



Summary of Consolidated Financial Results for the Year Ended March 31, 2026 (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 Investor Relations (+81-6-7664-8621)
Annual Shareholders Meeting (Scheduled):	June 23, 2026
Start of Distribution of Dividends (Scheduled):	June 24, 2026
Filing of Securities Report (Scheduled):	June 18, 2026
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, 2026

(1) Operating Results

	Year to March 2025	Year to March 2026	Change
Revenue	300,004	291,624	(2.8%)
Core operating profit	59,380	55,143	(7.1%)
Operating profit	46,880	47,797	+2.0%
Net profit for the year	35,853	37,561	+4.8%
Net profit for the year attributable to owners of the company	36,256	37,369	+3.1%
Total comprehensive income for the year	28,964	55,470	+91.5%
Basic earnings per share (yen)	103.98	114.04	
Diluted earnings per share (yen)	103.68	113.80	
Profit to equity attributable to owners of the company (%)	12.2	12.8	
Profit before tax to total assets ratio (%)	11.2	11.4	
Operating profit to revenue ratio (%)	15.6	16.4	

(2) Financial Position

	March 31, 2025	March 31, 2026
Total assets	409,277	423,033
Total equity	285,181	296,017
Total equity attributable to owners of the company	286,242	296,989
Total equity attributable to owners of the company ratio (%)	69.9	70.2
Equity per share attributable to owners of the company (yen)	839.20	923.75

(3) Cash Flows

	Year to March 2025	Year to March 2026
Cash flows from operating activities	60,928	43,500
Cash flows from investing activities	(8,223)	(12,974)
Cash flows from financing activities	(53,307)	(49,348)
Cash and cash equivalents at end of year	92,997	80,875

2. Dividends

	Year to March 2025	Year to March 2026	(Forecasts) Year to March 2027
Second quarter dividends per share (yen)	17.00	19.00	21.00
Year-end dividends per share (yen)	19.00	19.00	21.00
Annual dividends per share (yen)	36.00	38.00	42.00
Total dividends paid (full-year)	12,424	12,285	
Payout ratio (consolidated)	34.6%	33.3%	33.8%
Dividends paid on equity attributable to owners of the company (consolidated)	4.3%	4.3%	

3. Consolidated Forecasts of Results for the Fiscal Year Ending March 31, 2027

	Year to March 2027	Change
Revenue	311,000	+6.6%
Core operating profit	59,000	+7.0%
Operating profit	49,500	+3.6%
Net profit for the year	39,500	+5.2%
Net profit for the year attributable to owners of the company	40,000	+7.0%
Basic earnings per share (yen)	124.42	+9.1%

(Note):

1. Presentation 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, 2026" on page 3 of the attached material for details of the reconciliation from IFRS basis figures to core-based figures.

***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, 2026 322,281,654 shares

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

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

Fiscal Year ended March 31, 2026 602,813 shares

Fiscal Year ended March 31, 2025 691,515 shares

(iii) Average number of shares during the period

Fiscal Year ended March 31, 2026 327,623,794 shares

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

(Note):

The number of treasury shares at the end of the period includes shares (59,329 shares at the end of the fiscal year ended March 31, 2025 and 28,410 shares at the end of the fiscal year ended March 31, 2026) 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, 2026 (April 1, 2025 - March 31, 2026)

(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, 2026	171,780	(8.7)	20,517	(12.4)	22,013	(16.1)	15,794	(11.3)
Fiscal Year ended March 31, 2025	188,101	(3.7)	23,408	(16.4)	26,232	(16.1)	17,804	(4.7)

	Net profit per share	Fully diluted net profit per share
	Yen	Yen
Fiscal Year ended March 31, 2026	48.18	48.08
Fiscal Year ended March 31, 2025	51.03	50.89

(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, 2026	231,469	126,954	54.8	394.39
Fiscal Year ended March 31, 2025	237,652	153,446	64.5	449.15

(Reference) Equity

Fiscal Year ended March 31, 2026 126,866 million yen

Fiscal Year ended March 31, 2025 153,322 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 12, 2026. 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, 2026.....	2
(2) Summary of Financial Position for the Fiscal Year ended March 31, 2026.....	5
(3) Summary of Cash Flows for the Fiscal Year ended March 31, 2026.....	6
(4) Basic Profit Distribution Policy and Dividends for the Current and Next Fiscal Years.....	6
(5) Outlook for the Fiscal Year Ending March 31, 2027	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 Income)	16
(Other Expenses)	16
(Earnings per Share).....	17
(Significant Subsequent Events).....	17
4. Consolidated Reference.....	18
(1) Revenue of Major Products.....	18
(2) Research & Development.....	20
(3) Capital Expenditures, Depreciation and Amortization, Amortization on Intangible Assets Associated with Products, and Research and Development Expenses.....	23
(4) FOREX.....	23

1. Summary of Consolidated Results and Others

(1) Summary of Consolidated Results for the Fiscal Year ended March 31, 2026

(I) Consolidated Results

(JPY billions)

	FY2024	FY2025	Year-on-year change
Revenue	300.0	291.6	(2.8%)
Core operating profit ^{*1}	59.4	55.1	(7.1%)
Operating profit	46.9	47.8	2.0%
Net profit for the year	35.9	37.6	4.8%
Net profit for the year attributable to owners of the company	36.3	37.4	3.1%
EBITDA ^{*2}	68.1	63.6	(6.6%)

[Revenue]

Revenue in the fiscal year ended March 31, 2026 decreased by 2.8% year-on-year to ¥291.6 billion.

