



Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (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
Contact:	Guillaume Sakuma, Global Head of IR (+81-6-7664-8621)
Annual Shareholders Meeting (Scheduled):	June 24, 2025
Start of Distribution of Dividends (Scheduled):	June 25, 2025
Filing of Securities Report (Scheduled):	June 23, 2025
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 Fiscal Year Ended March 31, 2025

(1) Operating Results

	Year to March 2024	Year to March 2025	Change
Revenue	301,965	300,004	(0.6%)
Core operating profit	62,778	59,380	(5.4%)
Operating profit	38,541	46,880	+21.6%
Net profit for the year	26,703	35,853	+34.3%
Net profit for the year attributable to owners of the company	26,642	36,256	+36.1%
Total comprehensive income for the year	39,988	28,964	(27.6%)
Basic earnings per share (yen)	72.59	103.98	
Diluted earnings per share (yen)	72.37	103.68	
Profit to equity attributable to owners of the company (%)	8.9	12.2	
Profit before tax to total assets ratio (%)	7.0	11.2	
Operating profit to revenue ratio (%)	12.8	15.6	

(2) Financial Position

	March 31, 2024	March 31, 2025
Total assets	435,699	409,277
Total equity	305,369	285,181
Total equity attributable to owners of the company	306,055	286,242
Total equity attributable to owners of the company ratio (%)	70.2	69.9
Equity per share attributable to owners of the company (yen)	843.24	839.20

(3) Cash Flows

	Year to March 2024	Year to March 2025
Cash flows from operating activities	72,649	60,928
Cash flows from investing activities	(6,145)	(8,223)
Cash flows from financing activities	(34,031)	(53,307)
Cash and cash equivalents at end of year	94,582	92,997

2. Dividends

	Year to March 2024	Year to March 2025	(Forecasts) Year to March 2026
Second quarter dividends per share (yen)	16.00	17.00	19.00
Year-end dividends per share (yen)	17.00	19.00	19.00
Annual dividends per share (yen)	33.00	36.00	38.00
Total dividends paid (full-year)	12,047	12,424	
Payout ratio (consolidated)	45.5%	34.6%	37.0%
Dividends paid on equity attributable to owners of the company (consolidated)	4.1%	4.3%	

3. Consolidated Forecasts of Results for the Fiscal Year Ending March 31, 2026

	Year to March 2026	Change
Revenue	294,000	(2.0%)
Core operating profit	54,000	(9.1%)
Operating profit	44,000	(6.1%)
Net profit for the year	33,500	(6.6%)
Net profit for the year attributable to owners of the company	34,000	(6.2%)
Basic earnings per share (yen)	102.66	(1.3%)

(Note):

1. Presenting of numbers in core basis are revised from the fiscal year ended March 31, 2025.
2. Please refer to "1. Summary of Consolidated Results and Others (1) Summary of Consolidated Results for the Fiscal Year ended March 31, 2025" on page 3 of the attached material for details of the reconciliation from IFRS basis figures to core-based figures.
3. At a meeting of the Board of Directors on May 13, 2025, the Board resolved to undertake a share repurchase. The share repurchase has been factored into the basic earnings per share forecast for the year ending March 31, 2026. Please refer to "3. Consolidated Financial Statements and Major Notes (5) Notes for Consolidated Financial Statements (page 18) " of the attached material for details.

***Notes**

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

(2) Changes in accounting policies and changes in 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 issued at the end of the period (including treasury shares)

Fiscal Year ended March 31, 2025 342,055,554 shares

Fiscal Year ended March 31, 2024 363,996,254 shares

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

Fiscal Year ended March 31, 2025 691,515 shares

Fiscal Year ended March 31, 2024 786,780 shares

(iii) Average number of shares during the period

Fiscal Year ended March 31, 2025 348,605,457 shares

Fiscal Year ended March 31, 2024 366,889,585 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 at the end of the fiscal year ended 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.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-Consolidated Financial Results

(%: year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	JPY millions	%	JPY millions	%	JPY millions	%	JPY millions	%
Fiscal Year ended March 31, 2025	188,101	(3.7)	23,408	(16.4)	26,232	(16.1)	17,804	(4.7)
Fiscal Year ended March 31, 2024	195,238	(0.7)	28,013	13.0	31,272	15.5	18,680	—

	Net profit per share	Fully diluted Net profit per share
	Yen	Yen
Fiscal Year ended March 31, 2025	51.03	50.89
Fiscal Year ended March 31, 2024	50.88	50.74

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	JPY millions	JPY millions	%	Yen
Fiscal Year ended March 31, 2025	237,652	153,446	64.5	449.15
Fiscal Year ended March 31, 2024	271,848	187,505	68.9	515.75

(Reference) Equity

Fiscal Year ended March 31, 2025 153,322 million yen

Fiscal Year ended March 31, 2024 187,325 million yen

*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 briefing contents)

The Santen Group plans to hold a briefing on the results for securities analysts and institutional investors on Tuesday, May 13, 2025. The materials used in this briefing will be posted on our website.

