Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (IFRS)

Listed Company Name:	Santen Pharmaceutical Co.,Ltd.
Exchanges Listed:	Tokyo (Prime Market)
Stock Code:	4536
URL:	https://www.santen.com/en
Representative:	Takeshi Ito, President and CEO
Contact:	Guillaume Sakuma, Global Head of IR (+81-6-7664-8621)
Distribution of Dividends (Scheduled):	—
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 Nine Months Ended December 31, 2024

(1) Operating Results

(Core basis)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Revenue	222,833	222,773	(0.0%)
Core operating profit	49,288	43,655	(11.4%)
Core net profit for the period	39,604	33,785	(14.7%)
Core net profit for the period attributable to owners of the company	39,629	33,817	(14.7%)
Basic core earnings per share (yen)	107.61	96.30	
Diluted core earnings per share (yen)	107.29	96.02	

(IFRS)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change
Revenue	222,833	222,773	(0.0%)
Operating profit	36,157	35,195	(2.7%)
Profit before tax	33,559	35,309	+5.2%
Net profit for the period	26,580	27,348	+2.9%
Net profit for the period attributable to owners of the company	26,613	27,465	+3.2%
Total comprehensive income for the period	32,948	27,185	(17.5%)
Basic earnings per share (yen)	72.26	78.21	
Diluted earnings per share (yen)	72.05	77.98	

(2) Financial Position

	March 31, 2024	December 31, 2024
Total assets	435,699	398,307
Total equity	305,369	283,211
Total equity attributable to owners of the company	306,055	284,028
Total equity attributable to owners of the company ratio (%)	70.2	71.3
Equity per share attributable to owners of the company (yen)	843.24	832.78

2. Dividends

	Year to March 2024	Year to March 2025	(Forecasts) Year to March 2025
First quarter dividends per share (yen)	—	—	—
Second quarter dividends per share (yen)	16.00	17.00	—
Third quarter dividends per share (yen)	—	—	—
Year-end dividends per share (yen)	17.00	—	19.00
Annual dividends per share (yen)	33.00	—	36.00

(Note):

Revisions to the forecasts of dividends from the latest announcement: Yes

Please refer to "Revision of Dividend Forecast" announced on Feb 6, 2025.

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

(Core basis)

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

(IFRS)

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

(Note):

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

1. Please refer to "1. Summary of Consolidated Results and Others (1) Summary of Consolidated Results for the Period" on page 3 of the attached material for details of the reconciliation from IFRS basis figures to core-based figures.
2. At a meeting of the Board of Directors on November 7, 2024, the Board resolved to cancel treasury shares; the shares were cancelled on November 29, 2024. The Board also resolved to undertake a share repurchase at the meeting of the Board of Directors on November 7, 2024 and the repurchase was completed on December 12, 2024. At a meeting of the Board of Directors on February 6, 2025, the Board resolved to cancel treasury shares; the shares are expected to be cancelled on February 28, 2025. While the share cancellation and repurchase have been factored into the basic core earnings per share and basic earnings per share forecasts for the year ending March 31, 2025, there are no changes to the forecast of consolidated results as disclosed on August 6, 2024. Please refer to “2. Condensed Interim Consolidated Financial Statements and Major Notes (5) Notes to Condensed Interim Consolidated Financial Statements” on page 14 for details of the cancellation and repurchase of treasury shares.

*Notes

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

(2) Changes in accounting policies and accounting estimates

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

(3) Number of ordinary shares issued

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

December 31, 2024	347,043,354 shares
March 31, 2024	363,996,254 shares

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

December 31, 2024	5,691,385 shares
March 31, 2024	786,780 shares

(iii) Average number of outstanding shares

The third quarter ended December 31, 2024	351,070,525 shares
The third quarter ended December 31, 2023	368,195,265 shares

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

*Audit by a certified public accountant or auditing firm for the quarterly consolidated financial statements: No

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

(Notes on forward-looking statements)

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

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

The Santen Group plans to hold a conference call on the results for securities analysts and institutional investors on February 6, 2025. The materials used in this briefing will be posted on our website.

Accompanying Materials – Contents

1. Summary of Consolidated Results and Others

(1) Summary of Consolidated Results for the Period

(I) Consolidated Results

A) Core basis[*1] (please refer to Page 3)

(JPY billions)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Year-on-year change
Revenue	222.8	222.8	(0.0%)
Core operating profit	49.3	43.7	(11.4%)
Core net profit for the period	39.6	33.8	(14.7%)
Core net profit for the period attributable to owners of the company	39.6	33.8	(14.7%)

[Revenue]

Revenue in the nine months ended December 31, 2024 remained largely unchanged from the level of the nine months ended December 31, 2023 at ¥222.8 billion.