This was mainly due to the focus on expanding sales of new and mainstay products despite the impact of NHI price revisions.

◇ Japan

Revenue in the fiscal year ended March 31, 2026 decreased by 11.2% year-on-year to ¥146.8 billion. NHI price revisions at the high end of the 1% level, market expansion re-pricing of mainstay products, generic entry and impact of co-pay hikes on certain long-listed products (the “*sentei-ryoyo*” system that came into effect in October 2024) were partially offset by the focus on growing mainstay products such as *Ryjusea Mini* which was launched in April 2025, *EYLEA* kit for IVT inj. 114.3mg/mL which was launched in May 2025, *Alesion* eyelid cream and the resumption of shipments of *Diquas LX* in December 2025. Within total Japan revenue, revenue from OTC (excluding China and Asia) increased by 7.1% year-on-year to ¥11.4 billion.

◇ China

On a JPY basis, revenue in the fiscal year ended March 31, 2026 increased by 0.5% year-on-year (+0.6% excluding FX impact) to ¥30.0 billion yen despite the impact of adjustments to channel inventory levels. Starting this fiscal year, Hong Kong is included in the China segment rather than the Asia segment. For reference, the calculation of the year-on-year growth rate takes this change into account.

◇ Asia (excluding China)

On a JPY basis, revenue in the fiscal year ended March 31, 2026 increased by 14.0% year-on-year (+15.2% excluding FX impact) to ¥33.3 billion. This was due to the steady growth of glaucoma and dry eye products sold in South Korea and Southeast Asia, and the contribution of an exclusive promotion and distribution agreement for VEGF inhibitors, *Beovu* and *Lucentis*, in South Korea.

◇ EMEA^{*3}

On a JPY basis, revenue in the fiscal year ended March 31, 2026 increased by 7.8% year-on-year (+0.4% excluding FX impact) to ¥80.1 billion. This was mainly due to the focus on building leadership positions in the glaucoma and dry eye fields.

[Core operating profit]

Gross profit in the fiscal year ended March 31, 2026 decreased by 0.8 % year-on-year to ¥169.7 billion.

SG&A expenses in the fiscal year ended March 31, 2026 increased by 1.7% year-on-year (-0.9% excluding FX impact) to ¥89.0 billion.

R&D expenses in the fiscal year ended March 31, 2026 increased by 6.1% year-on-year (+4.5% excluding FX impact) to ¥25.6 billion.

As a result, operating profit on a core basis in the fiscal year ended March 31, 2026 decreased by 7.1% year-on-year (-7.9% excluding FX impact) to ¥55.1 billion.

[Operating profit]

For the adjustments from the core basis, adjustments of ¥0.4 billion were made to SG&A for expenses related to streamlining in the fiscal year ended March 31, 2025, and adjustments of ¥0.5 billion and ¥0.6 billion were made to SG&A and R&D expenses respectively in the fiscal year ended March 31, 2026.

Amortization on intangible assets associated with products in the fiscal year ended March 31, 2026 decreased by 0.4% year-on-year (-1.8% 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 *Rocklatan / Roclanda* which Santen began selling in Europe in 2023 and Asia in 2024.

Other income amounted to ¥7.0 billion. This was mainly due to the reclassification to profit or loss of the cumulative translation differences related to foreign sales operations.

Other expenses amounted to ¥4.4 billion. This was mainly due to the recording of impairment losses on intangible assets related to STN1010904* (generic name: sirolimus) for Fuchs endothelial corneal dystrophy and STN1010905 (generic name: sirolimus) for meibomian gland dysfunction, as the discontinuation of development eliminated the expectation of future economic benefits. (*The development code (STN1010904) was due to be assigned to the product when Santen obtains an exclusive license upon completion of Phase 2 clinical trial.)

As a result, operating profit on an IFRS basis in the fiscal year ended March 31, 2026 increased by 2.0% year-on-year (+1.5% excluding FX impact) to ¥47.8 billion.

[Net profit for the year]

Finance income amounted to ¥1.6 billion.

Finance expenses amounted to ¥2.0 billion.

Income tax expenses amounted to ¥9.9 billion, down ¥1.7 billion year-on-year. This was mainly due to a decrease in taxable income.

As a result, net profit in the fiscal year ended March 31, 2026 increased by 4.8% year-on-year to ¥37.6 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, 2026 increased by 3.1% year-on-year to ¥37.4 billion. The ratio to revenue was 12.8%.

*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 EBITDA is calculated as follows: EBITDA = (Operating profit) - (Other income) + (Other expenses) + (Depreciation and amortization)

*3 Refers to Europe, Middle East and Africa.

(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 launched the product in China in August 2025.

STN1011702 (generic name: omidenepag isopropyl) is an EP2 receptor agonist. Phase 3 trial has been under way in China since November 2024.

STN1012600 (DE-126, generic name: sepetaprost) is an agonist that activates both FP and EP3 receptors. An additional Phase 2 trial was completed in the U.S. in December 2021. The Company launched the product in Japan in October 2025. 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 Asia in November 2024. The Company launched the product in European countries including Spain in August 2024.

STN1013900 (AR-13324, generic name: netarsudil mesylate) is a ROCK inhibitor. The Company filed as a ROCK/NET inhibitor for manufacturing and marketing approval in Japan in July 2025. 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 Singapore in March 2025.