Accompanying Materials – Contents

1. Summary of Consolidated Results and Others.....	2
(1) Summary of Consolidated Results for the Fiscal Year ended March 31, 2025.....	2
(2) Summary of Financial Position for the Fiscal Year ended March 31, 2025.....	5
(3) Summary of Cash Flows for the Fiscal Year ended March 31, 2025.....	5
(4) Basic Profit Distribution Policy and Dividends for the Current and Next Fiscal Years.....	6
(5) Outlook for the Fiscal Year Ending March 31, 2026	7
2. Basic Approach to the Selection of Accounting Standards.....	7
3. Consolidated Financial Statements and Major Notes.....	8
(1) Consolidated Statements of Income and Comprehensive Income.....	8
(2) Consolidated Statements of Financial Position.....	9
(3) Consolidated Statements of Changes in Equity.....	11
(4) Consolidated Statements of Cash Flows.....	13
(5) Notes to Consolidated Financial Statements	14
(Going Concern Assumption).....	14
(Basis of Presenting Consolidated Financial Statements).....	14
(Segment Information and Others).....	14
(Other Expenses)	16
(Earnings per Share).....	17
(Significant Subsequent Events).....	18
4. Consolidated Reference.....	19
(1) Revenue of Major Products.....	19
(2) Research & Development.....	20
(3) Capital Expenditures, Depreciation and Amortization, Amortization on Intangible Assets Associated with Products, and Research and Development Expenses.....	22
(4) FOREX.....	22

1. Summary of Consolidated Results and Others

(1) Summary of Consolidated Results for the Fiscal Year ended March 31, 2025

(I) Consolidated Results

(JPY billions)

	FY2023	FY2024	Year-on-year change
Revenue	302.0	300.0	(0.6%)
Core operating profit ^{*1}	62.8	59.4	(5.4%)
Operating profit	38.5	46.9	21.6%
Net profit for the year	26.7	35.9	34.3%
Net profit for the year attributable to owners of the company	26.6	36.3	36.1%

[Revenue]

Revenue in the fiscal year ended March 31, 2025 decreased by 0.6% year-on-year to ¥300.0 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 overseas as well as FX impact. As a result, it remained largely unchanged from the level of the last fiscal year.

◇ Japan

Revenue in the fiscal year ended March 31, 2025 decreased by 5.9% year-on-year to ¥165.3 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.

◇ China

On a JPY basis, revenue in the fiscal year ended March 31, 2025 decreased by 3.1% year-on-year (-7.9% excluding FX impact) to ¥28.9 billion. This was due to the impact of volume-based purchasing and product supply.

◇ Asia (excluding China)

On a JPY basis, revenue in the fiscal year ended March 31, 2025 increased by 5.0% year-on-year (+2.7% excluding FX impact) to ¥30.1 billion. This was due to the steady growth of mainstay products despite the impact of HCP strikes in South Korea.

◇ EMEA^{*2}

On a JPY basis, revenue in the fiscal year ended March 31, 2025 increased by 14.8% year-on-year (+10.5% excluding FX impact) to ¥74.3 billion. This was mainly due to growth in sales of glaucoma products, the disease area in which Santen holds No.1 market share^{*3}.

[Core operating profit]

Gross profit in the fiscal year ended March 31, 2025 decreased by 4.4 % year-on-year to ¥171.0 billion.

SG&A expenses in the fiscal year ended March 31, 2025 decreased by 3.6% year-on-year (-6.2% excluding FX impact) to ¥87.5 billion.

R&D expenses in the fiscal year ended March 31, 2025 decreased by 4.6% year-on-year (-7.4% excluding FX impact) to ¥24.1 billion.

As a result, operating profit on a core basis in the fiscal year ended March 31, 2025 decreased by 5.4% year-on-year (-6.1% excluding FX impact) to ¥59.4 billion.

[Operating profit]

For the adjustments from the core basis, with regard to expenses related to the streamlining of costs in the Americas, adjustments of ¥0.2 billion, ¥0.7 billion and ¥0.2 billion were made to Cost of Sales, SG&A and R&D expenses, and streamlining costs amounting to ¥0.4 billion in the fiscal year ended March 31, 2025 were incurred.

Amortization on intangible assets associated with products in the fiscal year ended March 31, 2025 decreased by 7.0% year-on-year (-8.6% excluding FX impact) to ¥8.8 billion. This is mainly due to the amortization on intangible assets associated with products acquired from Merck & Co., Inc. (U.S.) in 2014, *PRESERFLO MicroShunt* which was launched in Europe in 2019, *Ikervis* which was launched in Europe in 2015, and *Rhopressa / Rocklatan* which Santen began selling in Europe in 2023.

Other income amounted to ¥0.6 billion.

Other expenses amounted to ¥3.9 billion.

As a result, operating profit on an IFRS basis in the fiscal year ended March 31, 2025 increased by 21.6% year-on-year (+21.1% excluding FX impact) to ¥46.9 billion. This is mainly due to the large amount of other expenses in the previous fiscal year.

[Net profit for the year]

Finance income amounted to ¥4.0 billion.

Finance expenses amounted to ¥2.7 billion.

Share of loss of investments accounted for using equity method amounted to ¥0.7 billion.

Income tax expenses amounted to ¥11.6 billion, up ¥8.5 billion year-on-year. This was mainly due to the increase of profit before tax as a result of the increase in operating profit on a IFRS basis and the recognition of deferred tax assets at overseas subsidiaries in the previous fiscal year ended March 31, 2024.

As a result, net profit in the fiscal year ended March 31, 2025 increased by 34.3% year-on-year to ¥35.9 billion.

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

Net profit attributable to owners of the company in the fiscal year ended March 31, 2025 increased by 36.1% year-on-year to ¥36.3 billion. The ratio to revenue was 12.1%.

*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 deducting the following income and expense items from IFRS results.

- Amortization on intangible assets associated with products
- Other income
- Other expenses
- Expenses related to acquisitions of companies and initiatives for the resumption of growth such as productivity improvements and streamlining measures

*2 It shows Europe, Middle East and Africa.

*3 Source: Copyright © 2025 IQVIA. IQVIA MIDAS 2023 Q1-2023 Q4. Santen analysis based on IQVIA data. Reprinted with permission.

(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 received marketing approval in March 2025 in China.

STN1011702 (generic name: omidenepag isopropyl) is an EP2 receptor agonist. Phase 3 trial was started in November 2024 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. The Company filed for marketing approval in November 2024 in Asia. The Company launched the product in August 2024 in European countries including Spain.