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

◇ Japan

Revenue in the nine months ended December 31, 2024 decreased by 5.0% year-on-year to ¥119.7 billion.
NHI price revisions at the high end of the 6% level and a voluntary recall of *Diquas LX* were mitigated by the focus on growing mainstay products including *EYLEA* 8 mg which was launched in April 2024 and *Alesion* eyelid cream launched in May 2024.
Revenues of major products are as follows.

Eybelis ophthalmic solution	¥ 3.6 billion	(YoY +6.2%)
Diquas ophthalmic solution[*2](refer to Page3)	¥ 4.9 billion	(YoY -70.4%)
Alesion[*3] (refer to Page3)	¥ 15.6 billion	(YoY +36.1%)
EYLEA[*4] (refer to Page3) (solution for intravitreal injection)	¥ 60.3 billion	(YoY +7.3%)
OTC pharmaceuticals	¥ 8.2 billion	(YoY +3.2%)
Medical devices	¥ 3.2 billion	(YoY +22.0%)

◇ China

On a JPY basis, revenue in the nine months ended December 31, 2024 increased by 2.3% year-on-year (-3.7% excluding FX impact) to ¥23.1 billion. This was due to the focus on sales of mainstay products. Revenues of major products are as follows.

Diquas ophthalmic solution	¥ 2.1 billion	(YoY -23.5%)
Hyalein ophthalmic solution	¥ 6.7 billion	(YoY +7.0%)
Cravit ophthalmic solution	¥ 7.0 billion	(YoY -0.0%)

◇ Asia (excluding China)

On a JPY basis, revenue in the nine months ended December 31, 2024 increased by 1.5% year-on-year (-2.0% excluding FX impact) to ¥22.3 billion. This was due to the steady growth of mainstay products despite the impact of HCP strikes in South Korea.

Cosopt ophthalmic solution	¥ 5.3 billion	(YoY +3.6%)
Cravit ophthalmic solution	¥ 2.2 billion	(YoY -16.5%)

◇ EMEA

On a JPY basis, revenue in the nine months ended December 31, 2024 increased by 14.8% year-on-year (+9.1% excluding FX impact) to ¥56.6 billion. This was mainly due to growth in sales of glaucoma products, the disease area in which Santen holds No.1 market share[*5 (refer to Page 3)]. Revenues of major products are as follows.

Cosopt ophthalmic solution	¥ 13.0 billion	(YoY +19.2%)
Tapros ophthalmic solution	¥ 6.6 billion	(YoY +7.2%)
Tapcom ophthalmic solution	¥ 4.9 billion	(YoY +15.2%)
Ikervis	¥ 6.8 billion	(YoY -19.3%)
PRESERFLO MicroShunt	¥ 3.0 billion	(YoY +31.1%)

[Core operating profit]

Gross profit in the nine months ended December 31, 2024 decreased by 4.8% year-on-year to ¥125.1 billion.
SG&A expenses on a core basis in the nine months ended December 31, 2024 increased by 1.0% year-on-year (-2.5% excluding FX impact) to ¥64.7 billion.
R&D expenses in the nine months ended December 31, 2024 decreased by 7.1% year-on-year (-10.5% excluding FX impact) to ¥16.8 billion.

As a result, operating profit on a core basis in the nine months ended December 31, 2024 decreased by 11.4 % year-on-year (-12.8% excluding FX impact) to ¥43.7 billion.

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

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

*2 Including *Diquas LX*

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

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

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

B) IFRS basis

(JPY billions)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Year-on-year change
Revenue	222.8	222.8	(0.0%)
Operating profit	36.2	35.2	(2.7%)
Net profit for the period	26.6	27.3	2.9%
Net profit for the period attributable to owners of the company	26.6	27.5	3.2%

[Revenue]

There are no adjustments from the core basis.

[Operating profit]

For the adjustments from the core basis, with regard to expenses related to the streamlining of costs in the Americas, in the nine months of the previous fiscal year ended December 31, 2023 deductions of ¥0.2 billion, ¥0.7 billion and ¥0.2 billion were made to Cost of Sales, SG&A and R&D expenses respectively.

Amortization on intangible assets associated with products in the nine months ended December 31, 2024 decreased by 6.3% year-on-year (-8.5% excluding FX impact) to ¥6.6 billion. This was mainly due to the amortization on intangible assets associated with products acquired from Merck & Co., Inc. (U.S.) in 2014, *PRESERFLO MicroShunt* acquired in connection with the acquisition of InnFocus, Inc. (U.S.) in 2016, *Ikervis* which was launched in Europe in 2015, and *Rhopressa / Rocklatan* which Santen began selling in Europe in 2023.

Other income amounted to ¥0.4 billion.
Other expenses amounted to ¥2.2 billion.

