Q1 FY2026 Financial Results

August 6, 2026

Executive Summary

Ippei Kurihara

Director of the Board,

Corporate Officer,

Head of Japan Business, Business Development

Q1 FY2026 Overview

YoY revenue and profit growth with performance progressing in line with plans weighted towards H2. Key initiatives underpinning mid- to long-term growth are progressing steadily

Q1 FY2026 results

Revenue: JPY 69.0 billion (+0.3% YoY)
Core OP: JPY 10.6 billion (+9.3% YoY)
Net profit attributable to owners of the company: JPY 7.2 billion (+22.4% YoY)

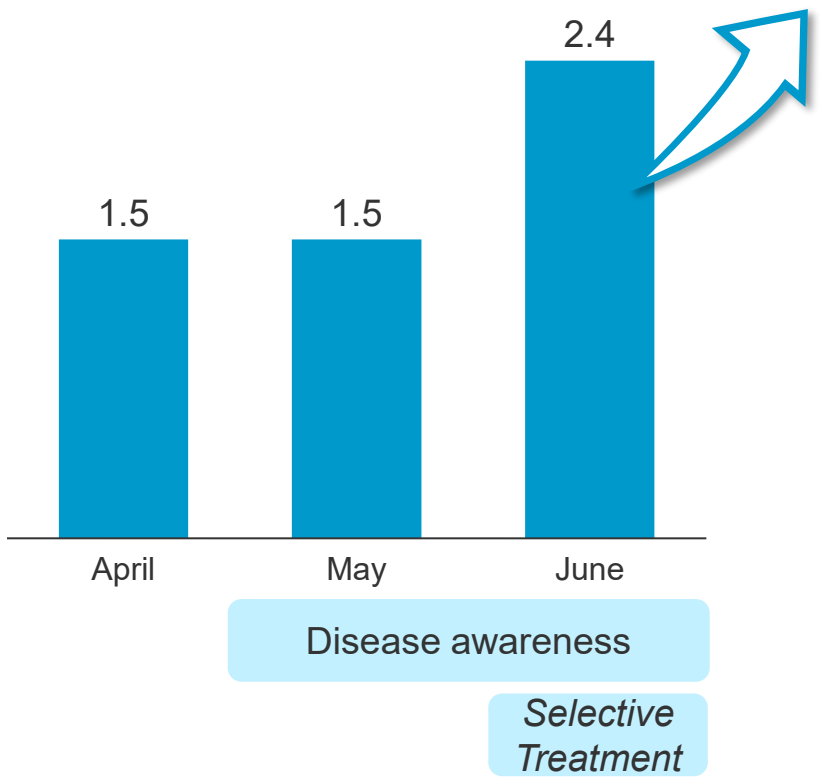
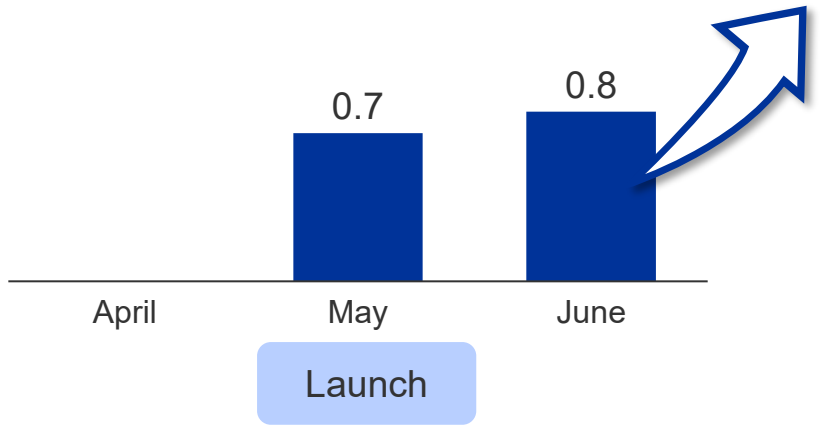
Business update

Alesion cream:	-Enhanced market penetration beyond ophthalmology through co-promotion with KYORIN Pharmaceutical
Diquas LX:	-Stepped up promotional activities from Q2 to strengthen awareness of value proposition
Ryjusea:	-*Selective Treatment* for myopia progression treatment drug effective from June 1 in Japan
Upneeq:	-Successful launch of acquired ptosis treatment drug in Japan on May 15
Pipeline:	-Japan: Obtained approval for *Rhopressa* (glaucoma) -Asia: Obtained approval for *Ryjusea* (myopia)

FY2026 outlook

Earnings forecast: No change from forecast announced on May 12
Dividend forecast: Annual dividend of JPY 42 per share, representing a JPY 4 increase YoY
(interim: JPY 21/share and year-end: JPY 21/share)

Myopia and ptosis adoption snapshot in Japan

	Ryjusea	*Upneeq*
# of adopting ophthalmology sites (July month-end /FY2026 target)	approx. **3,900**/4,000	approx. **4,100**/3,500 (Ref. non-ophthalmology facilities; approx. 1,900)
Delivery volume (million units) to medical institutions		

Financial Results

Kazuo Koshiji

Corporate Officer,

Chief Financial Officer

Q1 FY2026 Results

	Q1 FY2025 ACT	Q1 FY2026 ACT
USD (JPY)	144.63	159.61
EUR (JPY)	163.81	185.36
CNY (JPY)	20.07	23.35

(JPY billions)	Q1 FY2025		Q1 FY2026		
	Actual	vs Revenue	Actual	vs Revenue	YoY
Revenue	68.7	-	**69.0**	**-**	**+0.3%**
Cost of sales	31.6	46.0%	29.0	42.0%	-8.4%
Gross profit	37.1	54.0%	**40.0**	**58.0%**	**+7.7%**
SG&A expenses	21.2	30.8%	23.3	33.8%	+9.9%
R&D expenses	6.2	9.0%	6.1	8.8%	-2.0%
Core operating profit	9.7	14.1%	**10.6**	**15.4%**	**+9.3%**
Non-core expenses	-	-	0.2	0.4%	-
Amortization on intangible assets associated with products	2.2	3.2%	2.3	3.3%	+5.6%
Other income	0.2	0.3%	0.1	0.1%	-59.8%
Other expenses	0.1	0.2%	0.0	0.0%	-88.2%
Operating profit	7.6	11.0%	**8.1**	**11.8%**	**+7.2%**
Finance income	0.6	0.9%	1.0	1.4%	+52.7%
Finance expenses	0.7	1.1%	0.7	1.1%	-1.4%
Profit before tax	7.5	10.8%	8.3	12.1%	+11.9%
Income tax expenses	1.6	2.3%	1.1	1.6%	-28.5%
Actual tax ratio	*21%*	-	*14%*	-	*-7.7pt*
Net profit	5.9	8.5%	**7.2**	**10.4%**	**+22.8%**
Net profit attributable to owners of the company	5.9	8.6%	7.2	10.4%	+22.4%
EPS (JPY)	17	-	22	-	+29.2%
EBITDA	12.0	-	12.8	-	+6.2%