STN1013900 (AR-13324, generic name: netarsudil mesylate) is a ROCK inhibitor. Phase 3 trials were completed in January 2025 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 mesylate / 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 received marketing approval in Asian countries and launched in March 2025 in Singapore.

STN1014003 (generic name: netarsudil mesylate / latanoprost) is a fixed dose combination drug of a ROCK inhibitor and a prostaglandin $F_{2\alpha}$ derivative. Phase 3 trial was started in February 2025 in Japan.

<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 the 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. The Company filed for marketing approval in March 2025 in China.

<Refractive disorder>

STN1012700 (DE-127, generic name: atropine sulfate) is for the treatment of myopia in children. The Company launched the product in April 2025 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. The Company filed for marketing authorization approval in March 2024 and received a positive CHMP opinion in March 2025 in Europe

STN1013400 (compound name: AFDX0250BS) is for the treatment of myopia. The Company discontinued development following the review of P2a trial data.

<Others>

STN1013800 (generic name: oxymetazoline hydrochloride) is for the treatment of ptosis. The Company filed for manufacturing and marketing approval in December 2024 in Japan. Phase 3 trial was started in December 2024 in Europe. 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 (STNXXXXXXXX) are shown. AR-13324/PG-324 and SYD-101 are the development codes of Alcon Inc. (Switzerland) and Sydnexis Inc. (U.S.) respectively.

(Ⅲ) Capital Expenditures

Capital expenditures in the fiscal year ended March 31, 2025 amounted to ¥7.5 billion. In addition to the upgrading of manufacturing facilities and equipment for R&D, Santen has continued investing in a new factory for Santen Pharmaceutical (China) Co., Ltd, with the aim of addressing expanding demand and strengthening the production and supply structure. This adds production capacity to proactively cater to anticipated market growth, thereby establishing Santen's competitive edge globally for further business growth. These capital expenditures were covered with own funds.

(2) Summary of Financial Position for the Fiscal Year ended March 31, 2025

Total assets amounted to ¥409.3 billion, down ¥26.4 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 decreases in intangible assets.

Equity amounted to ¥285.2 billion, a decrease of ¥20.2 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. The Company cancelled treasury shares amounting to ¥28.4 billion (16,985 thousand shares) on November 29, 2024 and ¥8.4 billion (5,000 thousand shares) on February 28, 2025.

Liabilities amounted to ¥124.1 billion, a decrease of ¥6.2 billion from the end of the previous fiscal year ended March 31, 2024. This was mainly due to a reduction of trade and other payables and payment of corporate taxes.

As a result, the ratio of equity attributable to owners of the company to total assets decreased by 0.3% points from the end of the previous fiscal year to 69.9%

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. As part of this effort, the Company is liquidating trade receivables to improve ROIC (return on invested capital).

(3) Summary of Cash Flows for the Fiscal Year ended March 31, 2025

Cash flows from operating activities for the fiscal year under review amounted to an inflow of ¥60.9 billion (inflow of ¥72.6 billion in the fiscal year ended March 31, 2024). This was due to a net profit of ¥35.9 billion, ¥17.9 billion of depreciation and amortization and a decrease of ¥18.5 billion in trade receivables, other receivables associated with the liquidation of trade receivables and the payment of ¥12.2 billion in corporate tax.

Cash flows from investing activities amounted to an outflow of ¥8.2 billion (outflow of ¥6.1 billion in the fiscal year ended

March 31, 2024). This was mainly due to payments for the acquisition of property, plant and equipment and intangible assets amounting to ¥6.7 billion and ¥4.4 billion respectively. There was a cash inflow of ¥2.1 billion owing to the sale of 1 equity holding in the fiscal year under review as part of an ongoing review of cross shareholdings.

Cash flows from financing activities amounted to an outflow of ¥53.3 billion (outflow of ¥34.0 billion in the fiscal year ended March 31, 2024). This was due to share repurchases and cash dividends paid of ¥37.9 billion and ¥12.1 billion respectively.

As a result, cash and cash equivalents at the end of the fiscal year ended March 31, 2025 decreased by ¥1.6 billion from the end of the fiscal year ended March 31, 2024 to ¥93.0 billion.

(Reference) Trends in cash flow indicators

	FY2023	FY2024
Equity attributable to owners of the company ratio	70.2%	69.9%
Equity attributable to owners of the company ratio on a market value basis	128.1%	118.3%
Interest-bearing debt to cash flow ratio	37.1%	43.9%
Interest coverage ratio	87.5 times	55.8 times

(Note):

Equity attributable to owners of the company ratio: $\text{Equity attributable to owners of the company} / \text{Assets}$

Equity attributable to owners of the company ratio on a market value basis: $\text{Market capitalization} / \text{Assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt (not including lease obligations)} / \text{Cash flow}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payments}$

*All indicators are calculated based on consolidated financial figures.

*Market capitalization is calculated by multiplying the closing share price at year end by the number of shares outstanding at year end, not including treasury shares. Treasury shares, which are deducted, do not include the Company's shares held by the trust for the stock-based compensation plan.

*Cash flows are cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded in the consolidated statement of financial position on which interest is paid (not including lease obligation). Interest payments are the amount of interest paid in the consolidated statements of cash flows.

(4) Basic Profit Distribution Policy and Dividends for the Current and Next Fiscal Years

(I) Basic Policy on Profit Distribution

Santen regards returning profits to shareholders as one of the most important management priorities. The Company's basic policy is to continue a progressive dividend policy in alignment with profit growth, with the current minimum dividend (¥19 per half year) per share as a floor. In addition, Santen returns profits through flexible share buybacks. The Articles of Incorporation of the Company stipulate that the Company will pay an interim dividend. The Company plans to pay a dividend twice a year even after the enforcement of the Companies Act on May 1, 2006, in the form of interim and year-end dividends as before. The Board of Directors determines the interim dividend and the General Meeting of Shareholders determines the year-end dividend.