As a result, operating profit on an IFRS basis in the nine months ended December 31, 2024 decreased by 2.7% year-on-year (-4.1% excluding FX impact) to ¥35.2 billion.

[Net profit for the period]

Finance income amounted to ¥1.4 billion.
Finance expenses amounted to ¥1.3 billion.
Income tax expenses amounted to ¥8.0 billion, up ¥1.0 billion year-on-year. This was mainly due to the partial reversal of deferred tax assets recognized in overseas subsidiaries in the previous fiscal year ended March 31, 2024.

As a result, net profit for the period in the nine months ended December 31, 2024 increased by 2.9% year-on-year to ¥27.3 billion.

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

Net profit for the period attributable to owners of the company in the nine months ended December 31, 2024 increased by 3.2% year-on-year to ¥27.5 billion. The ratio to revenue was 12.3%.

(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_{2a} derivative and a beta-adrenergic receptor blocker. The Company filed for marketing approval in December 2022 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 filed for marketing approval in Asian countries and received marketing approval in Thailand and other countries from January 2023 onward.

<Keratoconjunctival disease area including dry eye >

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

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

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

STN1010904* (generic name: sirolimus) is for the treatment of Fuchs endothelial corneal dystrophy. The Company has executed a joint development agreement with ActualEyes Inc.. Phase 2a trial has been under way in 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. Phase 3 trial was completed in November 2024 in China.

<Refractive disorder>

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

STN1012701 (SYD-101, generic name: atropine sulfate) is for the treatment of myopia in children. Sydnexis Inc. (U.S.),

the licensor, is conducting Phase 3 trials in Europe and the U.S.. Santen has obtained the exclusive license for Europe, Middle East and Africa and filed for marketing authorization approval in March 2024 in Europe

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

<Others>

STN1013800 (generic name: oxymetazoline hydrochloride) is for the treatment of ptosis. 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 (STNXXXXXXX) are shown. AR-13324/PG-324 and SYD-101 are the development codes of Alcon Inc. (Switzerland) and Sydnexis Inc. (U.S.) respectively.

(2) Summary of Financial Position for the Period

(I) Assets, equity and liabilities

Total assets at the end of December 31, 2024 amounted to ¥398.3 billion, down ¥37.4 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 a cash payment owing to share repurchases.

Equity amounted to ¥283.2 billion, a decrease of ¥22.2 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.

Liabilities amounted to ¥115.1 billion, falling by ¥15.2 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 increased by 1.1% points from the end of the previous fiscal year ended March 31, 2024 to 71.3%.

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

(II) Cash Flows

Cash flows from operating activities amounted to an inflow of ¥42.0 billion (inflow of ¥59.4 billion in the nine months ended December 31, 2023). This was mainly due to the net profit of ¥27.3 billion, depreciation and amortization of ¥13.5 billion, a decrease of ¥21.9 billion in trade and other receivables and a ¥10.7 billion corporate tax payment.

Cash flows from investing activities amounted to an outflow of ¥7.2 billion (outflow of ¥5.7 billion in the nine months ended December 31, 2023). This was mainly due to payments for the acquisition of property, plant and equipment and intangible assets amounting to ¥5.7 billion and ¥2.5 billion respectively.

Cash flows from financing activities amounted to an outflow of ¥52.4 billion (outflow of ¥31.3billion in the nine months ended December 31, 2023). This was mainly due to share repurchases and cash dividends paid of ¥37.9 billion and ¥12.0 billion respectively.

As a result, cash and cash equivalents at the end of December 31, 2024 decreased by ¥16.7 billion from the end of the fiscal year ended March 31, 2024 to ¥77.9 billion.

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

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

2. Condensed Interim Consolidated Financial Statements and Major Notes

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

IFRS (JPY millions)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	**222,833**	**222,773**
Cost of sales	(91,600)	(97,642)
Gross profit	**131,233**	**125,130**
Selling, general and administrative expenses	(64,749)	(64,702)
Research and development expenses	(18,208)	(16,773)
Amortization on intangible assets associated with products	(7,083)	(6,638)
Other income	1,366	384
Other expenses	(6,401)	(2,206)
Operating profit	**36,157**	**35,195**
Finance income	1,313	1,429
Finance expenses	(981)	(1,316)
Share of loss of investments accounted for using equity method	(2,930)	—
Profit before tax	**33,559**	**35,309**
Income tax expenses	(6,979)	(7,961)
Net profit for the period	**26,580**	**27,348**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net gain on financial assets measured at fair value through other comprehensive income	(577)	(2,221)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	6,341	1,928
Cash flow hedges	(29)	15
Share of other comprehensive income of investments accounted for using equity method	635	115
Other comprehensive income	**6,369**	**(163)**
Total comprehensive income	**32,948**	**27,185**
Net profit attributable to		
Owners of the company	26,613	27,465
Non-controlling interests	(33)	(117)
Net profit for the period	**26,580**	**27,348**
Total comprehensive income attributable to		
Owners of the company	33,002	27,318
Non-controlling interests	(53)	(132)
Total comprehensive income	**32,948**	**27,185**
Earnings per share		
Basic earnings per share (yen)	72.26	78.21
Diluted earnings per share (yen)	72.05	77.98