Revenue

- International (EMEA, Asia, China) growth offsets the headwinds impact of market expansion repricing and biologic AG[1] penetration of mainstay product in Japan

Cost of sales

- Lower COGS ratio from change in product mix

SG&A expenses

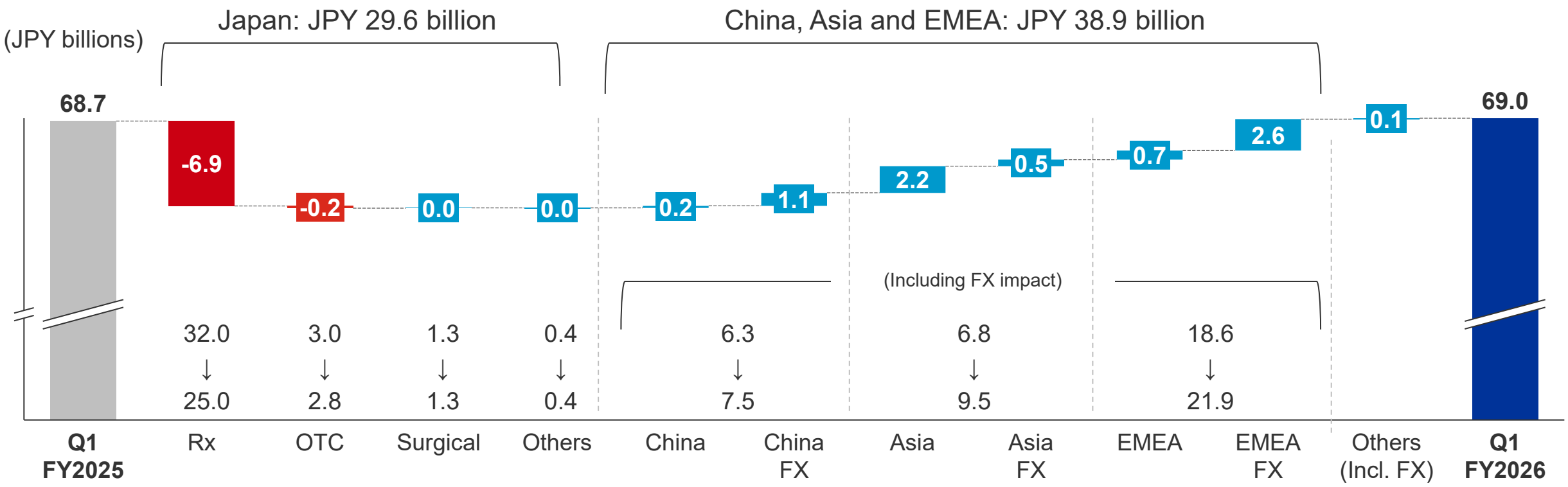
- Disciplined cost management limited SG&A growth (+1.7% excl. FX)

Core OP

- On track for full-year forecast
- Increased by +9.3% (in JPY), +2.0% (excl. FX)

1 Biologic product with the same active substance and manufacturing process as the reference biologic

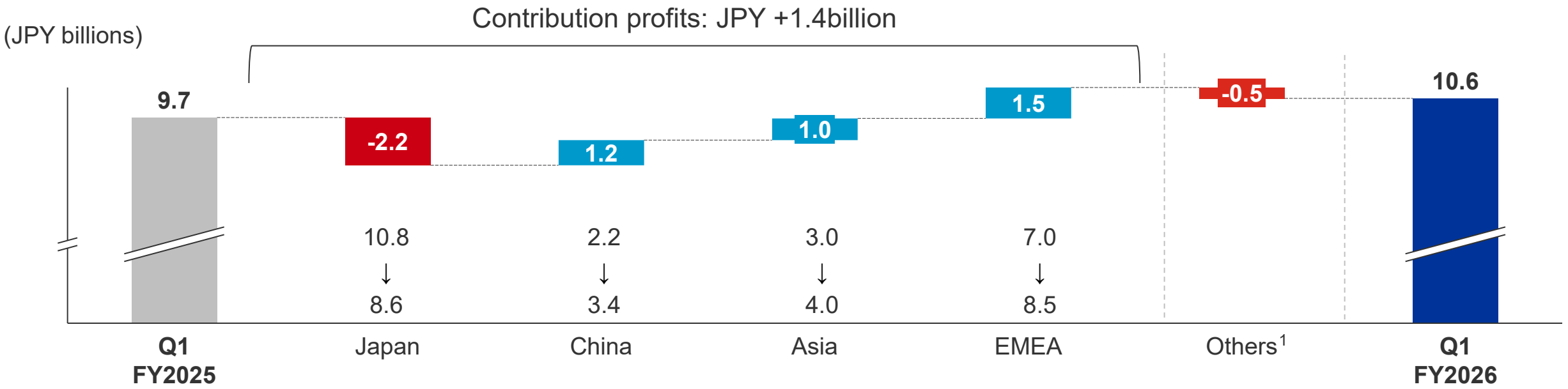
Q1 FY2026 Sales bridge



Japan	-19.3% YoY: Impact from market expansion re-pricing and biologic AG launch/penetration of mainstay product
China	+19.5% YoY (excl. FX impact +2.9%): Inventory normalization (*Cravit*, *Hyalein*) drove growth recovery
Asia	+39.4% YoY (excl. FX impact +31.7%): Strong growth from anti-VEGF partnership products and glaucoma/dry eye portfolio
EMEA	+17.7% YoY (excl. FX impact +4.0%): Continued momentum in glaucoma, dry eye and *Ryjunea*

*Sales classified into countries or regions based on customer's location. EMEA: Europe, Middle East and Africa. Hong Kong is included in China.

Q1 FY2026 Core operation profit bridge



Regional contribution profits	Japan Gross profit decline (approx. -JPY 1.9 billion) associated with aforementioned revenue decrease, combined with increased promotional expenses including DTC, and personnel expenses (approx. -JPY 0.3 billion), among other factors. Overseas (incl. FX) Profit growth driven by sales expansion through value maximization initiatives and continued cost optimization across regions (YoY (excl. FX impact): China +53.0% (+30.9%), Asia +34.5% (+27.5%), EMEA +20.8% (+6.4%))
Others	FX effects on corporate and indirect function expenses. Spending remained broadly under control versus plan.

1 R&D and indirect expenses in region and global functions, and contribution profit not related to the regions above
* Hong Kong is included in China.