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 has been under way in Japan since February 2025.

<Keratoconjunctival disease area including dry eye>

STN1007603 (DE-076C, generic name: ciclosporin) for vernal keratoconjunctivitis has been approved and launched in Europe and Asia. The Company launched the product in China in December 2025.

STN1014100 (generic name: olodaterol hydrochloride) is for the treatment of dry eye. Phase 2b trial was started in Japan in May 2025.

STN1014101 (generic name: olodaterol hydrochloride) is for the treatment of allergic conjunctivitis. Phase 1/2a trial was started in Japan in March 2026.

STN1010904 (generic name: sirolimus) is for the treatment of Fuchs endothelial corneal dystrophy. The Company discontinued development following the review of P2a trial data.

STN1010905 (generic name: sirolimus) is for the treatment of meibomian gland dysfunction. The Company discontinued development following the review of additional P2a trial data.

STN1011402 (generic name: epinastine hydrochloride) is an eyelid cream for the treatment of allergic conjunctivitis. The Company launched the product in Japan in May 2024. Phase 3 trial was started in China in January 2026. In Asia, the Company withdrew the filing for marketing approval in South Korea in March 2026.

STN1011403 (generic name: epinastine hydrochloride) is a high dose formulation to instill twice a day for the treatment of allergic conjunctivitis. The Company filed for marketing approval in China in March 2025.

STN1014200 (CBT-001, generic name: nintedanib) is for the treatment of pterygium. Phase 2b trial was started in Japan in November 2025.

<Refractive disorder>

STN1012700 (DE-127, generic name: atropine sulfate) is for the treatment of myopia in children. The Company launched the product in Japan in April 2025. Phase 2/3 trial has been under way in China since June 2022. The Company filed for marketing approval in Asia in July 2025.

STN1012701 (SYD-101, generic name: atropine sulfate) is for the treatment of myopia in children. In Europe, the Company launched the product in Germany in July 2025.

<Retinal diseases area>

STN1014300 (RC28-E, generic name: eflimrufusp alfa) is for the treatment of diabetic macular edema. RemeGen Co., Ltd. (China), the licensor, filed for marketing approval in China in September 2025.

STN1014301 (RC28-E, generic name: eflimrufusp alfa) is for the treatment of wet age-related macular degeneration. RemeGen Co., Ltd. (China), the licensor, is conducting a Phase 3 trial in China.

<Others>

STN1013800 (generic name: oxymetazoline hydrochloride) is for the treatment of ptosis. The Company received manufacturing and marketing approval in Japan in December 2025. Phase 3 trial has been under way in Europe since December 2024. Phase 3 trial has been under way in China since October 2024.

※ 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, SYD-101, RC28-E and CBT-001 are the development codes of Alcon Inc. (Switzerland), Sydnexis Inc. (U.S.), RemeGen Co., Ltd. (China) and Cloudbreak Pharma Inc. (U.S.) respectively.

(Ⅲ) Capital Expenditures

Capital expenditures in the fiscal year ended March 31, 2026 amounted to ¥7.3 billion. In addition to the upgrading of manufacturing facilities and equipment for R&D in Japan, 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 in China. This adds production capacity to proactively cater to anticipated market growth, thereby establishing Santen's competitive edge globally for further business growth.

Regarding funding, in March 2026, the Company entered into a ¥30.0 billion sustainability-linked term loan facility with an availability period, structured as a syndicated loan with MUFG Bank, Ltd. acting as agent and multiple financial institutions participating, for the purpose of capital expenditures in Japan. Through this fundraising, the Company aims to maximize investment opportunities in its business development activities. No borrowings were made during the fiscal year ended March 31, 2026, under this facility.

(2) Summary of Financial Position for the Fiscal Year ended March 31, 2026

Total assets amounted to ¥423.0 billion, an increase of ¥13.8 billion from the end of the previous fiscal year ended March 31, 2025. Despite a decrease in working capital associated with the liquidation of trade receivables, and a decrease in cash and others, there was an increase of product inventories in connection with the resumption of shipments of *Diquas LX*.

Equity amounted to ¥296.0 billion, an increase of ¥10.8 billion from the end of the previous fiscal year ended March 31, 2025. This was due to an increase in other components of equity despite a decrease in retained earnings caused by the cancellation of treasury shares.

Liabilities amounted to ¥127.0 billion, an increase of ¥2.9 billion from the end of the previous fiscal year ended March 31, 2025. Despite a decrease in trade and other payables, there were increases in income taxes payable and financial liabilities.

As a result, the ratio of equity attributable to owners of the company to total assets increased by 0.3%-points from the end of the previous fiscal year to 70.2%.

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). Furthermore, ROE and ROIC improved from 12% to 13% and from 18% to 19%, respectively, compared with the previous fiscal year ended March 31, 2025.

(3) Summary of Cash Flows for the Fiscal Year ended March 31, 2026

Cash flows from operating activities for the fiscal year under review amounted to an inflow of ¥43.5 billion (inflow of ¥60.9 billion in the fiscal year ended March 31, 2025). This was due to a net profit of ¥37.6 billion, ¥18.4 billion in depreciation and amortization, an increase of ¥10.0 billion in inventories, and a ¥7.4 billion corporate tax payment.