Core basis (JPY millions)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	222,833	222,773
Core operating profit	49,288	43,655
Core net profit for the period	39,604	33,785
Basic core earnings per share (yen)	107.61	96.30
Diluted core earnings per share (yen)	107.29	96.02
Core net profit attributable to		
Owners of the company	39,629	33,817
Non-controlling interests	(25)	(31)
Core net profit for the period	**39,604**	**33,785**

(2) Condensed Interim Consolidated Statements of Financial Position

Assets (JPY millions)

	As of March 31, 2024	As of December 31,2024
Non-current assets		
Property, plant and equipment	71,576	74,387
Intangible assets	83,819	79,612
Financial assets	21,832	17,461
Retirement benefit assets	7,165	6,719
Investments accounted for using equity method	2,574	2,689
Deferred tax assets	10,765	10,230
Other non-current assets	1,829	2,071
Total non-current assets	**199,560**	**193,169**
Current assets		
Inventories	43,185	49,998
Trade and other receivables	90,539	69,066
Other financial assets	379	835
Income taxes receivable	—	189
Other current assets	7,453	7,200
Cash and cash equivalents	94,582	77,851
Total current assets	**236,139**	**205,138**
Total assets	**435,699**	**398,307**

Equity and liabilities (JPY millions)

	As of March 31,2024	As of December 31, 2024
Equity		
Equity attributable to owners of the company		
Share capital	8,777	8,797
Capital surplus	9,854	9,596
Treasury shares	(1,018)	(9,580)
Retained earnings	240,029	227,374
Other components of equity	48,411	47,842
Total equity attributable to owners of the company	**306,055**	**284,028**
Non-controlling interests	**(685)**	**(817)**
Total equity	**305,369**	**283,211**
Liabilities		
Non-current liabilities		
Financial liabilities	32,439	31,580
Net defined benefit liabilities	1,292	1,338
Income taxes payable	—	602
Provisions	687	717
Deferred tax liabilities	1,377	556
Other non-current liabilities	1,739	1,775
Total non-current liabilities	**37,534**	**36,567**
Current liabilities		
Trade and other payables	43,531	35,791
Other financial liabilities	25,711	23,860
Income taxes payable	5,127	1,086
Provisions	1,783	1,374
Other current liabilities	16,643	16,418
Total current liabilities	**92,796**	**78,529**
Total liabilities	**130,329**	**115,096**
Total equity and liabilities	**435,699**	**398,307**

(3) Condensed Interim Consolidated Statements of Changes in Equity

Nine months ended December 31, 2023 (JPY millions)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
					Remeasurements of defined benefit plans	Net gain or loss on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2023	8,702	9,789	(364)	238,071	—	7,917	27,971
Comprehensive income							
Net profit for the period				26,613			
Other comprehensive income						(577)	6,361
Total comprehensive income	—	—	—	26,613	—	(577)	6,361
Transactions with owners							
Issuance of new shares	66	66					
Repurchase of treasury shares		(20)	(16,933)				
Disposal of treasury shares		1	900				
Dividends				(11,881)			
Share-based payments		(327)					
Other				364		(364)	
Total transactions with owners	66	(280)	(16,033)	(11,517)	—	(364)	—
Balance at December 31, 2023	8,769	9,509	(16,398)	253,167	—	6,976	34,332

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Cash flow hedges	Share of other comprehensive income of investments accounted for using equity method	Share acquisition rights	Total			
Balance at April 1, 2023	—	1,562	331	37,781	293,979	(683)	293,297
Comprehensive income							
Net profit for the period				—	26,613	(33)	26,580
Other comprehensive income	(29)	635		6,389	6,389	(20)	6,369
Total comprehensive income	(29)	635	—	6,389	33,002	(53)	32,948
Transactions with owners							
Issuance of new shares			(133)	(133)	0		0
Repurchase of treasury shares				—	(16,953)		(16,953)
Disposal of treasury shares				—	901		901
Dividends				—	(11,881)		(11,881)
Share-based payments				—	327		(327)
Other				(364)	—		—
Total transactions with owners	—	—	(133)	(496)	(28,261)	—	(28,261)
Balance at December 31, 2023	(29)	2,197	198	43,673	298,720	(736)	297,984