FY2026 Outlook (maintain May 12 guidance)

	FY2025 ACT	FY2026 FCST
USD (JPY)	150.79	155.00
EUR (JPY)	174.71	180.00
CNY (JPY)	21.29	23.00

(JPY billions)	FY2025		FY2026			
	Actual	vs Revenue	Forecast	vs Revenue	YoY	Q1 Progress
Revenue	291.6	-	**311.0**	**-**	**+6.6%**	**22.2%**
Cost of sales	121.9	41.8%	125.0	40.2%	+2.6%	23.2%
Gross profit	169.7	58.2%	**186.0**	**59.8%**	**+9.6%**	**21.5%**
SG&A expenses	89.0	30.5%	99.5	32.0%	+11.8%	23.4%
R&D expenses	25.6	8.8%	27.5	8.8%	+7.6%	22.1%
Core operating profit	55.1	18.9%	**59.0**	**19.0%**	**+7.0%**	**18.0%**
Non-core expenses	1.2	0.4%	1.0	0.3%	-13.5%	
Amortization on intangible assets associated with products	8.8	3.0%	7.7	2.5%	-12.2%	
Other income	7.0	2.4%	0.2	0.1%	-97.1%	
Other expenses	4.4	1.5%	1.0	0.3%	-77.2%	
Operating profit	47.8	16.4%	**49.5**	**15.9%**	**+3.6%**	**16.4%**
Finance income	1.6	0.6%	1.8	0.6%	+9.8%	
Finance expenses	2.0	0.7%	1.5	0.5%	-24.8%	
Profit before tax	47.4	16.3%	49.8	16.0%	+5.0%	16.7%
Income tax expenses	9.9	3.4%	10.3	3.3%	+4.2%	
Actual tax ratio	*21%*	-	*21%*	-	-	
Net profit	37.6	12.9%	**39.5**	**12.7%**	**+5.2%**	**18.2%**
Net profit attributable to owners of the company	37.4	12.8%	40.0	12.9%	+7.0%	18.0%
ROE	13%	-	13%	-		
EPS (JPY)	114	-	124	-	+9.1%	18.0%

■ Factors affecting revenue

Japan

- Continued penetration of key products, including recent launches
- Pollen dispersion levels in Q4

Overseas

- Continued recovery in China
- Stable product supply

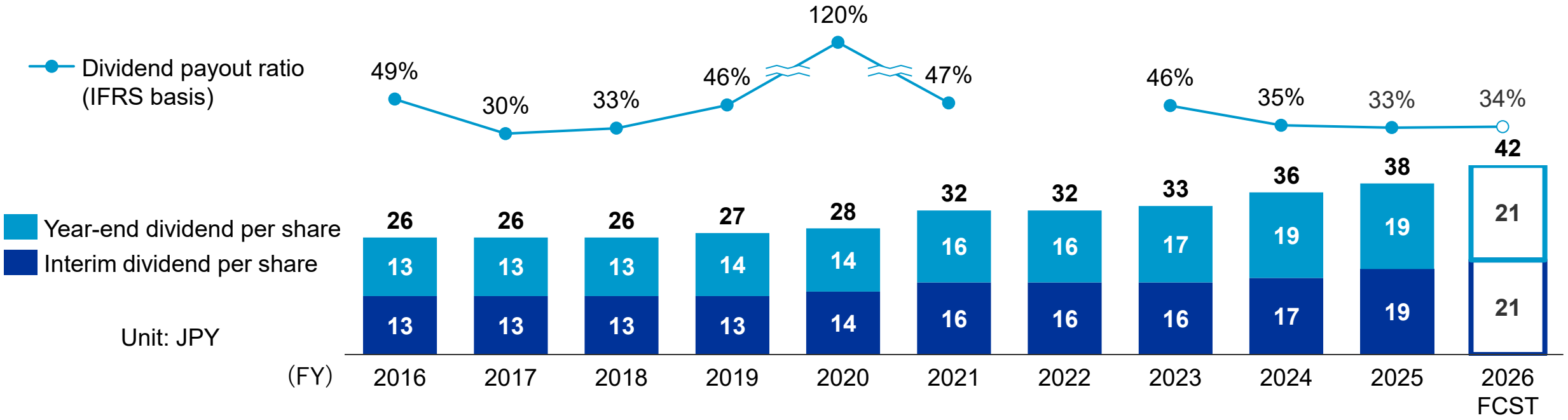
■ Factors affecting core OP

- Maximized profitability through optimization of SG&A expenses in line with changes in sales and gross profit
- Cost inflationary pressures arising from Middle-Eastern geopolitical developments absorbed across P/L

Shareholder returns

Dividend: No change from initial forecast announced on May 12; +JPY 4 YoY in annual dividend per share (annual: JPY 42/share comprising of JPY 21/share interim and JPY 21/share year-end)

Share buy-back: Flexible execution considering surplus cash, funding needs, and share price



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total return ratio (IFRS basis)	106%	30%	76%	46%	120%	47%	-	106%	137%	118%
Share buy-back[1] (% of total issued shares[2])	JPY12.3 bil (2%)	-	JPY13.9 bil (2%)	-	-	-	JPY25.7 bil (6%)	JPY16.2 bil (3%)	JPY37.1 bil (6%)	JPY31.9 bil (6%)

1 Treasury shares through open-market repurchase 2 Percentage of issued shares (excluding treasury shares) as of the previous fiscal year-end for each fiscal year

R&D Update

Peter Sallstig

Corporate Officer,

Chief Medical Officer

Q1 FY2026 R&D update

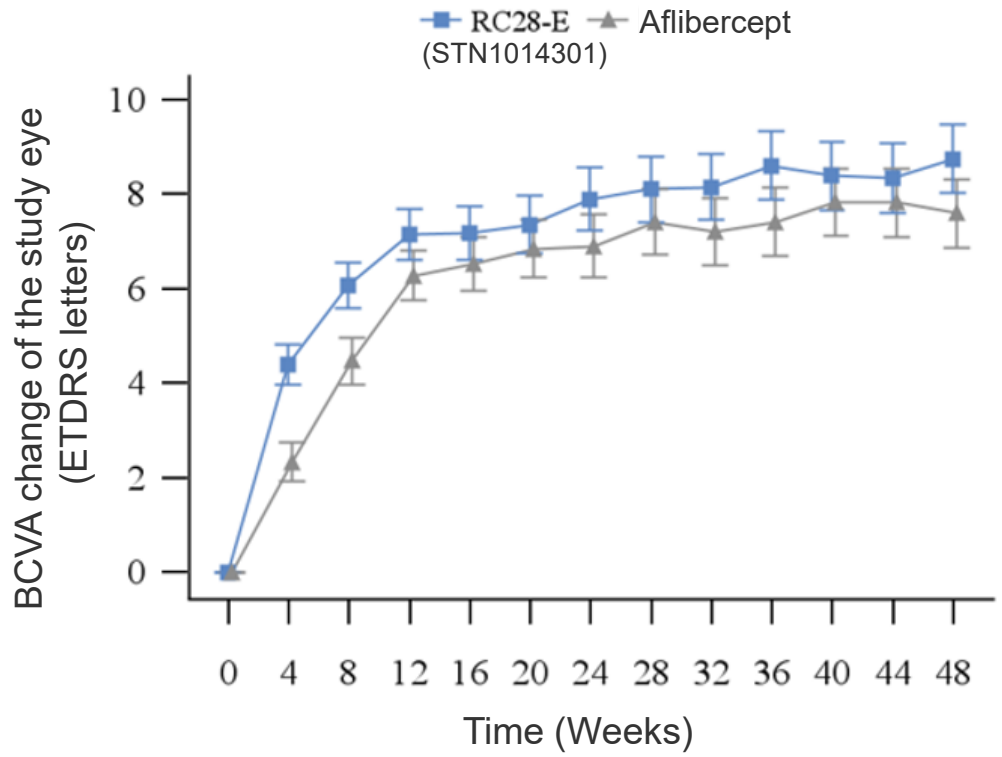
Market "Entry"	Eflimrufusp alfa STN10**143**01/RC28-E	Wet age-related macular degeneration	**Met primary endpoint** in P3 trial in China
	Eflimrufusp alfa STN10**143**00/RC28-E	Diabetic macular edema	Withdrawal of filing in China. Safety study to increase the number of subjects and working on expedited refiling.
Market "Creation"	Oxymetazoline hydrochloride STN10**138**00/RVL-1201 *Upneeq Mini*	Ptosis	**Launched** in Japan Achieved **LPO**[1] in P3 trial in China
	Atropine sulfate STN10**127**00/DE-127 *Ryjusea Mini*	Myopia	Received **approval** in Asia (Philippines) **Met primary endpoint** in P2/3 trial in China
Market "Expansion"	Netarsudil mesylate STN10**139**00/AR-13324 *Rhopressa®/Rhokiinsa®*	Glaucoma	Received **approval** in Japan
	Diquafosol sodium STN10**089**03/DE-089C *Diquas LX*	Dry eye	**Filed** in Asia
	Netarsudil mesylate and latanoprost STN10**140**03 *Rocklatan®/Roclanda®*	Glaucoma	**Met primary endpoint** in P3 trial in Japan
	Olodaterol hydrochloride STN10**141**00	Dry eye	Achieved **LPO** in P2b trial in Japan
	Olodaterol hydrochloride STN10**141**01	Allergic conjunctivitis	Achieved **LPI**[2] in P1/2a trial in Japan