Cash flows from investing activities amounted to an outflow of ¥13.0 billion (outflow of ¥8.2 billion in the fiscal year ended March 31, 2025). This was mainly due to payments for the acquisition of property, plant and equipment and intangible assets amounting to ¥6.8 billion and ¥7.4 billion respectively. There was a cash inflow of ¥0.6 billion owing to the sale of two equity holdings 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 ¥49.3 billion (outflow of ¥53.3 billion in the fiscal year ended March 31, 2025). This was due to the purchase of treasury shares and dividends paid of ¥32.8 billion and ¥12.6 billion respectively.

As a result, cash and cash equivalents at the end of the fiscal year ended March 31, 2026 decreased by ¥12.1 billion from the end of the fiscal year ended March 31, 2025 to ¥80.9 billion.

(Reference) Trends in cash flow indicators

	FY2024	FY2025
Equity attributable to owners of the company ratio	69.9%	70.2%
Equity attributable to owners of the company ratio on a market value basis	118.3%	135.8%
Interest-bearing debt to cash flow ratio	43.9%	63.5%
Interest coverage ratio	55.8 times	34.4 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 fiscal year-end by the number of shares outstanding at fiscal 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 obligations). 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 fiscal year-end dividends as before. The Board of Directors determines the interim dividend and the General Meeting of Shareholders determines the fiscal year-end dividend.

(II) Dividends for the Fiscal Year ended March 31, 2026

The Company plans to pay fiscal year-end dividends of ¥19 per share subject to approval at the 114th annual shareholders' meeting, which is scheduled to be held in June 2026. Together with the interim dividend already paid out, the annual dividend will be ¥38 per share.

(III) Dividend for the Fiscal Year ending March 31, 2027

The Company plans to pay an annual dividend of ¥42, consisting of an interim dividend of ¥21 per share and a fiscal year-end dividend of ¥21 per share for the next fiscal year, for a dividend payout ratio of 34%, a metric that reflects the profits returned to shareholders via dividends from net profit for the next fiscal year.

(5) Outlook for the Fiscal Year Ending March 31, 2027

This fiscal year ending March 31, 2027 is the second year of the 2025-2029 Medium-Term Management Plan which was disclosed on May 21, 2025. Following the first year in which core operating profit exceeded the initial forecast, we will strive to make the current year one of revenue and profit growth on a sustainable growth trajectory toward achieving our medium-term target for the fiscal year ending March 31, 2029.

(JPY billions)

	FY2025	FY2026	Year-on-year change
Revenue	291.6	311.0	6.6%
Core operating profit	55.1	59.0	7.0%
Operating profit	47.8	49.5	3.6%
Net profit for the year	37.6	39.5	5.2%
Net profit for the year attributable to owners of the company	37.4	40.0	7.0%
Basic earnings per share (yen)	114.04	124.42	9.1%

Specifically, revenue for the fiscal year ending March 31, 2027 is forecast to be ¥311.0 billion, up 6.6% year-on-year, and the core operating profit, which is an indicator of profitability from business activities, is expected to increase by 7.0% year-on-year to ¥59.0 billion. While in the overseas business the Company projects continued stable growth, the revenue for the Japan business factors in the impact of generic drugs, drug price revisions and others.

Cost of sales is expected to increase due to inflation, but the cost of sales ratio is expected to fall 2%-points year-on-year to 40%, due to changes in product mix, productivity improvements and strict cost control. SG&A and R&D expenses are forecast to be ¥99.5 billion, up 11.8% year-on-year, and ¥27.5 billion, up 7.6% year-on-year, respectively, on a core basis, as the Company allocates resources to invest for future growth. Core operating profit margin is expected to be 19% year-on-year, in line with the previous fiscal year ended March 31, 2026.

On an IFRS basis, operating profit is forecast to be ¥49.5 billion, up 3.6% from the previous fiscal year ended March 31, 2026 on an expected decrease in other expenses and others. Net profit is forecast to be ¥39.5 billion, up 5.2% from the previous fiscal year ended March 31, 2026, and basic earnings per share is forecast to be ¥124, up 9.1% from the previous fiscal year ended March 31, 2026. These forecasts are based on foreign exchange rates of 1USD = ¥155, 1 EUR = ¥180 and 1 CNY = ¥23.

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, 2025	Year ended March 31, 2026
Revenue	300,004	291,624
Cost of sales	(128,977)	(121,881)
Gross profit	171,027	169,743
Selling, general and administrative expenses	(87,967)	(89,570)
Research and development expenses	(24,103)	(26,185)
Amortization on intangible assets associated with products	(8,812)	(8,773)
Other income	589	6,978
Other expenses	(3,854)	(4,395)
Operating profit	46,880	47,797
Finance income	4,002	1,639
Finance expenses	(2,716)	(1,994)
Share of loss of investments accounted for using equity method	(685)	—
Profit before tax	47,481	47,442
Income tax expenses	(11,628)	(9,881)
Net profit for the year	35,853	37,561
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	358	1,886
Net gain on financial assets measured at fair value through other comprehensive income	(2,293)	2,499
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(2,650)	13,525
Cash flow hedges	20	—
Share of other comprehensive income of investments accounted for using equity method	(2,325)	—
Other comprehensive income	(6,889)	17,909
Total comprehensive income	28,964	55,470
Net Profit attributable to		
Owners of the company	36,256	37,369
Non-controlling interests	(403)	192
Net profit for the year	35,853	37,561
Total comprehensive income attributable to		
Owners of the company	29,340	55,381
Non-controlling interests	(376)	90
Total comprehensive income	28,964	55,470
Earnings per share		
Basic earnings per share (yen)	103.98	114.04
Diluted earnings per share (yen)	103.68	113.80
Core basis		(JPY millions)
	Year ended March 31, 2025	Year ended March 31, 2026
Core operating profit	59,380	55,143