Nine months ended December 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, 2024	8,777	9,854	(1,018)	240,029	—	5,481	40,306
Comprehensive income							
Net profit for the period				27,465			
Other comprehensive income						(2,221)	1,944
Total comprehensive income	—	—	—	27,465	—	(2,221)	1,944
Transactions with owners							
Issuance of new shares	19	19					
Repurchase of treasury shares		(46)	(37,836)				
Disposal of treasury shares		8	875				
Cancellation of treasury shares		(28,400)	28,400				
Transfer to Capital surplus from Retained earnings		28,392		(28,392)			
Dividends				(12,112)			
Share-based payments		(231)					
Other				384		(384)	
Total transactions with owners	19	(258)	(8,562)	(40,120)	—	(384)	—
Balance at December 31, 2024	8,797	9,596	(9,580)	227,374	—	2,876	42,249

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Cash flow hedges	Share of other comprehensive income of investments accounted for using equity method	Share acquisition rights	Total			
Balance at April 1, 2024	(20)	2,464	181	48,411	306,055	(685)	305,369
Comprehensive income							
Net profit for the period				—	27,465	(117)	27,348
Other comprehensive income	15	115		(147)	(147)	(15)	(163)
Total comprehensive income	15	115	—	(147)	27,318	(132)	27,185
Transactions with owners							
Issuance of new shares			(38)	(38)	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				—	(231)		(231)
Other				(384)	—		—
Total transactions with owners	—	—	(38)	(422)	(49,344)	—	(49,344)
Balance at December 31, 2024	(5)	2,580	142	47,842	284,028	(817)	283,211

(4) Condensed Interim Consolidated Statements of Cash Flows

(JPY millions)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
I. Cash flows from operating activities:		
Net profit for the period	26,580	27,348
Depreciation and amortization	13,618	13,549
Impairment losses	2	200
Business structure improvement expenses	5,806	–
Shares of loss (profit) of investments accounted for using equity method	2,930	–
Interest income, dividend income and interest expenses (increase)	(347)	(459)
Income tax expenses	6,979	7,961
Decrease (increase) in trade and other receivables	23,352	21,862
Decrease (increase) in inventories	(6,358)	(6,267)
Increase (decrease) in trade and other payables	(255)	(7,793)
Increase (decrease) in provisions and net defined benefit liabilities	(2,338)	116
Decrease (increase) in other current assets	(1,238)	(104)
Increase (decrease) in accounts payable - bonuses	(1,703)	(2,762)
Increase (decrease) in accounts payable - other	(3,886)	(6,591)
Increase (decrease) in deposits received	6,977	2,679
Other	682	2,623
Subtotal	70,802	52,363
Interest received	264	748
Dividends received	486	413
Interest paid	(562)	(773)
Income tax paid	(11,550)	(10,714)
Net cash flows from (used in) operating activities	**59,440**	**42,038**
II. Cash flows from investing activities:		
Payments for acquisition of investments	(293)	(2)
Proceeds from sales of investments	768	1,294
Payments for acquisition of property, plant and equipment	(6,008)	(5,735)
Payments for acquisition of intangible assets	(811)	(2,520)
Proceeds from sales of intangible assets	790	–
Payments for acquisition of investments accounted for using equity method	(207)	–
Other	32	(285)
Net cash flows from (used in) investing activities	**(5,729)**	**(7,247)**
III. Cash flows from financing activities:		
Repayments of long-term borrowings	(318)	(159)
Purchase of treasury shares	(16,962)	(37,883)
Dividends paid	(11,792)	(12,044)
Repayments of lease obligation	(2,466)	(2,361)
Other	217	0
Net cash flows from (used in) financing activities	**(31,320)**	**(52,446)**
IV. Net increase (decrease) in cash and cash equivalents	**22,390**	**(17,656)**
V. Cash and cash equivalents at the beginning of period	**57,903**	**94,582**
VI. Effect of exchange rate changes on cash and cash equivalents	**1,737**	**925**
VII. Cash and cash equivalents at the end of period	**82,030**	**77,851**

(5) Notes to Condensed Interim Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Segment Information and Others)

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

(Business Structure Improvement Expenses)

Nine months ended December 31, 2023

The Company recorded business structure improvement expenses of ¥5,806 million which was included under other expenses of the Condensed Interim Consolidated Statements of Income and Comprehensive Income. This was mainly due to the special additional allowance associated with the early retirement program in Japan as well as maximized streamlining of the pharmaceutical commercial business in the Americas.

(Statement of Significant Changes in Shareholders' Equity)

Nine months ended December 31, 2023

(Repurchase of own shares)

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

Santen repurchased a total of 12,571,400 of its own shares for a total value of 16,178 million yen during the period between May 12, 2023 to December 31, 2023.

(I) Reasons for repurchase of own shares

To enhance capital efficiency and improve return of profits.