1 LPO: Last Patient Out. 2 LPI: Last Patient In.

STN1014301: Results in China P3 trial for wAMD

Met primary endpoint.

BCVA change from baseline overtime (FAS)(LS Mean ± SE)

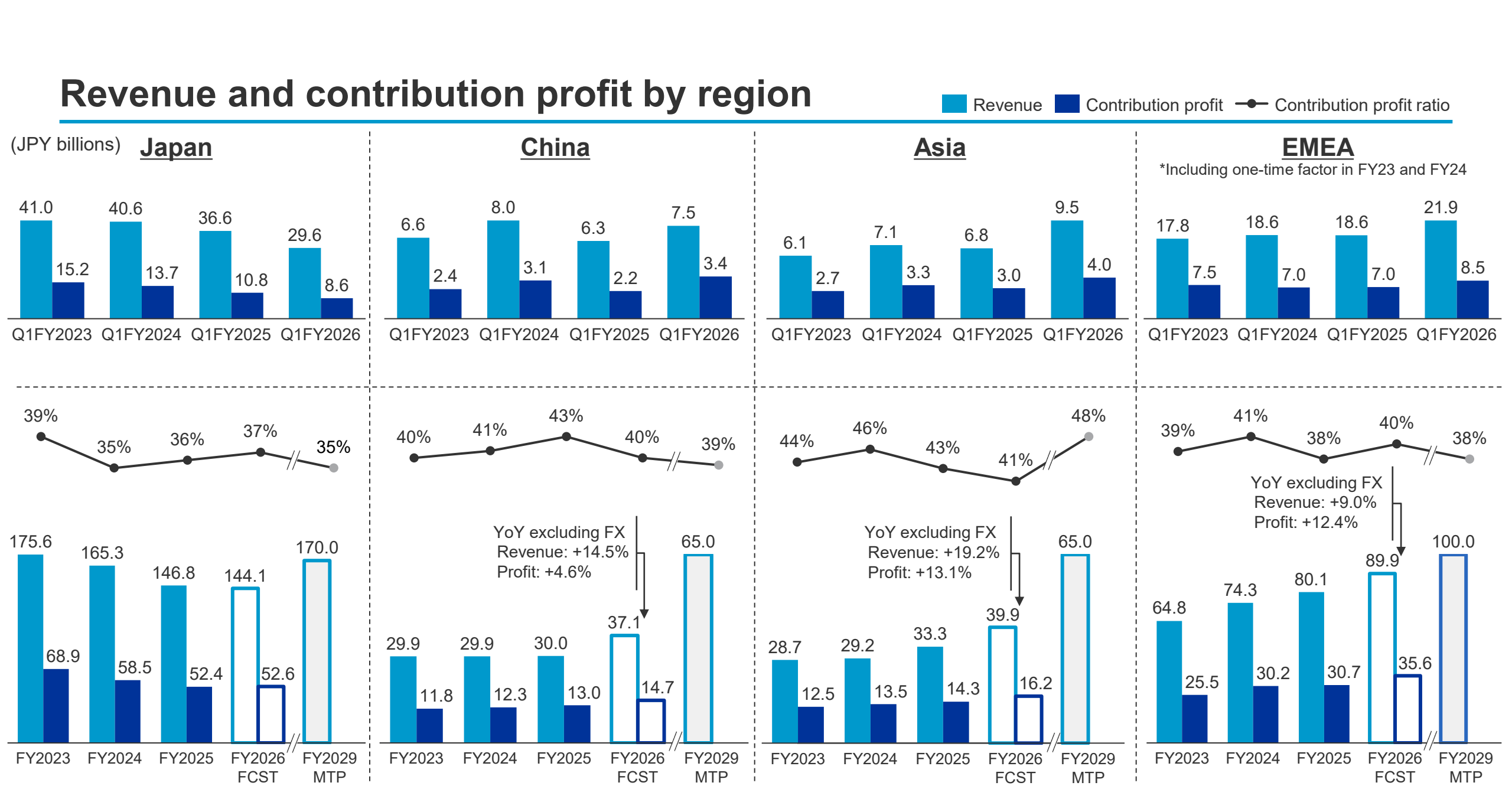


- 2.0 mg RC28-E (STN1014301) demonstrated non-inferior BCVA improvement at 48 weeks versus 2.0 mg aflibercept in wAMD, **meeting the primary endpoint**
- 2.0 mg RC28-E demonstrated good safety and tolerability in subjects with wAMD, with the incidence and severity of ocular and non-ocular adverse events in the RC28-E group comparable to those in the aflibercept group

RC28-E: development code of STN1014301 in RemeGen
BCVA: best corrected visual acuity
wAMD: wet age-related macular degeneration

Appendix

Revenue and contribution profit by region



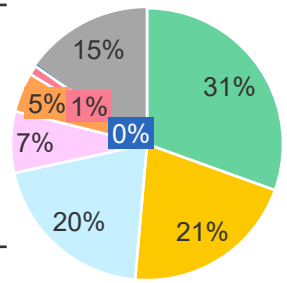
Note) Contribution profit: Deducting cost of sales and expenses related to revenue generation from regional revenue. Regional revenue related to regional business are used to calculate contribution profit and regional revenue may differ from revenue (location basis) in the above chart. Hong Kong is included in Asia until FY2023 and in China from FY2024 onwards.