(2) Consolidated Statements of Financial Position

Assets		(JPY millions)
	March 31, 2025	March 31, 2026
Non-current assets		
Property, plant and equipment	72,954	78,115
Intangible assets	75,467	71,658
Financial assets	16,177	19,940
Retirement benefit assets	7,861	11,379
Deferred tax assets	10,017	10,843
Other non-current assets	2,501	2,339
Total non-current assets	184,978	194,274
Current assets		
Inventories	51,590	64,584
Trade and other receivables	71,759	71,754
Other financial assets	997	2,475
Income taxes receivable	324	76
Other current assets	6,633	8,994
Cash and cash equivalents	92,997	80,875
Total current assets	224,300	228,758
Total assets	409,277	423,033

Equity and liabilities

(JPY millions)

	March 31, 2025	March 31, 2026
Equity		
Equity attributable to owners of the company		
Share capital	8,806	8,824
Capital surplus	9,797	9,595
Treasury shares	(1,161)	(979)
Retained earnings	228,291	223,285
Other components of equity	40,509	56,263
Total equity attributable to owners of the company	286,242	296,989
Non-controlling interests	(1,061)	(972)
Total equity	285,181	296,017
Liabilities		
Non-current liabilities		
Financial liabilities	30,940	31,219
Net defined benefit liabilities	1,221	1,424
Income taxes payable	122	31
Provisions	670	731
Deferred tax liabilities	2,606	4,338
Other non-current liabilities	1,701	1,405
Total non-current liabilities	37,260	39,147
Current liabilities		
Trade and other payables	38,989	35,350
Other financial liabilities	25,573	27,529
Income taxes payable	2,239	4,535
Provisions	2,087	1,404
Other current liabilities	17,949	19,050
Total current liabilities	86,837	87,868
Total liabilities	124,096	127,015
Total equity and liabilities	409,277	423,033

(3) Consolidated Statements of Changes in Equity

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

Year ended March 31, 2026

(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, 2025	8,806	9,797	(1,161)	228,291	—	2,616	37,629
Comprehensive income							
Net profit for the year				37,369			
Other comprehensive income					1,886	2,499	13,626
Total comprehensive income	—	—	—	37,369	1,886	2,499	13,626
Transactions with owners							
Issuance of new shares	18	18					
Repurchase of treasury shares		(22)	(32,775)				
Disposal of treasury shares		1	1,019				
Cancellation of treasury shares		(31,937)	31,937				
Transfer to capital surplus from retained earnings		31,936		(31,936)			
Dividends				(12,659)			
Share-based payments		(198)					
Other				2,221	(1,886)	(335)	
Total transactions with owners	18	(202)	181	(42,375)	(1,886)	(335)	—
Balance at March 31, 2026	8,824	9,595	(979)	223,285	—	4,780	51,255

	Other components of equity			Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Share acquisition rights	Total			
Balance at April 1, 2025	140	124	40,509	286,242	(1,061)	285,181
Comprehensive income						
Net profit for the year			—	37,369	192	37,561
Other comprehensive income			18,011	18,011	(102)	17,909
Total comprehensive income	—	—	18,011	55,381	90	55,470
Transactions with owners						
Issuance of new shares		(36)	(36)	0		0
Repurchase of treasury shares			—	(32,797)		(32,797)
Disposal of treasury shares			—	1,021		1,021
Cancellation of treasury shares			—	—		—
Transfer to capital surplus from retained earnings			—	—		—
Dividends			—	(12,659)		(12,659)
Share-based payments			—	(198)		(198)
Other			(2,221)	—		—
Total transactions with owners	—	(36)	(2,257)	(44,634)	—	(44,634)
Balance at March 31, 2026	140	88	56,263	296,989	(972)	296,017

(4) Consolidated Statements of Cash Flows

(JPY millions)

	Year ended March 31, 2025	Year ended March 31, 2026
I . Cash flows from operating activities:		
Net profit for the year	35,853	37,561
Depreciation and amortization	17,948	18,358
Impairment losses	1,302	3,841
Shares of loss (profit) of investments accounted for using equity method	685	—
Transfer gain on cumulative exchange differences on translation of foreign operations	(2,271)	(5,712)
Interest income, dividend income and interest expenses (increase)	(469)	(76)
Income tax expenses	11,628	9,881
Decrease (increase) in trade and other receivables	18,512	2,669
Decrease (increase) in inventories	(8,381)	(10,025)
Increase (decrease) in trade and other payables	(4,409)	(4,443)
Increase (decrease) in provisions and net defined benefit liabilities	84	(1,440)
Decrease (increase) in other current assets	215	(1,796)
Increase (decrease) in other current liabilities	4,002	956
Increase (decrease) in accounts payable - bonuses	(1,031)	811
Increase (decrease) in accounts payable - other	(4,146)	(392)
Increase (decrease) in deposits received	2,134	(1,564)
Other	1,091	2,437
Subtotal	72,747	51,065
Interest received	1,048	785
Dividends received	413	351
Interest paid	(1,093)	(1,263)
Income tax paid	(12,188)	(7,437)
Net cash flows from (used in) operating activities	60,928	43,500
II . Cash flows from investing activities:		
Payments for acquisition of investments	(1,575)	(212)
Proceeds from sale of investments	2,816	572
Proceeds from liquidation of investments accounted for using equity method	1,911	—
Payments for acquisition of property, plant and equipment	(6,662)	(6,844)
Payments for acquisition of intangible assets	(4,357)	(7,422)
Proceeds from sale of intangible assets	—	953
Other	(356)	(21)
Net cash flows from (used in) investing activities	(8,223)	(12,974)
III . Cash flows from financing activities:		
Repayments of long-term borrowings	(158)	—
Purchase of treasury shares	(37,883)	(32,797)
Dividends paid	(12,111)	(12,642)
Repayments of lease obligation	(3,155)	(3,308)
Other	0	(601)
Net cash flows from (used in) financing activities	(53,307)	(49,348)
IV . Net increase (decrease) in cash and cash equivalents	(602)	(18,822)
V . Cash and cash equivalents at the beginning of year	94,582	92,997
VI . Effect of exchange rate changes on cash and cash equivalents	(983)	6,700
VII . Cash and cash equivalents at the end of period	92,997	80,875