(II) Details of repurchase

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

Nine months ended December 31, 2024

(Repurchase of own shares)

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

Santen repurchased a total of 16,985,400 of its own shares for a total value of 28,645 million yen during the period between May 10, 2024 to November 6, 2024. This repurchase was completed as of November 6, 2024 (execution date basis).

The Company also resolved to repurchase its own shares in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3 at the meeting of the Board of Directors on November 7, 2024. Santen repurchased a total of 5,000,000 of its own shares for a total value of 8,490 million yen during the period between November 8, 2024 to December 12, 2024 and the repurchase was completed as of December 12, 2024 (execution date basis).

(I) Reasons for repurchase of own shares

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

(II) Details of repurchase

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

(Cancellation of Treasury Shares)

At a meeting of the Board of Directors on November 7, 2024, the Board resolved to cancel treasury shares in accordance with Article 178 of the Companies Act (Japan). The Company completed this cancellation on November 29, 2024.

The shares the Company cancelled are the treasury shares Santen repurchased based on the resolution at the Board of Directors meeting held on May 9, 2024.

(1) Class of shares to be cancelled	Common shares
(2) Total number of shares to be cancelled	16,985,400 shares (The ratio against total number of the outstanding shares before the Cancellation: 4.7%)
(3) Completion date of cancellation	November 29, 2024

(Significant Subsequent Events)

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

At a meeting of the Board of Directors on February 6, 2025, the Board resolved to cancel treasury shares in accordance with Article 178 of the Companies Act (Japan). The shares to be cancelled are the treasury shares Santen repurchased based on the resolution at the Board of Directors meeting held on November 7, 2024.

(1) Class of shares to be cancelled	Common shares
(2) Total number of shares to be cancelled	5,000,000 shares (The ratio against total number of the outstanding shares before the Cancellation: 1.4%)
(3) Completion date of cancellation	February 28, 2025

3. Consolidated Reference

(1) Revenue of Major Products

(JPY millions)