(II) Dividends for the Fiscal Year ended March 31, 2025

The Company plans to pay year-end dividends of ¥19 per share subject to approval at the 113th annual shareholders' meeting, which is scheduled to be held in June 2025. Together with the interim dividend already paid out, the annual dividend will be ¥36 per share.

(III) Dividend for the Fiscal Year ending March 31, 2026

The Company plans to pay an annual dividend of ¥38, consisting of an interim dividend of ¥19 per share and a year-end dividend of ¥19 per share for the next fiscal year, for a dividend payout ratio of 37.0%, a metric that reflects the profits returned to shareholders via dividends from net profit for the next fiscal year.

Also, based on the aforementioned policy, at a meeting of the Board of Directors on May 13, 2025, the Board resolved to undertake a share repurchase of up to a maximum of ¥35.0 billion (representing approx. 5.8% of the total number of shares outstanding excluding treasury shares) to improve shareholder returns and enhance capital efficiency.

Note that there is a possibility that some of the purchases may not be made subject to market conditions.

(5) Outlook for the Fiscal Year Ending March 31, 2026

This fiscal year is the first year of the 2025-2029 Medium-Term Management Plan to be disclosed on May 21.

Since the Company expects to be most affected by the launch of generic drugs of mainstay products in Japan, the Company is forecasting a decrease in both revenue and the core operating profit to ¥294.0 billion and ¥54.0 billion, respectively, but the Company will strive to make upfront expenditures for future growth and strengthen our business foundation. In addition, on an IFRS basis, basic earnings per share is forecast to be ¥103, almost the same level as the previous fiscal year ended March 31, 2025, because of fewer variable factors due to the structural reforms in the previous and current fiscal years.

(JPY billions)

	FY2024	FY2025	Year-on-year change
Revenue	300.0	294.0	(2.0%)
Core operating profit	59.4	54.0	(9.1%)
Operating profit	46.9	44.0	(6.1%)
Net profit for the year	35.9	33.5	(6.6%)
Net profit for the year attributable to owners of the company	36.3	34.0	(6.2%)
Basic earnings per share (yen)	103.98	102.66	(1.3%)

Specifically, revenue for the fiscal year ending March 2026 is forecast to be ¥294.0 billion, down 2.0% year-on-year, and the core operating profit, which is an indicator of profitability from business activities, is expected to decrease by 9.1% year-on-year to ¥54.0 billion. While in the overseas business the Company projects continued stable growth, the revenue for the domestic business is expected to decrease on the impact of generic drugs, drug price revisions and others. Cost of sales is expected to increase due to changes in product mix and price hikes, but the cost of sales ratio is expected to be down 1.0% point year-on-year to 42%, due to productivity improvements and strict cost control. SG&A and R&D expenses is forecast to be ¥92.0 billion, up 5.1% year-on-year, and ¥25.0 billion, up 3.7% year-on-year, respectively, as resources are invested for future growth.

On an IFRS basis, operating profit is forecast to be ¥44.0 billion, down 6.1% from the previous fiscal year ended March 31, 2025 on an expected decrease in other expense and others. Net profit is forecast to be ¥33.5 billion, down 6.6% from the previous fiscal year ended March 31, 2025, and basic earnings per share is forecast to be ¥103, almost the same level as the previous fiscal year ended March 31, 2025, assuming the share buyback described on the previous section. These forecasts are based on foreign exchange rates of 1USD = ¥145, 1 EUR = ¥160 and 1 CYN = ¥20.5.

The forecasts above are based on currently available information. Actual results may differ materially depending on a number of factors including change in business environment and other factors.

2. Basic Approach to the Selection of Accounting Standards

The Santen Group has adopted the International Accounting Standards (IFRS) since the fiscal year ended March 31, 2015 to improve the international comparability and convenience of financial data in the financial markets.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Income and Comprehensive Income

IFRS		(JPY millions)
	Year ended March 31, 2024	Year ended March 31, 2025
Revenue	301,965	300,004
Cost of sales	(123,256)	(128,977)
Gross profit	178,709	171,027
Selling, general and administrative expenses	(91,529)	(87,967)
Research and development expenses	(25,416)	(24,103)
Amortization on intangible assets associated with products	(9,471)	(8,812)
Other income	1,548	589
Other expenses	(15,301)	(3,854)
Operating profit	38,541	46,880
Finance income	1,572	4,002
Finance expenses	(2,664)	(2,716)
Share of loss of investments accounted for using equity method	(7,575)	(685)
Profit before tax	29,874	47,481
Income tax expenses	(3,171)	(11,628)
Net profit for the year	26,703	35,853
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	1,829	358
Net gain on financial assets measured at fair value through other comprehensive income	(1,697)	(2,293)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	12,272	(2,650)
Cash flow hedges	(20)	20
Share of other comprehensive income of investments accounted for using equity method	902	(2,325)
Other comprehensive income	13,285	(6,889)
Total comprehensive income	39,988	28,964
Net Profit attributable to		
Owners of the company	26,642	36,256
Non-controlling interests	60	(403)
Net profit for the year	26,703	35,853
Total comprehensive income attributable to		
Owners of the company	39,991	29,340
Non-controlling interests	(3)	(376)
Total comprehensive income	39,988	28,964
Earnings per share		
Basic earnings per share (yen)	72.59	103.98
Diluted earnings per share (yen)	72.37	103.68
Core basis		(JPY millions)
	Year ended March 31, 2024	Year ended March 31, 2025
Core operating profit	62,778	59,380