(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, 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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(JPY millions)

	Prescription pharmaceuticals	OTC pharmaceuticals	Medical devices	Others	Total
Revenue from external customers	265,647	12,164	11,918	1,895	291,624

3. Information by Region

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	29,855	29,169	74,322	1,349	300,004
Non-current assets ^{*2}	88,026	29,792	1,381	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.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(JPY millions)

	Japan	China	Asia	EMEA	Others	Total
Revenue from external customers ^{*1}	146,812	30,011	33,252	80,097	1,451	291,624
Non-current assets ^{*2}	79,849	39,968	1,288	18,770	12,237	152,112

(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 the fiscal year ended March 31, 2026, Hong Kong has been reclassified from "Asia" to "China." The figures for the fiscal year ended March 31, 2025 also reflect this change.

4. Information on Major Customers

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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(JPY millions)

Name of customer	Revenue
Suzuken Co., Ltd	36,978
Mediceo Corporation	29,977

(Other Income)

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

In the fiscal year ended March 31, 2026, ¥5,712 million was recorded as other income as a result of the reclassification to profit or loss of the cumulative translation differences related to foreign sales operations.

Specifically, business activities have ceased at three consolidated subsidiaries—Phacor Inc. (U.S.), Eyevance Pharmaceuticals Holdings Inc. (U.S.), and Eyevance Pharmaceuticals LLC (U.S.)—and their dissolution or liquidation is planned, the Company accounted for these subsidiaries as disposals of interests. As a result, upon disposal, the cumulative translation differences related to these subsidiaries were reclassified to profit or loss. As the dissolution or liquidation of the subsidiaries has not yet been completed, they are included in the scope of consolidation.

(Other Expenses)

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. As such, the Company recorded an impairment loss of ¥1,196 million.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

An impairment loss of ¥3,841 million recognized in the consolidated fiscal year ended March 31, 2026 was recorded as other expenses.

This was mainly due to impairment losses on intangible assets associated with STN1010904 (generic name: sirolimus) for Fuchs endothelial corneal dystrophy and STN1010905 (generic name: sirolimus) for meibomian gland dysfunction which were determined to be difficult to monetize as a result of the decision to discontinue development. As such, the Company recorded an impairment loss on the entire carrying amount.

(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, 2024 to March 31, 2025)	Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
Basis of calculation of basic earnings per share		
Profit attributable to owners of the company (JPY millions)	36,256	37,369
Net profit not attributable to common shareholders of the company (JPY millions)	9	9
Net profit used in the calculation of basic earnings per share (JPY millions)	36,247	37,361
Average number of shares of common stock outstanding during the period (thousands of shares)	348,605	327,624
Basis of calculation of diluted earnings per share		
Net profit used in the calculation of basic earnings per share (JPY millions)	36,247	37,361
Adjustment to net profit (JPY millions)	9	9
Net profit used to calculate diluted earnings per share (JPY millions)	36,256	37,369
Average number of shares of common stock outstanding during the period (thousands of shares)	348,605	327,624
Increase in common shares due to stock-based compensation (thousands of shares)	1,089	750
Weighted-average number of common shares outstanding during the period (thousands of shares)	349,694	328,374
Earnings per share attributable to owners of the company		
Basic earnings per share (yen)	103.98	114.04
Diluted earnings per share (yen)	103.68	113.80

(Note):

For the purposes of calculating earnings per share, shares of the Company held in trust under the stock compensation system are treated as treasury shares, and accordingly are deducted from the average number of outstanding common shares during the period.

(Significant Subsequent Events)

Not applicable.