Q1 FY2026 revenue by region

Consolidated

(JPY billions)	Q1 FY2025	Q1 FY2026
EYLEA[1]	20.1	13.3
Cosopt	6.3	7.4
Ikervis	3.2	4.0
Others	39.1	44.2
Total	68.7	69.0

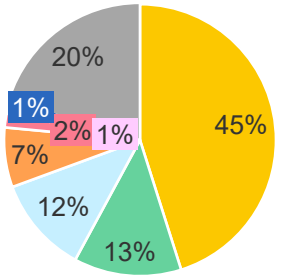
Q1 FY2026



Japan

(JPY billions)	Q1 FY2025	Q1 FY2026
EYLEA[1]	20.1	13.3
Diquas[2]	1.6	2.3
Alesion[3]	3.2	2.1
Others	11.7	11.9
Total	36.6	29.6

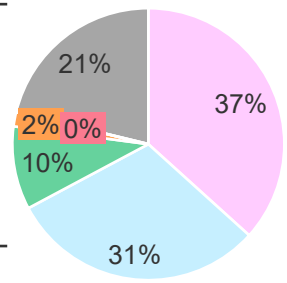
Q1 FY2026



China

(JPY billions)	Q1 FY2025	Q1 FY2026
Cravit	1.6	2.4
Hyalein	1.8	1.9
Benoxil	0.5	0.7
Others	2.4	2.5
Total	6.3	7.5

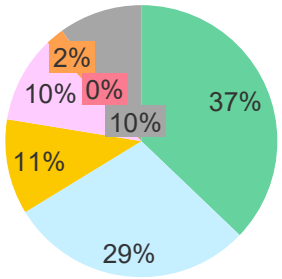
Q1 FY2026



Asia

(JPY billions)	Q1 FY2025	Q1 FY2026
Cosopt	1.6	1.8
Hyalein	0.9	1.2
Beovu	-	0.9
Others	4.3	5.5
Total	6.8	9.5

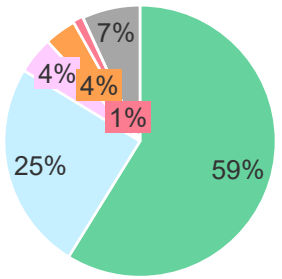
Q1 FY2026



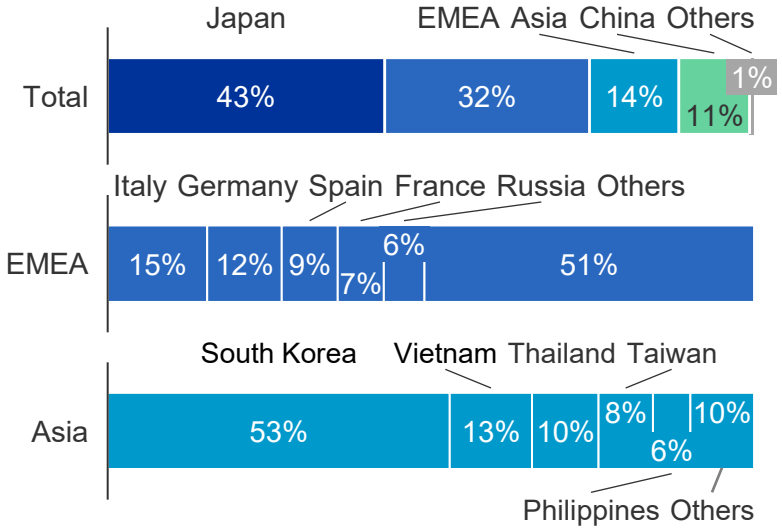
EMEA

(JPY billions)	Q1 FY2025	Q1 FY2026
Cosopt	4.3	5.2
Ikervis	2.7	3.3
Tapros	2.0	2.1
Others	9.6	11.2
Total	18.6	21.9

Q1 FY2026



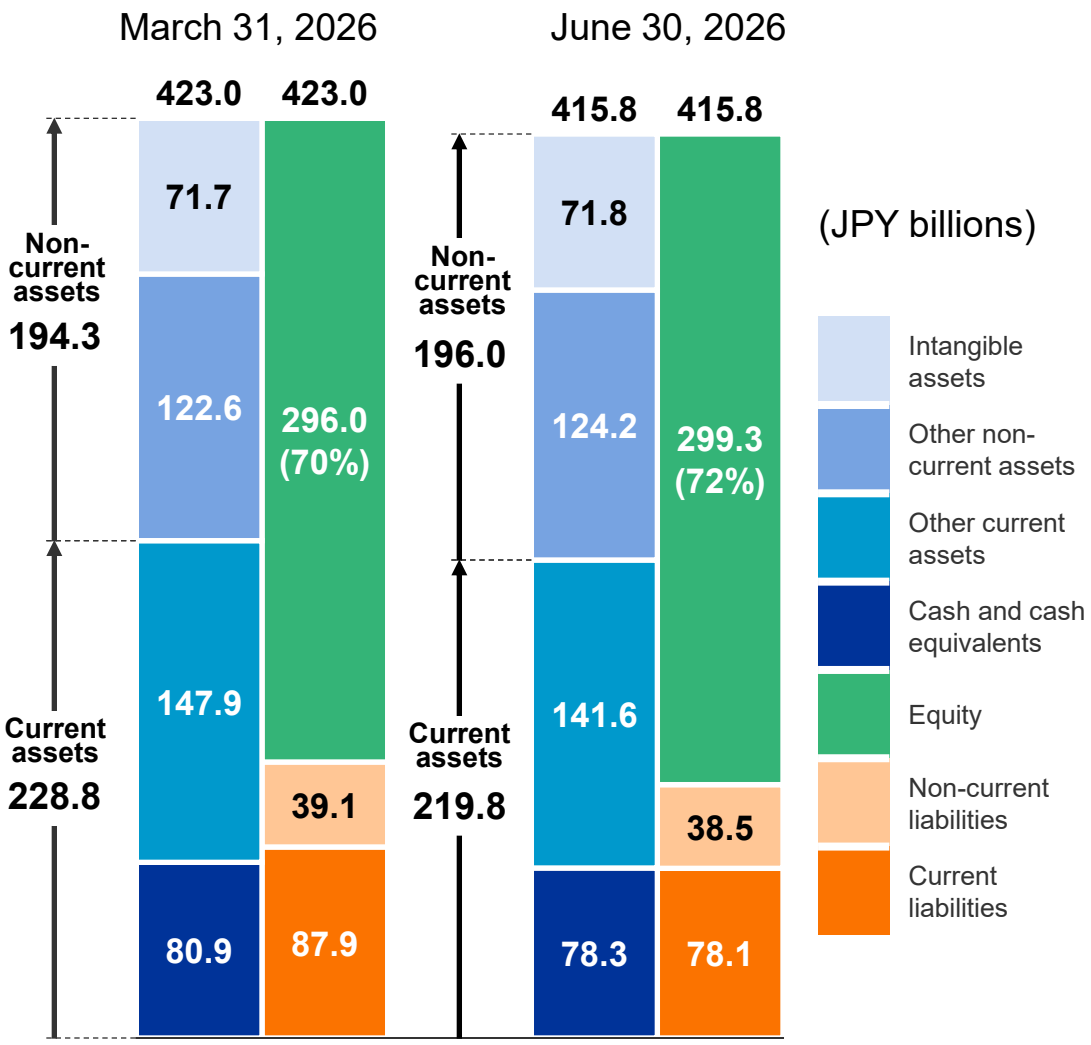
Revenue in each region (Q1 FY2026)