(2) Consolidated Statements of Financial Position

Assets

(JPY millions)

	March 31, 2024	March 31, 2025
Non-current assets		
Property, plant and equipment	71,576	72,954
Intangible assets	83,819	75,467
Financial assets	21,832	16,177
Retirement benefit assets	7,165	7,861
Investments accounted for using equity method	2,574	—
Deferred tax assets	10,765	10,017
Other non-current assets	1,829	2,501
Total non-current assets	199,560	184,978
Current assets		
Inventories	43,185	51,590
Trade and other receivables	90,539	71,759
Other financial assets	379	997
Income taxes receivable	—	324
Other current assets	7,453	6,633
Cash and cash equivalents	94,582	92,997
Total current assets	236,139	224,300
Total assets	435,699	409,277

Equity and liabilities

(JPY millions)

	March 31, 2024	March 31, 2025
Equity		
Equity attributable to owners of the company		
Share capital	8,777	8,806
Capital surplus	9,854	9,797
Treasury shares	(1,018)	(1,161)
Retained earnings	240,029	228,291
Other components of equity	48,411	40,509
Total equity attributable to owners of the company	306,055	286,242
Non-controlling interests	(685)	(1,061)
Total equity	305,369	285,181
Liabilities		
Non-current liabilities		
Financial liabilities	32,439	30,940
Net defined benefit liabilities	1,292	1,221
Income taxes payable	—	122
Provisions	687	670
Deferred tax liabilities	1,377	2,606
Other non-current liabilities	1,739	1,701
Total non-current liabilities	37,534	37,260
Current liabilities		
Trade and other payables	43,531	38,989
Other financial liabilities	25,711	25,573
Income taxes payable	5,127	2,239
Provisions	1,783	2,087
Other current liabilities	16,643	17,949
Total current liabilities	92,796	86,837
Total liabilities	130,329	124,096
Total equity and liabilities	435,699	409,277

(3) Consolidated Statements of Changes in Equity

Year ended March 31, 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, 2023	8,702	9,789	(364)	238,071	—	7,917	27,971
Comprehensive income							
Net profit for the year				26,642			
Other comprehensive income					1,829	(1,697)	12,335
Total comprehensive income	—	—	—	26,642	1,829	(1,697)	12,335
Transactions with owners							
Issuance of new shares	75	75					
Repurchase of treasury shares		(20)	(16,933)				
Disposal of treasury shares		1	907				
Cancellation of treasury shares		(15,372)	15,372				
Transfer to Capital surplus from Retained earnings		15,371		(15,371)			
Dividends				(11,881)			
Share-based payments		10					
Other				2,568	(1,829)	(739)	
Total transactions with owners	75	65	(654)	(24,684)	(1,829)	(739)	—
Balance at March 31, 2024	8,777	9,854	(1,018)	240,029	—	5,481	40,306

	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 year				—	26,642	60	26,703
Other comprehensive income	(20)	902		13,349	13,349	(63)	13,285
Total comprehensive income	(20)	902	—	13,349	39,991	(3)	39,988
Transactions with owners							
Issuance of new shares			(150)	(150)	0		0
Repurchase of treasury shares				—	(16,953)		(16,953)
Disposal of treasury shares				—	908		908
Cancellation of treasury shares				—	—		—
Transfer to Capital surplus from Retained earnings				—	—		—
Dividends				—	(11,881)		(11,881)
Share-based payments				—	10		10
Other				(2,568)	—		—
Total transactions with owners	—	—	(150)	(2,718)	(27,916)	—	(27,916)
Balance at March 31, 2024	(20)	2,464	181	48,411	306,055	(685)	305,369

Year ended March 31, 2025

(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 year				36,256			
Other comprehensive income					358	(2,293)	(2,677)
Total comprehensive income	—	—	—	36,256	358	(2,293)	(2,677)
Transactions with owners							
Issuance of new shares	28	28					
Repurchase of treasury shares		(46)	(37,836)				
Disposal of treasury shares		8	875				
Cancellation of treasury shares		(36,820)	36,820				
Transfer to Capital surplus from Retained earnings		36,812		(36,812)			
Dividends				(12,112)			
Share-based payments		(39)					
Other				930	(358)	(571)	
Total transactions with owners	28	(57)	(142)	(47,994)	(358)	(571)	—
Balance at March 31, 2025	8,806	9,797	(1,161)	228,291	—	2,616	37,629

	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 year				—	36,256	(403)	35,853
Other comprehensive income	20	(2,325)		(6,916)	(6,916)	27	(6,889)
Total comprehensive income	20	(2,325)	—	(6,916)	29,340	(376)	28,964
Transactions with owners							
Issuance of new shares			(57)	(57)	0		0
Repurchase of treasury shares				—	(37,883)		(37,883)
Disposal of treasury shares				—	882		882
Cancellation of treasury shares				—	—		—
Transfer to Capital surplus from Retained earnings				—	—		—
Dividends				—	(12,112)		(12,112)
Share-based payments				—	(39)		(39)
Other				(930)	—		—
Total transactions with owners	—	—	(57)	(986)	(49,152)	—	(49,152)
Balance at March 31, 2025	—	140	124	40,509	286,242	(1,061)	285,181

(4) Consolidated Statements of Cash Flows

(JPY millions)