4. Consolidated Reference

(1) Revenue of Major Products

(JPY billions)

Brand Name		Region	Year ended March 31, 2026		Year ending March 31, 2027	
			Year ended March 31, 2026 Actual	Changes from previous year	Year ending March 31, 2027 Forecasts	Changes from previous year
Glaucoma and ocular hypertension						
Cosopt	Total	28.2	5.3%	27.9	(0.9%)	
	Japan	1.7	(33.5%)	1.2	(26.2%)	
	Asia	7.2	4.7%	7.6	5.4%	
	EMEA	19.2	11.1%	19.0	(1.0%)	
Tapros	Total	15.9	(3.4%)	15.4	(3.5%)	
	Japan	2.3	(31.4%)	1.6	(30.3%)	
	China	2.6	3.8%	2.6	0.2%	
	Asia	2.4	4.4%	2.5	1.8%	
	EMEA	8.6	3.5%	8.7	1.0%	
Tapcom	Total	9.4	(2.2%)	9.5	0.9%	
	Japan	1.1	(32.1%)	0.7	(31.9%)	
	China	0.1	19.8%	0.3	208.9%	
	Asia	1.6	7.2%	2.0	22.2%	
	EMEA	6.7	2.5%	6.5	(2.1%)	
Eybelis	Total	5.7	6.9%	5.8	2.6%	
	Japan	4.7	2.3%	4.5	(4.2%)	
	Asia	0.9	39.2%	1.3	37.8%	
Catiolanze	Total	1.0	578.4%	2.6	176.0%	
	EMEA	1.0	578.4%	2.6	176.0%	
Rhopressa/Rhokiinsa	Total	0.2	162.0%	1.3	597.7%	
	Japan	—	—	1.0	—	
	Asia	0.2	189.7%	0.3	67.4%	
	EMEA	0.0	54.2%	0.0	14.5%	
Rocklatan/Roclanda	Total	1.5	62.2%	2.4	65.2%	
	Asia	0.0	649.7%	0.0	12.3%	
	EMEA	1.5	59.9%	2.4	66.2%	
Setaneo	Total	0.5	—	1.6	260.9%	
	Japan	0.5	—	1.6	260.9%	
Alphagan/AlphaganP	Total	—	—	2.5	—	
	China	—	—	2.5	—	
Dry eye						
Diquas	Total	10.2	(8.2%)	7.7	(24.9%)	
	Japan	6.1	(6.8%)	2.8	(54.0%)	
	China	1.8	(27.0%)	2.3	27.5%	
	Asia	2.3	9.4%	2.6	9.8%	
Diquas LX	Total	1.9	—	10.4	454.2%	
	Japan	1.9	—	10.4	454.2%	
Hyalein	Total	16.2	(4.3%)	17.0	5.1%	
	Japan	3.5	(25.1%)	2.8	(21.5%)	
	China	8.2	(1.5%)	9.3	13.5%	
	Asia	4.5	14.5%	4.9	10.7%	
Ikervis	Total	13.6	20.8%	15.2	11.2%	
	Asia	2.2	12.3%	2.6	17.0%	
	EMEA	11.4	24.6%	12.4	9.1%	
Cationorm	Total	3.4	(20.2%)	4.5	29.5%	
	China	0.2	(42.6%)	0.2	44.3%	
	Asia	0.8	13.7%	1.0	22.9%	
	EMEA	2.4	(21.9%)	3.2	34.9%	
Allergy						
Alesion (Including Alesion LX, Alesion eyelid cream, Epinastine hydrochloride and Epinastine hydrochloride LX)	Total	26.8	(15.4%)	24.2	(10.0%)	
	Japan	26.4	(15.9%)	23.4	(11.2%)	
	Asia	0.4	40.0%	0.7	65.7%	
Verkazia	Total	2.4	31.2%	3.7	55.8%	
	China	0.1	—	0.5	792.9%	
	EMEA	2.3	30.0%	3.3	39.7%	
Intravitreal VEGF inhibitor						
EYLEA* (Including EYLEA 8mg, EYLEA 8mg intraocular injection kit, Aflibercept intraocular injection kit「Bayer」)	Total	65.6	(15.9%)	56.1	(14.5%)	
	Japan	65.6	(15.9%)	56.1	(14.5%)	
Beovu	Total	1.4	—	4.1	184.5%	
	Asia	1.4	—	4.1	184.5%	
Bacterial conjunctivitis						
Cravit	Total	13.8	1.5%	14.9	7.8%	
	Japan	0.4	(33.8%)	0.3	(23.8%)	
	China	8.9	5.2%	9.6	7.7%	
	Asia	3.0	2.6%	3.4	14.4%	
	EMEA	1.5	(5.1%)	1.6	4.5%	
Slowing myopia progression						
Ryjusea/Ryjunea	Total	1.6	—	6.0	273.4%	
	Japan	1.1	—	4.0	264.5%	
	EMEA	0.5	—	2.0	291.4%	
Ptosis						
Upneeq	Total	—	—	1.4	—	
	Japan	—	—	1.4	—	

(JPY billions)

Brand Name	Region	Year ended March 31, 2026		Year ending March 31, 2027	
		Year ended March 31, 2026 Actual	Changes from previous year	Year ending March 31, 2027 Forecasts	Changes from previous year
Medical devices					
PRESERFLO MicroShunt	Total	8.1	34.2%	9.7	19.6%
	Japan	2.4	42.0%	2.8	16.1%
	Asia	0.2	56.8%	0.3	48.3%
	EMEA	5.6	30.5%	6.7	20.1%
OTC Pharmaceuticals	Total	12.2	5.1%	12.5	2.9%
	Japan	11.4	7.1%	11.7	2.8%
	Asia	0.8	1.7%	0.8	4.8%

From the fiscal year ending March 2026, Hong Kong has been reclassified from “Asia” to “China.”

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.

* EYLEA products are co-promoted products of Bayer Yakuhin, Ltd. (MAH).

(2) Research & Development

As of April 2026

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	Aug-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. Launched in China in August 2025.

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. Conducting Phase 3 in China from November 2024.