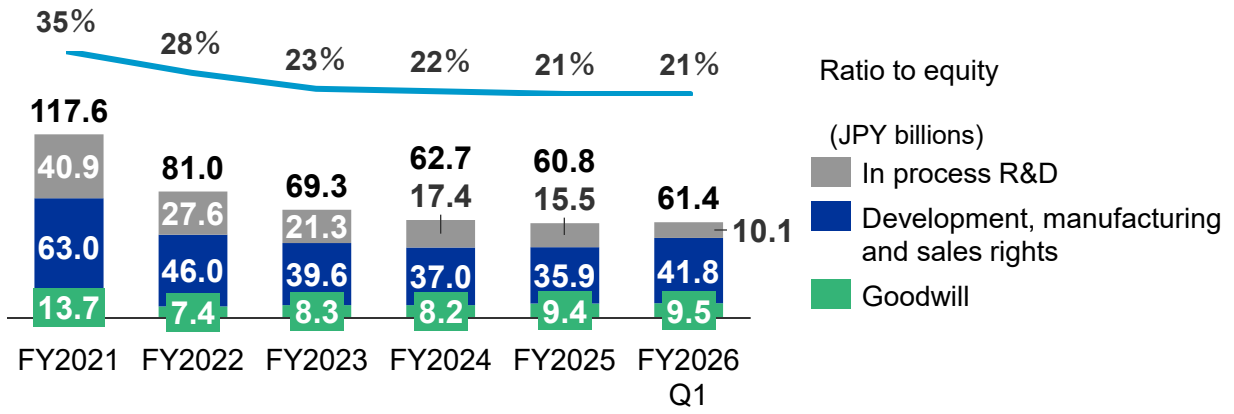
Anti-glaucoma
Corneal/dry eye
Anti-allergy
Ptosis
VEGF inhibitor
Anti-infectives
Slowing myopia progression
Others

1 Co-promoted product of Bayer Yakuhin, Ltd. (MAH), including *EYLEA* 8mg, and *Aflibercept "Bayer"* of Bayer Life Science, Ltd. (MAH).
2 Including *Diquas LX* *3 Alesion*: Trademark of alliance partner, Boehringer Ingelheim KG, including *Alesion LX, Alesion* eyelid cream, *Epinastine* and *Epinastine LX*

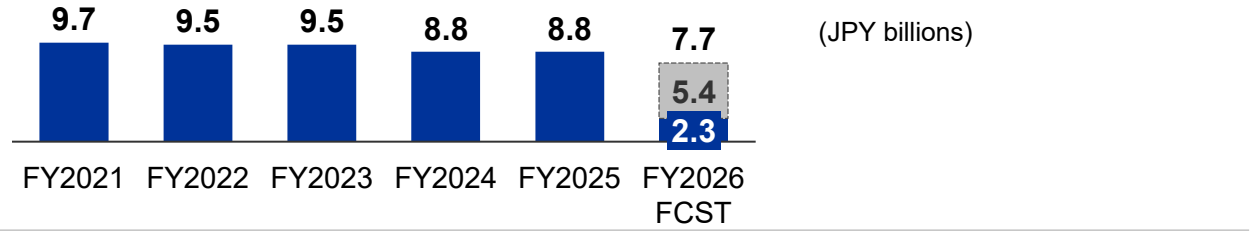
Financial position



Status of intangible assets related to products and goodwill



Status of intangible assets amortization related to products

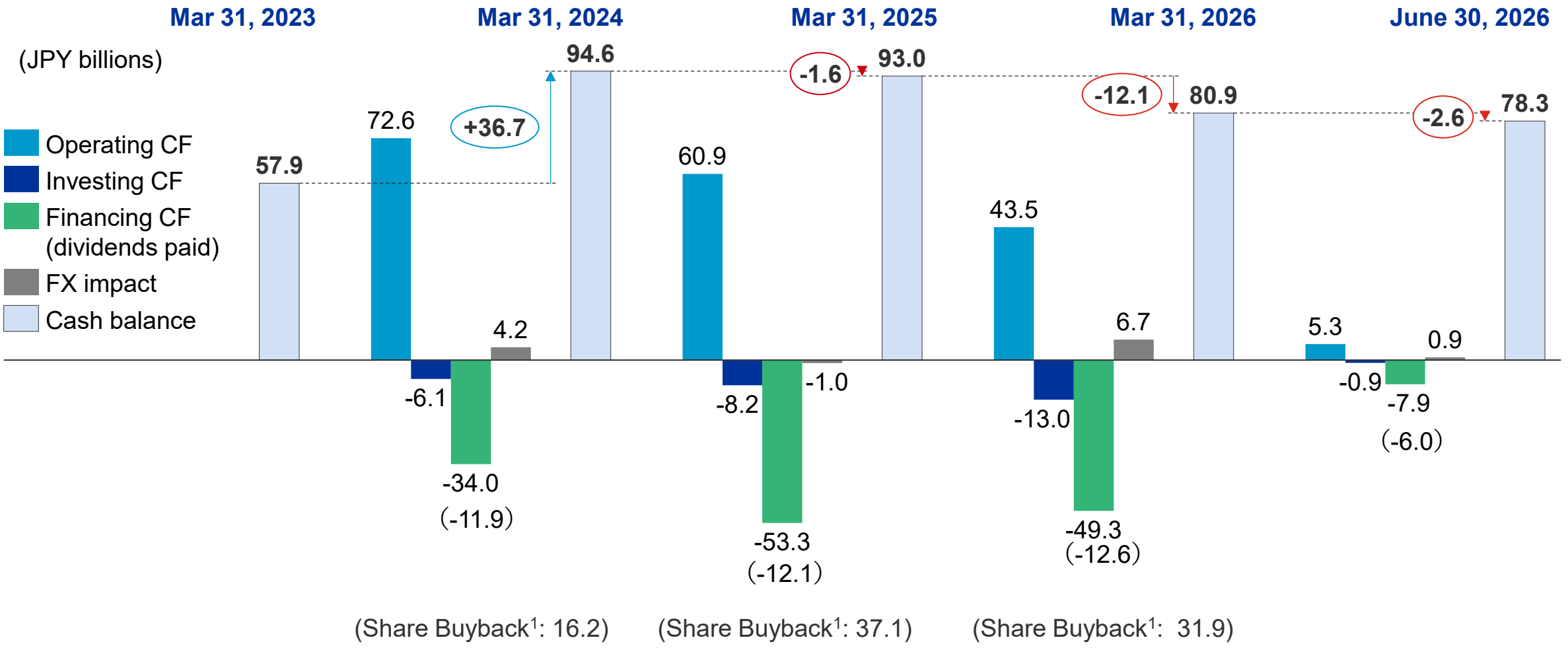


ROE, ROIC, CCC[1]

