

Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including changes to the business environment and others. Our full-year forecasts are based on our foreign exchange assumptions. Revenue by region shows that of major countries or regions.

(3) Research & Development

As of November 1, 2024

Pipeline Development Status (Clinical Stage)

<Glaucoma and ocular hypertension area>

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
tafluprost / timolol maleate	STN1011101 / DE-111A	Glaucoma / Ocular hypertension	Co-development with AGC	China				Dec-2022		

A fixed dose combination drug of a prostaglandin $F_{2\alpha}$ derivative and a beta-adrenergic receptor blocker. Launched in Japan in November 2014. Launched successively in European countries since January 2015. Launched successively in Asian countries since April 2016. Filed marketing approval in December 2022 in China.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
sepetaprost	STN1012600 / DE-126	Glaucoma / Ocular hypertension	ONO PHARMACEUTICAL	U.S.						
				Japan				Sep-2024		
				Europe	(Exploratory study)					

A prostaglandin analogue eye drop drug product with a novel mode of action that is a dual agonist for both FP and EP3 receptors for the treatment of glaucoma and ocular hypertension. Completed an additional Phase 2 in December 2021 in the U.S.. Filed for manufacturing and marketing approval in September 2024 in Japan. Completed Phase 2 (exploratory study) in Europe.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
latanoprost	STN1013001 / DE-130A (Catioprost)	Glaucoma / Ocular hypertension	Original	Europe					Aug-2024	
				Asia						

An ophthalmic emulsion of a prostaglandin $F_{2\alpha}$ derivative, for the treatment of glaucoma and ocular hypertension. Completed Phase 3 in March 2022 in Asia. Launched in August 2024 in European countries including Spain.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
netarsudil mesilate	STN1013900 / AR-13324	Glaucoma / Ocular hypertension	Alcon Inc.	Japan						
				Europe					Feb-2023	
				Asia					Nov-2024	

A ROCK (Rho-associated kinase) inhibitor. Developed and sold by Alcon Inc. in the U.S.. Conducting Phase 3 from November 2020 in Japan. Received marketing approval in Europe and has been launched in Sweden and other countries from February 2023. Successively received marketing approval in Asian countries and launched in South Korea in November 2024.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
netarsudil mesilate / latanoprost	STN1014000 / PG-324	Glaucoma / Ocular hypertension	Alcon Inc.	Europe					Jan-2023	
				Asia					Jan-2023	

A fixed dose combination drug of a ROCK (Rho-associated kinase) inhibitor and a prostaglandin $F_{2\alpha}$ derivative. Developed and sold by Alcon Inc. in the U.S.. Received marketing approval in Europe and has been launched in Germany and other countries from January 2023. Filed successively for marketing approval in Asian countries and received marketing approval in Thailand and other countries from January 2023 onward.

<Keratoconjunctival disease area including dry eye >

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
ciclosporin	STN1007603 / DE-076C	Vernal keratoconjunctivitis	Original	China				Apr-2022		

An ophthalmic emulsion which improves vernal keratoconjunctivitis by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue penetration. Launched successively in European countries since October 2018. Launched successively in Asian countries after receiving approval for an indication expansion for *Ikervis* in August 2019. Received marketing approval in April 2022 in China.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
diquafosol sodium	STN1008903 / DE-089C	Dry eye	Merck Sharp & Dohme Corp. (U.S.)	Japan					Nov-2022	
				Asia					Received marketing approval but deregistered product license	

A dry eye treatment which stimulates secretion of mucin and aqueous components from the corneal and conjunctival epithelium. Long-acting drug. Launched in November 2022 in Japan. In Asia, received marketing approval in South Korea in March 2024 but deregistered product license in August 2024.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
olodaterol hydrochloride	STN1014100	Dry eye	Boehringer Ingelheim	Japan		(Phase 1/2a)				

β_2 receptor agonist. Completed Phase 1/2a in March 2024 in Japan.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
sirolimus	STN1010904	Fuchs endothelial corneal dystrophy	Joint development with ActualEyes	U.S. France India	(Phase 2a)					
An ophthalmic suspension which treats Fuchs endothelial corneal dystrophy via mTOR inhibition. Conducting Phase 2a in U.S., France and India from May 2022. (*The development code (STN1010904) is due to be assigned to the product when Santen obtains an exclusive license upon completion of Phase 2 clinical trial)										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
sirolimus	STN1010905	Meibomian gland dysfunction	Original	Japan	(Phase 2a)					
An ophthalmic suspension which improves meibomian gland function via mTOR inhibition. Started an additional Phase 2a in June 2024 in Japan.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
epinastine hydrochloride	STN1011402	Allergic conjunctivitis	Nippon Boehringer Ingelheim	Japan	May-2024					
A histamine H ₁ receptor antagonist with mediator release inhibitor function, as treatment for allergic conjunctivitis. Ophthalmic eyelid cream. Launched in May 2024 in Japan.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
epinastine hydrochloride	STN1011403	Allergic conjunctivitis	Boehringer Ingelheim	China						
A histamine H ₁ receptor antagonist with mediator release inhibitor function, as treatment for allergic conjunctivitis. High dose formulation to instill twice a day. Started Phase 3 in March 2024 in China.										