Brand Name	Region	Year ended March 31, 2024				Year ending March 31, 2025			
		Nine months ended December 31, 2023 Actual	Changes from the same period of previous year	Year ended March 31, 2024 Actual	Changes from the same period of previous year	Nine months ended December 31, 2024 Actual	Changes from the same period of previous year	Forecast for the fiscal year ending March 31, 2025	Changes from the same period of previous year
Glaucoma and ocular hypertension									
Cosopt	Total	19,182	6.0%	25,609	8.0%	20,437	6.5%	26,406	3.1%
	Japan	3,148	(15.1%)	3,955	(15.4%)	2,117	(32.7%)	2,411	(39.0%)
	Asia	5,114	14.9%	6,882	12.6%	5,299	3.6%	7,117	3.4%
	EMEA	10,920	10.0%	14,772	14.4%	13,021	19.2%	16,879	14.3%
Tapros	Total	14,069	(3.1%)	18,521	(1.2%)	12,926	(8.1%)	17,105	(7.6%)
	Japan	4,910	(19.2%)	5,937	(23.5%)	2,751	(44.0%)	3,537	(40.4%)
	China	1,234	57.2%	1,774	69.7%	1,772	43.6%	2,181	22.9%
	Asia	1,750	5.2%	2,386	4.8%	1,782	1.8%	2,753	15.4%
	EMEA	6,175	3.0%	8,424	10.0%	6,621	7.2%	8,634	2.5%
Tapcom	Total	7,019	10.8%	9,234	12.6%	7,355	4.8%	9,863	6.8%
	Japan	1,795	(13.3%)	2,192	(17.3%)	1,278	(28.8%)	1,563	(28.7%)
	Asia	965	24.2%	1,332	26.8%	1,171	21.4%	1,598	20.0%
	EMEA	4,259	22.1%	5,710	26.8%	4,906	15.2%	6,702	17.4%
Trusopt	Total	3,791	2.9%	4,927	0.9%	3,841	1.3%	5,012	1.7%
	Japan	692	(11.1%)	872	(11.1%)	626	(9.6%)	766	(12.1%)
	Asia	332	4.0%	449	(1.0%)	327	(1.4%)	450	0.0%
	EMEA	2,767	6.9%	3,606	4.6%	2,888	4.4%	3,797	5.3%
Eybelis	Total	3,679	16.0%	4,846	16.6%	4,063	10.4%	5,029	3.8%
	Japan	3,374	12.7%	4,345	11.3%	3,582	6.2%	4,411	1.5%
	Asia	305	72.3%	430	71.5%	480	57.4%	618	43.7%
Dry eye									
Diquas	Total	10,248	(24.0%)	12,610	(23.0%)	8,563	(16.4%)	12,232	(3.0%)
	Japan	5,532	(43.9%)	6,832	(41.3%)	4,866	(12.0%)	6,831	(0.0%)
	China	2,778	25.8%	3,315	19.6%	2,125	(23.5%)	3,039	(8.3%)
	Asia	1,938	36.2%	2,463	25.9%	1,573	(18.8%)	2,362	(4.1%)
Diquas LX	Total	10,894	393.3%	13,251	186.8%	—	(100.0%)	—	(100.0%)
	Japan	10,894	393.3%	13,251	186.8%	—	(100.0%)	—	(100.0%)
Hyalein	Total	12,878	10.7%	17,134	15.9%	13,306	3.3%	19,210	12.1%
	Japan	4,087	(8.9%)	5,184	(9.3%)	3,715	(9.1%)	4,411	(14.9%)
	China	6,297	27.0%	8,808	36.9%	6,736	7.0%	10,626	20.6%
	Asia	2,494	13.8%	3,142	19.4%	2,854	14.4%	4,173	32.8%
Ikervis	Total	9,777	78.8%	12,105	77.0%	8,293	(15.2%)	11,914	(1.6%)
	Asia	1,399	18.0%	1,933	24.8%	1,535	9.7%	2,498	29.2%
	EMEA	8,378	95.6%	10,172	92.3%	6,758	(19.3%)	9,416	(7.4%)
Cationorm	Total	3,281	(0.2%)	4,526	12.9%	3,460	5.5%	4,829	6.7%
	China	—	—	73	—	204	—	251	242.9%
	Asia	429	25.9%	623	41.2%	623	45.2%	994	59.4%
	EMEA	2,219	3.7%	2,923	11.3%	2,380	7.2%	3,351	14.7%
Allergy									
Alesion (Including Alesion, Alesion LX and Alesion eyelid cream)	Total	11,635	(4.3%)	29,489	(12.1%)	15,847	36.2%	30,659	4.0%
	Japan	11,495	(4.5%)	29,305	(12.3%)	15,643	36.1%	30,421	3.8%
	Asia	140	21.8%	184	23.1%	204	46.2%	238	29.5%
Verkazia	Total	1,283	66.5%	1,491	63.1%	1,472	14.7%	1,536	3.0%
	EMEA	982	63.6%	1,181	57.9%	1,450	47.6%	1,514	28.2%
Intravitreal VEGF inhibitor									
EYLEA (Including EYLEA 8mg)	Total	56,199	2.7%	72,716	2.0%	60,308	7.3%	76,667	5.4%
	Japan	56,199	2.7%	72,716	2.0%	60,308	7.3%	76,667	5.4%
Bacterial conjunctivitis									
Cravit	Total	11,750	43.1%	14,703	29.2%	11,027	(6.2%)	14,657	(0.3%)
	Japan	911	(10.8%)	1,126	(12.4%)	572	(37.2%)	674	(40.2%)
	China	7,035	64.0%	8,837	40.1%	7,033	(0.0%)	9,047	2.4%
	Asia	2,658	49.2%	3,240	36.2%	2,220	(16.5%)	3,223	(0.5%)
	EMEA	1,145	2.1%	1,499	6.5%	1,202	4.9%	1,712	14.2%
Medical devices									
LENTIS Comfort	Total	982	(1.7%)	1,262	(5.2%)	832	(15.3%)	1,180	(6.5%)
	Japan	982	(1.7%)	1,262	(5.2%)	832	(15.3%)	1,180	(6.5%)
PRESERFLO MicroShunt	Total	2,801	61.6%	4,144	70.6%	4,213	50.4%	6,142	48.2%
	Japan	462	—	758	710.0%	1,131	144.6%	1,566	106.5%
	Asia	47	—	65	640.6%	77	62.8%	259	295.4%
	EMEA	2,292	34.2%	3,320	42.7%	3,005	31.1%	4,317	30.0%
OTC Pharmaceuticals	Total	8,825	8.2%	11,242	5.8%	8,985	1.8%	11,161	(0.7%)
	Japan	7,927	8.2%	10,096	5.2%	8,180	3.2%	9,987	(1.1%)
	China	230	18.0%	310	18.5%	178	(22.8%)	317	2.2%
	Asia	668	4.7%	836	8.4%	627	(6.0%)	857	2.5%

(2) FOREX

(JPY)

Exchange rate (yen)	Major currency	Nine months ended December 31, 2023	Fiscal year ended March 31, 2024	Nine months ended December 31, 2024	Fiscal year ending March 31, 2025(Forecasts)
	USD	143.61	144.80	152.63	155.00
	EUR	155.60	156.88	164.96	165.00
	CNY	20.07	20.24	21.33	21.30

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

(3) Research & Development

As of January 2025

Pipeline Development Status (Clinical Stage)