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Q1	FY2026 FCST[2]
ROE	8%	-	9%	12%	13%	-	13%
ROIC	12%	-	16%	18%	19%	-	18%
CCC (Day)	190	194	167	170	223	243	210

1 Cash conversion cycle: Based on turnover period of trade and other receivables, inventories, and business operation related expenses 2 Including factoring

Cash flow



1 Treasury shares through open-market repurchase

Foreign exchange rate assumptions and sensitivities

FX rate

(JPY)

	Q1 FY2025 Actual	Q1 FY2026 Actual	Q1 FY2026 vs Q1 FY2025	FY2025 Actual	FY2026 Forecast	FY2026 vs FY2025	Q1 FY2026 vs FY2026 Forecast
USD	144.63	159.61	110.4%	150.79	155.00	102.8%	103.0%
EUR	163.81	185.36	113.2%	174.71	180.00	103.0%	103.0%
CNY	20.07	23.35	116.3%	21.29	23.00	108.0%	101.5%

Sensitivities

Impact of a 1% depreciation of the yen (vs FY2026 forecast)

(JPY billions)

	Total[1]	USD	EUR	CNY
Revenue	+1.5	+0.03	+0.81	+0.36
Core OP	+0.2	-0.04	+0.12	+0.08
OP (IFRS basis)	+0.2	-0.06	+0.10	+0.08

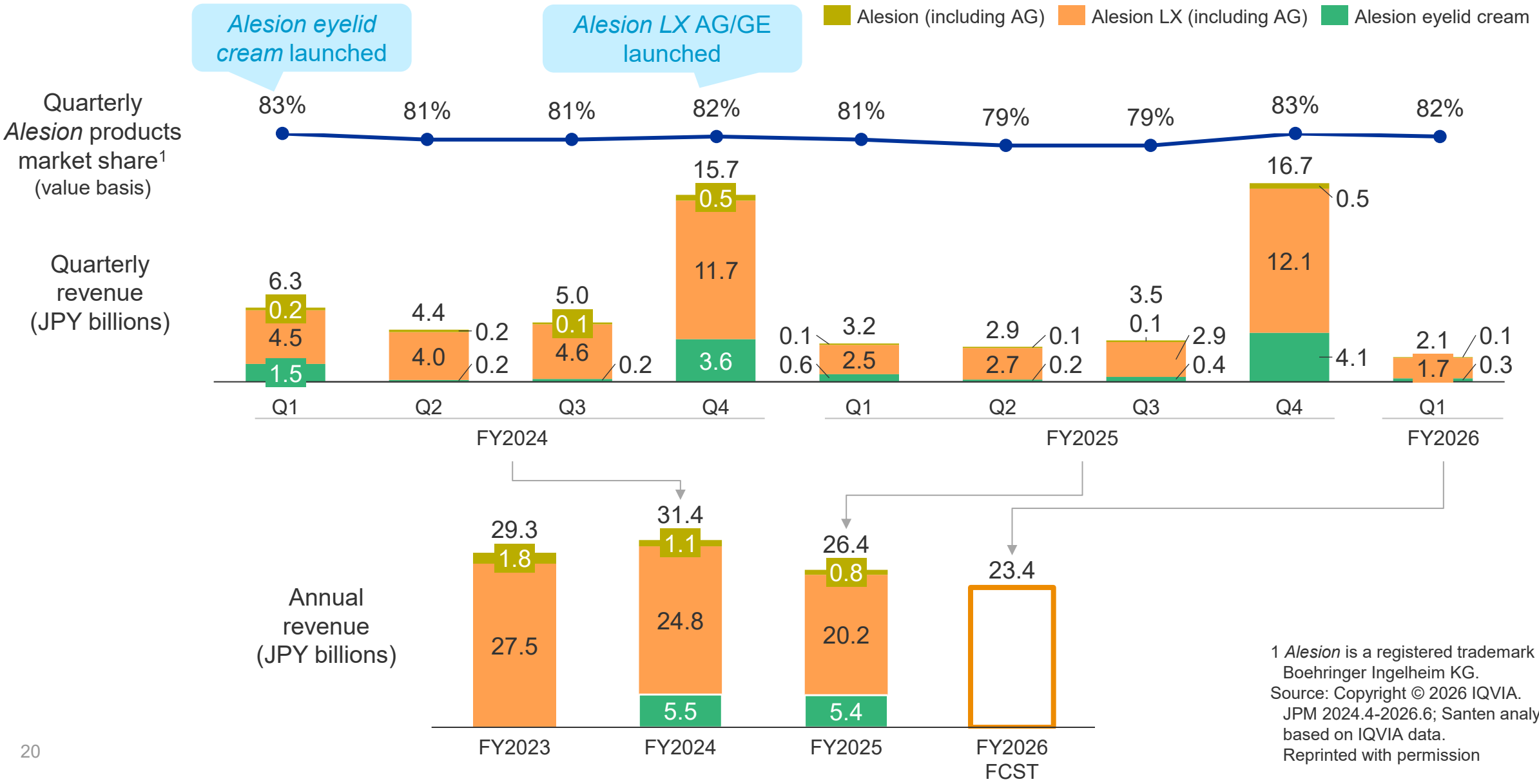
FX impact on Q1FY2026 (vs Q1FY2025)

(JPY billions)

	Total
Revenue	+4.2
Core OP	+0.7
OP (IFRS basis)	+0.6

1 Total: impacts from USD, EUR, CNY and other major currencies (rounding to nearest 100 million)

Current status of *Alesion* products in Japan



1 *Alesion* is a registered trademark of Boehringer Ingelheim KG.