<Refractive error>

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
atropine sulfate	STN1012700 / DE-127	Myopia	Singapore Health Services, Nanyang Technological University	Japan	Feb-2024					
				China	(Phase 2/3)					
				Asia						
Non-selective muscarinic antagonist which reduces progression of juvenile myopia. Filed for manufacturing and marketing approval in February 2024 in Japan. Conducting Phase 2/3 from June 2022 in China. Completed Phase 2 in April 2020 in Asia.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
atropine sulfate	STN1012701 / SYD-101	Myopia	Sydnexis Inc.	Europe						
Non-selective muscarinic antagonist which reduces progression of juvenile myopia. Sydnexis Inc., the licensor, is conducting Phase 3 trial in Europe and the U.S.. Santen has obtained the exclusive license for Europe, Middle East and Africa.										

Compound name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
AFDX0250BS	STN1013400	Myopia	Boehringer Ingelheim	Japan	(Phase 2a)					
				China						
Selective muscarinic M2 antagonist which reduces progression of juvenile myopia. Reduces mydriasis by selectively inhibiting a subtype of receptors. Conducting Phase 2a from May 2023 in Japan. Completed Phase1 in March 2024 in China.										

<Others>

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
oxymetazoline hydrochloride	STN1013800	Ptosis	RVL Pharmaceuticals	Japan						
				China						
A direct-acting alpha adrenergic receptor agonist. Developed and sold by RVL Pharmaceuticals in the U.S.. Completed Phase 3 in March 2024 in Japan. Started Phase 3 in October 2024 in China.										

Changes from Q1 FY2024 (August 6, 2024)

Dev. Code	Changes
STN1012600 / DE-126	Filed for manufacturing and marketing approval in September 2024 in Japan.
STN1013001 / DE-130A	Launched in August 2024 in European countries including Spain.
STN1013900 / AR-13324	In Asia, launched in South Korea in November 2024.
STN1008903 / DE-089C	In Asia, received marketing approval in South Korea in March 2024 but deregistered product license in August 2024.
STN1013800	Started Phase 3 in October 2024 in China.

(4) Capital Expenditures, Depreciation and Amortization, Amortization on Intangible Assets Associated with Products, and Research and Development Expenses

Capital expenditures

(JPY millions)

	Six months ended September 30, 2023	Year ended March 31, 2024	Six months ended September 30, 2024	Year ending March 31, 2025
	Actual			Forecast
Consolidated	4,624	10,245	2,836	9,000

(Note):

Excluding the increase in right-of-use assets.

Depreciation and amortization

(JPY millions)

	Six months ended September 30, 2023	Year ended March 31, 2024	Six months ended September 30, 2024	Year ending March 31, 2025
	Actual			Forecast
Manufacturing cost	1,560	3,426	1,969	3,990
Selling, general and administrative expenses	1,123	2,270	1,070	2,190
R&D expenses	310	583	269	620
Consolidated total	2,993	6,279	3,308	6,800

(Note):

Excluding amortization on intangible assets associated with products, long-term advance expense and right-of-use assets.

Amortization on intangible assets associated with products

(JPY millions)

	Six months ended September 30, 2023	Year ended March 31, 2024	Six months ended September 30, 2024	Year ending March 31, 2025
	Actual			Forecast
Intangible assets (Merck products)	2,904	5,808	2,581	4,817
Intangible assets (Rhopressa/Rocklatan)	612	1,250	670	1,680
Intangible assets (PRESERFLO MicroShunt)	600	1,229	650	1,231
Intangible assets (Ikervis)	435	889	471	878
Other	148	297	133	194
Consolidated total	4,699	9,471	4,505	8,800

Research and development expenses

(JPY millions)

	Six months ended September 30, 2023*	Year ended March 31, 2024*	Six months ended September 30, 2024	Year ending March 31, 2025
	Actual			Forecast
Consolidated	12,461	25,416	10,944	27,000

* On an IFRS basis. R&D expenses on a core basis for the period ended September 30, 2023 amounted to 12,321 million yen, excluding 0.1 billion yen of expenses related to streamlining the Americas. R&D expenses on a core basis for the year ended March 31, 2024 amounted to 25,257 million yen, excluding 0.2 billion yen of expenses related to streamlining the Americas.

Forecasts in this report are based on currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions and others.