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	Oct-2025					
				Europe	(Exploratory study)					

A bicyclic prostaglandin derivative with a mode of action that is an agonist for FP and EP3 receptors for the treatment of glaucoma and ocular hypertension. Completed an additional Phase 2 in the U.S. in December 2021. Launched in Japan in October 2025. 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 Asia in November 2024. Launched in European countries including Spain in August 2024.

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	Jul-2025					
				Europe	Feb-2023					
				Asia	Nov-2024					

A ROCK (Rho-associated kinase) inhibitor. Developed and sold by Alcon Inc. in the U.S.. Filed as a ROCK/NET (norepinephrine transporter) inhibitor for manufacturing and marketing approval in Japan in July 2025. 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 Singapore in March 2025.

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. Conducting Phase 3 in Japan from February 2025.

<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	Dec-2025					

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. Launched in China in December 2025.

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

β_2 receptor agonist. Started Phase 2b in Japan in May 2025.

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
olodaterol hydrochloride	STN1014101	Allergic conjunctivitis	Boehringer Ingelheim	Japan	(Phase 1/2a)					
β ₂ receptor agonist. Started Phase 1/2a in Japan in March 2026.										

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					
				China						
				Asia	Withdrawal of filing for marketing approval in South Korea					
A histamine H ₁ receptor antagonist with mediator release inhibitor function, as a treatment for allergic conjunctivitis. Ophthalmic eyelid cream. Launched in Japan in May 2024. Started Phase 3 in China in January 2026. In Asia, withdrew filing for marketing approval in South Korea in March 2026.										

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 a treatment for allergic conjunctivitis. High dose formulation to instill twice a day. Filed for marketing approval in China in March 2025.										

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
nintedanib	STN1014200 / CBT-001	Pterygium	Cloudbreak Pharma Inc.	Japan	(Phase 2b)					
A multi-kinase inhibitor which suppresses angiogenesis and fibrosis. Started Phase 2b in Japan in November 2025.										

< Refractive disorder >

Generic name	Dev. code	Indication	Original/Licensors	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	July-2025					
Non-selective muscarinic antagonist which reduces the progression of juvenile myopia. Launched in Japan in April 2025. Conducting Phase 2/3 in China from June 2022. Filed for marketing approval in Asia in July 2025.										

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
atropine sulfate	STN1012701 / SYD-101	Myopia	Sydnexis Inc.	Europe	July-2025					
Non-selective muscarinic antagonist which reduces the progression of juvenile myopia. In Europe, launched in Germany in July 2025.										

< Retinal diseases area >

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
eflimrufusp alfa	STN1014300 / RC28-E	Diabetic macular edema	RemeGen Co., Ltd.	China	Sep-2025					
Dual decoy receptor IgG1 Fc-fusion protein drug simultaneously blocks both VEGF-A and FGF-2. RemeGen Co., Ltd., the licensor, filed for marketing approval in China in September 2025.										

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
eflimrufusp alfa	STN1014301 / RC28-E	Wet age-related macular degeneration	RemeGen Co., Ltd.	China						
Dual decoy receptor IgG1 Fc-fusion protein drug simultaneously blocks both VEGF-A and FGF-2. RemeGen Co., Ltd., the licensors, is conducting Phase 3 trial in China.										

<Others>

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	Filed	Approved	Launched
oxymetazoline hydrochloride	STN1013800	Ptosis	RVL Pharmaceuticals	Japan	Dec-2025					
				Europe						
				China						
A direct-acting alpha adrenergic receptor agonist. Developed and sold by RVL Pharmaceuticals in the U.S.. Received manufacturing and marketing approval in Japan in December 2025. Conducting Phase 3 in Europe from December 2024. Conducting Phase 3 in China from October 2024.										

Changes from Q3 FY2025 (February 5, 2026)

Dev. Code	Changes
STN1014101	Started Phase 1/2a in Japan in March 2026.
STN1011402	In Asia, withdrew filing for marketing approval in South Korea in March 2026.

※ The development of STN1010904 (generic name: sirolimus) was discontinued following the review of Phase 2a data.

(*The development code (STN1010904) was due to be assigned to the product when Santen obtains an exclusive license upon completion of Phase 2 clinical trial)

※ The development of STN1010905 (generic name: sirolimus) was discontinued following the review of additional Phase 2a data.

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

Capital expenditures (JPY billions)

	Year ended March 31, 2026	Year ending March 31, 2027
	Actual	Forecast
Consolidated	7.3	22.5

(Note):

Excluding the increase in right-of-use assets.

Depreciation and amortization (JPY billions)

	Year ended March 31, 2026	Year ending March 31, 2027
	Actual	Forecast
Manufacturing cost	3.9	4.2
Selling, general and administrative expenses	2.5	2.6
R&D expenses	0.6	0.6
Consolidated total	7.0	7.3

(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 billions)

	Year ended March 31, 2026	Year ending March 31, 2027
	Actual	Forecast
Merck products	4.4	2.2
Rhopressa/Rocklatan	1.9	2.0
PRESERFLO MicroShunt	1.3	1.3
Ikervis	0.6	—
Other	0.6	2.2
Consolidated total	8.8	7.7

Research and development expenses (JPY billions)

	Year ended March 31, 2026	Year ending March 31, 2027
	Actual	Forecast
Core basis	25.6	27.5

(4) FOREX

Exchange rate (yen)	Major currency	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027(Forecasts)
	USD	152.70	150.79	155.00
	EUR	163.57	174.71	180.00
	CNY	21.29	21.29	23.00

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