	Year ended March 31, 2024	Year ended March 31, 2025
I . Cash flows from operating activities:		
Net profit for the year	26,703	35,853
Depreciation and amortization	18,178	17,948
Impairment losses	7,779	1,302
Business structure improvement expenses	5,829	—
Shares of loss (profit) of investments accounted for using equity method	7,575	685
Interest income, dividend income and interest expenses (increase)	(303)	(469)
Income tax expenses	3,171	11,628
Decrease (increase) in trade and other receivables	18,384	18,512
Decrease (increase) in inventories	(1,369)	(8,381)
Increase (decrease) in trade and other payables	(2,382)	(4,409)
Increase (decrease) in provisions and net defined benefit liabilities	(8,700)	84
Decrease (increase) in other current assets	757	215
Increase (decrease) in accounts payable - bonuses	392	(1,031)
Increase (decrease) in accounts payable - other	(379)	(4,146)
Increase (decrease) in deposits received	7,465	2,134
Other	1,533	2,822
Subtotal	84,633	72,747
Interest received	467	1,048
Dividends received	486	413
Interest paid	(830)	(1,093)
Income tax paid	(12,108)	(12,188)
Net cash flows from (used in) operating activities	72,649	60,928
II . Cash flows from investing activities:		
Payments for acquisition of investments	(301)	(1,575)
Proceeds from sale of investments	4,127	2,816
Payments for acquisition of investments accounted for using equity method	(207)	—
Proceeds from liquidation of investments accounted for using equity method	—	1,911
Payments for acquisition of property, plant and equipment	(9,319)	(6,662)
Payments for acquisition of intangible assets	(1,368)	(4,357)
Proceeds from sale of intangible assets	796	—
Other	126	(356)
Net cash flows from (used in) investing activities	(6,145)	(8,223)
III . Cash flows from financing activities:		
Repayments of long-term borrowings	(2,112)	(158)
Purchase of treasury shares	(16,962)	(37,883)
Dividends paid	(11,881)	(12,111)
Repayments of lease obligation	(3,293)	(3,155)
Other	217	0
Net cash flows from (used in) financing activities	(34,031)	(53,307)
IV . Net increase (decrease) in cash and cash equivalents	32,473	(602)
V . Cash and cash equivalents at the beginning of year	57,903	94,582
VI . Effect of exchange rate changes on cash and cash equivalents	4,206	(983)
VII . Cash and cash equivalents at the end of period	94,582	92,997

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Basis of Presenting Consolidated Financial Statements)

1. Basis of Preparation

(1) Compliance with IFRS

Having met the criteria for a Designated International Accounting Standards Company as set out in Article 1 Section 2 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of October 30, 1976), pursuant to the provision of Article 312, the Santen Group prepares its consolidated financial statements in compliance with IFRS.

(2) Basis of Measurement

The Santen Group's consolidated financial statements have been prepared on a historical cost basis, except for the financial instruments measured at fair value.

(3) Functional Currency and Presentation Currency

The Santen Group's consolidated financial statements are presented in Japanese yen, which is the Company's functional currency. All financial information presented in Japanese yen has been rounded to the nearest million, except when otherwise indicated.

2. Significant Accounting Policies

The Santen Group has applied the same accounting policies as were applied to the consolidated financial statements in the previous fiscal year.

(Segment Information and Others)

1. Overview of Reporting Segments

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

2. Information on Products and Services

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(JPY millions)

	Prescription pharmaceuticals	OTC pharmaceuticals	Medical devices	Others	Total
Revenue from external customers	281,025	11,242	7,767	1,931	301,965

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(JPY millions)

	Prescription pharmaceuticals	OTC pharmaceuticals	Medical devices	Others	Total
Revenue from external customers	276,810	11,578	9,745	1,872	300,004

3. Information by Region

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(JPY millions)

	Japan	China	Asia	EMEA	Others	Total
Revenue from external customers ^{*1}	175,608	29,858	28,666	64,756	3,078	301,965
Non-current assets ^{*2}	95,802	27,234	738	18,988	14,462	157,224

(Note):

*1. Revenue is classified into countries or regions based on customer location. Asia does not include China.

*2. Non-current assets are classified into countries or regions based on the asset location. Equity method investments, financial assets, assets associated with pension benefits, and deferred tax assets are excluded.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(JPY millions)

	Japan	China	Asia	EMEA	Others	Total
Revenue from external customers ^{*1}	165,310	28,927	30,097	74,322	1,349	300,004
Non-current assets ^{*2}	88,026	29,766	1,408	18,809	12,914	150,922

(Note):

*1. Revenue is classified into countries or regions based on customer location. Asia does not include China.

*2. Non-current assets are classified into countries or regions based on the asset location. Financial assets, assets associated with pension benefits, and deferred tax assets are excluded.

*3. From this fiscal year ended March 31, 2025, the regional classification of Americas has been changed to Others due to the decreased significance in value terms. This change is also retroactively applied to the previous year ended March 31, 2024.

4. Information on Major Customers

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(JPY millions)

Name of customer	Revenue
Suzuken Co., Ltd	50,115
Mediceo Corporation	34,653

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(JPY millions)

Name of customer	Revenue
Suzuken Co., Ltd	43,463
Mediceo Corporation	32,759

(Other Expenses)

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Impairment of non-financial assets

An impairment loss of ¥7,779 million recognized in the consolidated fiscal year ended March 31, 2024 was recorded as other expenses.

This was mainly due to an impairment loss on intangible assets associated with cell therapy products mainly composed of retinal progenitor cells. As a result of the review of the business plan related to the item above, the Company determined the book value fell short of the estimated recoverable amount, and recorded an impairment loss of ¥6,994 million as a result of reducing the book value of the intangible asset related to the product to the recoverable amount.

2. Business structural reform expenses

Business structural reform expenses of ¥5,829 million were recorded as other expenses in the consolidated fiscal year ended March 31, 2024.

This is mainly due to special severance payments associated with the early retirement program in Japan, as well as the maximized streamlining of the pharmaceutical commercial business in the Americas related to structural reforms.

3. Loss on disaster

Loss on disaster of ¥755 million was recorded as other expenses in the consolidated fiscal year ended March 31, 2024.