<Glaucoma and ocular hypertension area>

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
tafluprost / timolol maleate	STN1011101 / DE-111A	Glaucoma / Ocular hypertension	Co-development with AGC	China				Dec-2022		
A fixed dose combination drug of a prostaglandin $F_{2\alpha}$ derivative and a beta-adrenergic receptor blocker. Launched in Japan in November 2014. Launched successively in European countries since January 2015. Launched successively in Asian countries since April 2016. Filed marketing approval in December 2022 in China.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
omidenepag 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/Licensor	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/Licensor	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/Licensor	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/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
Netarsudil mesylate / latanoprost	STN1014000 / PG-324	Glaucoma / Ocular hypertension	Alcon Inc.	Europe						Jan-2023
				Asia					Jan-2023	
A fixed dose combination drug of a ROCK (Rho-associated kinase) inhibitor and a prostaglandin $F_{2\alpha}$ derivative. Developed and sold by Alcon Inc. in the U.S.. Received marketing approval in Europe and has been launched in Germany and other countries from January 2023. Filed successively for marketing approval in Asian countries and received marketing approval in Thailand and other countries from January 2023 onward.										

<Keratoconjunctival disease area including dry eye >

Generic name	Dev. code	Indication	Original/Licensor	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/Licensor	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						
A histamine H_1 receptor antagonist with mediator release inhibitor function, as treatment for allergic conjunctivitis. High dose formulation to instill twice a day. Completed Phase 3 in November 2024 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					Dec-2024	
				China		(Phase 2/3)				
				Asia						
Non-selective muscarinic antagonist which reduces progression of juvenile myopia. Received manufacturing and marketing approval in December 2024 in Japan. Conducting Phase 2/3 from June 2022 in China. Completed Phase 2 in April 2020 in Asia.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
atropine sulfate	STN1012701 / SYD-101	Myopia	Sydnexis Inc.	Europe				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 in Europe										

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

<Others>

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
oxymetazoline hydrochloride	STN1013800	Ptosis	RVL Pharmaceuticals	Japan					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 Q2 FY2024 (November 7, 2024)

Dev. Code	Changes
STN1011702	Started Phase 3 in November 2024 in China.
STN1013001 / DE-130A	Filed for marketing approval in November 2024 in Asia.
STN1013900 / AR-13324	Completed Phase 3 in January 2025 in Japan.
STN1011403	Completed Phase 3 in November 2024 in China.
STN1012700 / DE-127	Received manufacturing and marketing approval in December 2024 in Japan.
STN1012701 / SYD-101	Filed for marketing authorization approval in March 2024 in Europe.
STN1013800	Filed for manufacturing and marketing approval in December 2024 in Japan. Started Phase 3 in December 2024 in Europe.

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

Capital expenditures (JPY millions)

	Nine months ended December 31, 2023	Year ended March 31, 2024	Nine months ended December 31, 2024	Year ending March 31, 2025
	Actual			Forecast
Consolidated	6,576	10,245	5,865	9,000

(Note):
Excluding the increase in right-of-use assets

Depreciation and amortization (JPY millions)

	Nine months ended December 31, 2023	Year ended March 31, 2024	Nine months ended December 31, 2024	Year ending March 31, 2025
	Actual			Forecast
Manufacturing cost	2,460	3,426	2,963	3,990
Selling, general and administrative expenses	1,684	2,270	1,596	2,190
R&D expenses	449	583	406	620
Consolidated total	4,593	6,279	4,965	6,800

(Note):
Excluding amortization on intangible assets associated with products, long-term advance expense and right-of-use assets

Amortization on intangible assets associated with products (JPY millions)

	Nine months ended December 31, 2023	Year ended March 31, 2024	Nine months ended December 31, 2024	Year ending March 31, 2025
	Actual			Forecast
Intangible assets (Merck products)	4,356	5,808	3,698	4,817
Intangible assets (Rhopressa/Rocklatan)	930	1,250	1,071	1,550
Intangible assets (PRESERFLO MicroShunt)	914	1,229	972	1,231
Intangible assets (Ikervis)	661	889	701	878
Other	222	297	196	324
Consolidated total	7,083	9,471	6,638	8,800

Research and development expenses (JPY millions)

	Nine months ended December 31, 2023*	Year ended March 31, 2024*	Nine months ended December 31, 2024	Year ending March 31, 2025
	Actual			Forecast
Consolidated	18,208	25,416	16,773	27,000

* On an IFRS basis. R&D expenses on a core basis for the period ended December 31, 2023 amounted to 18,050 million yen, excluding 0.2 billion yen of expenses related to streamlining the Americas. R&D expenses on a core basis for the year ended March 31, 2024 amounted to 25,257 million yen, excluding 0.2 billion yen of expenses related to streamlining the Americas.

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