This is an operating loss from non-operation and restoration expenses for building and equipment in Noto Plant (located in Houdatsushimizu-cho, Hakui-gun, Ishikawa Prefecture) due to Noto Peninsula Earthquake on January 1, 2024.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

An impairment loss of ¥1,302 million recognized in the consolidated fiscal year ended March 31, 2025 was recorded as other expenses.

This was mainly due to an impairment loss on intangible assets associated with products including STN1013400 for myopia and others which were determined to be difficult to monetize as a result of the decision to discontinue development or review the development plan, and recorded an impairment loss of ¥1,196 million.

(Earnings per Share)

Basic earnings per share and diluted earnings per share are calculated on the following basis.

	End of previous fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Basis of calculation of basic earnings per share		
Profit attributable to owners of the company (JPY millions)	26,642	36,256
Net profit not attributable to common shareholders of the company (JPY millions)	8	9
Net profit used in the calculation of basic earnings per share (JPY millions)	26,634	36,247
Average number of shares of common stock outstanding during the period (thousands of shares)	366,890	348,605
Basis of calculation of diluted earnings per share		
Net profit used in the calculation of basic earnings per share (JPY millions)	26,634	36,247
Adjustment to net profit (JPY millions)	8	9
Net profit used to calculate diluted earnings per share (JPY millions)	26,642	36,256
Average number of shares of common stock outstanding during the period (thousands of shares)	366,890	348,605
Increase in common shares due to stock-based compensation (thousands of shares)	1,250	1,089
Weighted-average number of common shares outstanding during the period (thousands of shares)	368,139	349,694
Earnings per share attributable to owners of the company		
Basic earnings per share (yen)	72.59	103.98
Diluted earnings per share (yen)	72.37	103.68

(Note):

For the purposes of calculating earnings per share, the Company deducts the number of own shares held in trust by the stock compensation system from the average number of outstanding common shares during the period.

(Significant Subsequent Events)

Resolution pertaining to repurchase of own shares (Repurchase of own shares in accordance with Article 165, paragraph 2 of the Companies Act (Japan))

At a meeting of the Board of Directors on May 13, 2025, 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.

(I) Reasons for repurchase of own shares

Santen considers returning profits to shareholders as one of its top management priorities. Taking into consideration its business environments and financial condition, Santen decided to implement share buyback to enhance shareholders return and capital efficiency.

(II) Details of repurchase

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	19,800,000 shares (maximum) *Representing 5.8% of the total number of shares outstanding (excluding treasury shares)
(3) Total amount of repurchase	35.0 billion yen (maximum)
(4) Period of repurchase	May 22, 2025 to November 5, 2025
(5) Method of repurchase	Open-market repurchase by the discretionary trading method

Santen plans to cancel the repurchased shares by its Board of Directors resolution 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 market conditions and others.

4. Consolidated Reference

(1) Revenue of Major Products

(JPY millions)

(\$ in millions)

Brand Name	Region	Year ended March 31, 2025		Year ending March 31, 2026	
		Year ended March 31, 2025 Actual	Changes from previous year	Year ending March 31, 2026 Forecasts	Changes from previous year
Glaucoma and ocular hypertension					
Cosopt	Total	26,799	4.6%	24,850	(7.3%)
	Japan	2,530	(36.0%)	1,361	(46.2%)
	Asia	7,017	2.0%	7,014	(0.1%)
	EMEA	17,252	16.8%	16,379	(5.1%)
Tapros	Total	16,461	(11.1%)	15,386	(6.5%)
	Japan	3,316	(44.1%)	2,759	(16.8%)
	China	2,421	36.5%	1,864	(23.0%)
	Asia	2,388	0.1%	2,704	13.3%
Tapcom	EMEA	8,336	(1.0%)	8,059	(3.3%)
	Total	9,661	4.6%	9,712	0.5%
	Japan	1,562	(28.8%)	1,201	(23.1%)
	China	—	—	193	—
Eybelis	Asia	1,581	18.7%	1,580	(0.1%)
	EMEA	6,519	14.2%	6,738	3.4%
	Total	5,291	9.2%	5,504	4.0%
	Japan	4,625	6.4%	4,612	(0.3%)
Catiolanze	Asia	666	54.9%	885	32.9%
	Total	141	—	1,109	689.0%
Rocklatan/Roclanda	EMEA	141	—	1,109	689.0%
	Total	911	375.4%	1,798	97.3%
	Asia	4	—	23	549.5%
	EMEA	908	373.5%	1,775	95.5%
Dry eye					
Diquas	Total	11,134	(11.7%)	9,493	(14.7%)
	Japan	6,501	(4.9%)	4,848	(25.4%)
	China	2,499	(24.6%)	2,072	(17.1%)
	Asia	2,135	(13.3%)	2,573	20.5%
Diquas LX	Total	—	(100.0%)	4,131	—
	Japan	—	(100.0%)	4,131	—
Hyalein	Total	16,896	(1.4%)	15,886	(6.0%)
	Japan	4,690	(9.5%)	3,368	(28.2%)
	China	8,269	(6.1%)	8,407	1.7%
	Asia	3,936	25.3%	4,111	4.4%
Ikervis	Total	11,290	(6.7%)	12,132	7.5%
	Asia	2,140	10.7%	2,215	3.5%
	EMEA	9,149	(10.1%)	9,777	6.9%
Cationorm	Total	4,324	(4.5%)	4,490	3.8%
	China	204	179.2%	679	232.2%
	Asia	787	26.2%	808	2.7%
	EMEA	3,080	5.4%	3,003	(2.5%)
Allergy					
Alesion (Including Alesion LX, Alesion eyelid cream, Epinastine hydrochloride and Epinastine hydrochloride LX)	Total	31,702	7.5%	26,861	(15.3%)
	Japan	31,393	7.1%	26,504	(15.6%)
	Asia	309	68.4%	357	15.6%
Verkazia	Total	1,821	22.1%	2,267	24.5%
	China	—	—	145	—
	EMEA	1,799	52.3%	2,121	17.9%
Intravitreal VEGF inhibitor					
EYLEA (Including EYLEA 8mg)	Total	78,052	7.3%	71,575	(8.3%)
	Japan	78,052	7.3%	71,575	(8.3%)
Bacterial conjunctivitis					
Cravit	Total	13,641	(7.2%)	13,393	(1.8%)
	Japan	679	(39.7%)	420	(38.1%)
	China	8,384	(5.1%)	8,287	(1.2%)
	Asia	3,003	(7.3%)	3,086	2.8%
Slowing myopia progression	EMEA	1,576	5.1%	1,600	1.5%
	Total	—	—	1,606	—
Ryfusea / Ryjunea	Japan	—	—	1,413	—
	EMEA	—	—	193	—
	Total	—	—	—	—
Medical devices					
PRESERFLO MicroShunt	Total	6,053	46.1%	7,007	15.8%
	Japan	1,680	121.5%	1,746	4.0%
	Asia	120	83.1%	157	30.8%
	EMEA	4,253	28.1%	5,050	18.7%
OTC Pharmaceuticals	Total	11,578	3.0%	11,577	(0.0%)
	Japan	10,607	5.1%	10,810	1.9%
	Asia	786	(5.9%)	767	(2.5%)

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. Full-year forecasts are based on our foreign exchange assumptions. Revenue by region shows that of major countries or regions.

(2) Research & Development

As of April 2025

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	Mar-2025					

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. Received marketing approval in March 2025 in China.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
omidenepeg isopropyl	STN1011702	Glaucoma / Ocular hypertension	Co-development with UBE Corporation	China						

A unit dose, preservative free eye drop, EP2 receptor agonist with a new mechanism of action, sold in Japan and Asia. Started Phase 3 in November 2024 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	Nov-2024					

An ophthalmic emulsion of a prostaglandin $F_{2\alpha}$ derivative, for the treatment of glaucoma and ocular hypertension. Filed for marketing approval in November 2024 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 mesylate	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.. Completed Phase 3 in January 2025 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 mesylate / latanoprost	STN1014000 / PG-324	Glaucoma / Ocular hypertension	Alcon Inc.	Europe	Jan-2023					
				Asia	Mar-2025					

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. Received marketing approval successively in Asian countries and launched in March 2025 in Singapore.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
Netarsudil mesylate / latanoprost	STN1014003	Glaucoma / Ocular hypertension	Alcon Inc.	Japan						

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.. Uses a different container from that of STN1014000. Started Phase 3 in February 2025 in Japan.

<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/Licensor	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	Mar-2025					
A histamine H ₁ receptor antagonist with mediator release inhibitor function, as treatment for allergic conjunctivitis. High dose formulation to instill twice a day. Filed for marketing approval in March 2025 in China.										
< Refractive disorder>										
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	Apr-2025					
				China	(Phase 2/3)					
				Asia						
Non-selective muscarinic antagonist which reduces progression of juvenile myopia. Launched in April 2025 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	Mar-2024					
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 and filed for marketing authorization approval in March 2024 and received a positive CHMP opinion in March 2025 in Europe										
<Others>										
Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
oxymetazoline hydrochloride	STN1013800	Ptosis	RVL Pharmaceuticals	Japan	Dec-2024					
				Europe						
				China						
A direct-acting alpha adrenergic receptor agonist. Developed and sold by RVL Pharmaceuticals in the U.S.. Filed for manufacturing and marketing approval in December 2024 in Japan. Started Phase 3 in December 2024 in Europe. Started Phase 3 in October 2024 in China.										

Changes from Q3 FY2024 (February 6, 2025)

Dev. Code	Changes
STN1011101 / DE-111A	Received marketing approval in March 2025 in China.
STN1014000 / PG-324	In Asian countries, launched in March 2025 in Singapore.
STN1014003	Started Phase 3 in February 2025 in Japan.
STN1011403	Filed for marketing approval in March 2025 in China.
STN1012700 / DE-127	Launched in April 2025 in Japan.
STN1012701 / SYD-101	Received positive CHMP opinion in March 2025 in Europe

※ The development of STN1013400 (compound name: AFDX0250BS) was discontinued following the review of Phase 2a data.

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

Capital expenditures

(JPY millions)

	Year ended March 31, 2025	Year ending March 31, 2026
	Actual	Forecast
Consolidated	7,545	9,000

(Note):

Excluding the increase in right-of-use assets.

Depreciation and amortization

(JPY millions)

	Year ended March 31, 2025	Year ending March 31, 2026
	Actual	Forecast
Manufacturing cost	3,967	4,020
Selling, general and administrative expenses	2,122	2,730
R&D expenses	543	510
Consolidated total	6,632	7,260

(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)

	Year ended March 31, 2025	Year ending March 31, 2026
	Actual	Forecast
Intangible assets (Merck products)	4,815	4,400
Intangible assets (Rhopressa/Rocklatan)	1,506	1,750
Intangible assets (PRESERFLO MicroShunt)	1,296	1,230
Intangible assets (Ikervis)	926	530
Other	267	790
Consolidated total	8,812	8,700

Research and development expenses

(JPY millions)

	Year ended March 31, 2025	Year ending March 31, 2026
	Actual	Forecast
Consolidated	24,103	25,000

(4) FOREX

(JPY)

Exchange rate (yen)	Major currency	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026(Forecasts)
	USD	144.80	152.70	145.00
	EUR	156.88	163.57	160.00
	CNY	20.24	21.29	20.50

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