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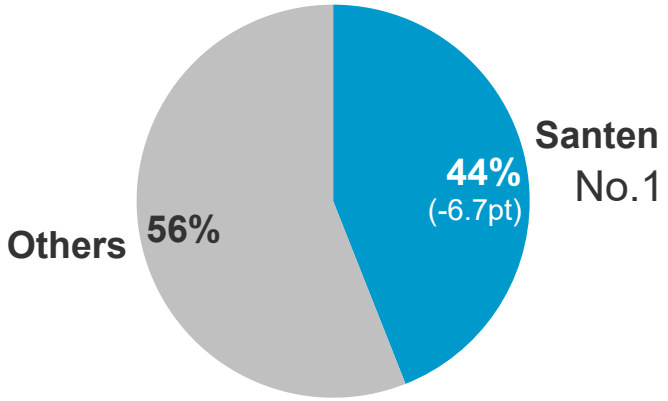
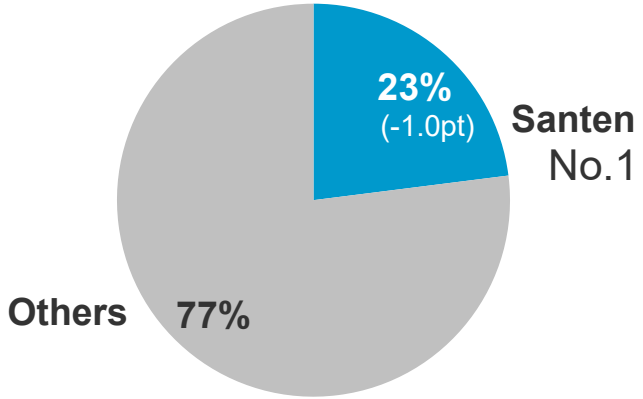
Segment: Market size
Graph: Market share (change from last year)

Prescription ophthalmic market in Japan (July 2025 - June 2026)

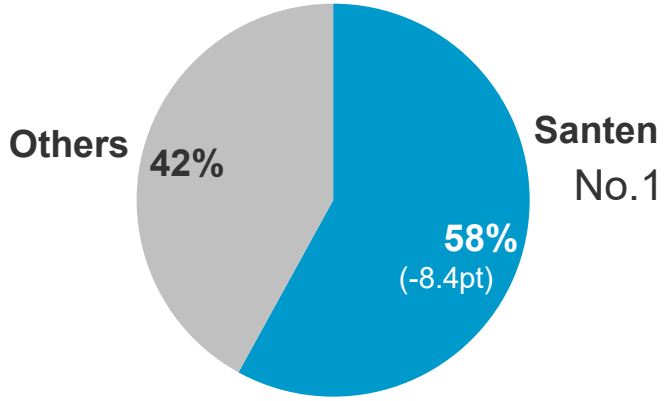
Total: JPY 352.2 bil



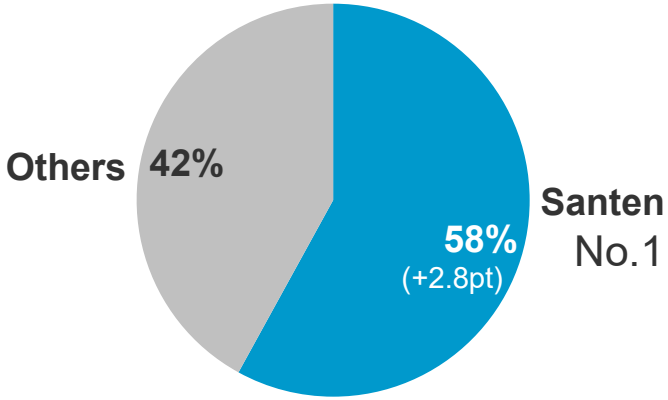
Anti-glaucoma: JPY 70.7 bil



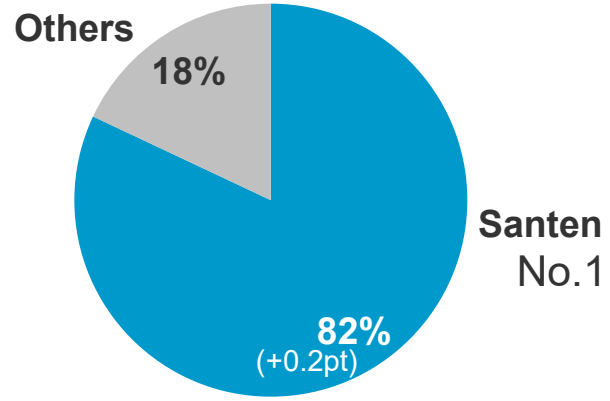
VEGF inhibitor[1]: JPY 128.3 bil



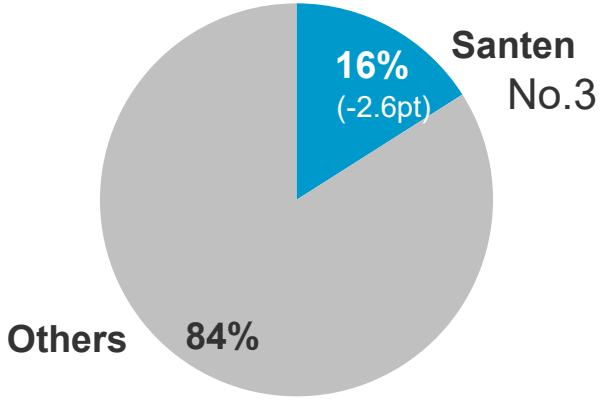
Corneal/dry eye: JPY 29.3 bil



Anti-allergy: JPY 39.1 bil



Anti-infectives: JPY 4.6 bil



1 Including co-promoted product (Anti-VEGF EYLEA, EYLEA 8mg) of Bayer Yakuhin, Ltd. (MAH), and Aflibercept "Bayer" of Bayer Life Science, Ltd. (MAH). Based on Santen Pharmaceutical (distributor) records.

Current status of global development (1)

As of July 2026
Updated information is in blue

Glaucoma and ocular hypertension area

Indication	Generic Name	Dev. Code	Development Status[1]	
Glaucoma	Omidenepag isopropyl *Eybelis Mini*	STN10**117**02	China	P3 *Plan: FY2026 P3 completion*
	Latanoprost *Catiolanze*	STN10**130**01 DE-130A Catioprost	Europe	Launched
			Asia	Filed *Plan: FY2026 approval*
	Netarsudil mesylate *Rhopressa®/Rhokiinsa®*	STN10**139**00 AR-13324	Japan	Approved in June 2026 *Plan: FY2026 launch*
			Europe	Launched
			Asia	Launched
	Netarsudil mesylate and latanoprost (combination) *Rocklatan®/Roclanda®*	STN10**140**03	Japan	P3 (met primary endpoint) *Plan: FY2027 P3 completion*

1 Only projects for which the study protocols were approved in-house are shown,

Current status of global development (2)

As of July 2026
Updated information is in blue

Keratoconjunctival disease area including dry eye

Indication	Generic Name	Dev. Code	Development Status	
Allergic conjunctivitis	Epinastine HCl (eyelid cream)	STN10**114**02	Japan	Launched
			China	P3 *Plan: FY2026 P3 completion*
			Asia	*Plan: FY2027 filing*
	Epinastine HCl (twice a day, eye drop)	STN10**114**03	China	Filed *Plan: FY2026 approval*
	Olodaterol hydrochloride	STN10**141**01	Japan	P1/2a *Plan: FY2026 P1/2a completion*
Dry eye	Olodaterol hydrochloride	STN10**141**00	Japan	P2b *Plan: FY2026 P2b completion*
	Diquafosol sodium (long-acting) *Diquas LX*	STN10**089**03 DE-089C	Asia	Filed in May 2026
Pterygium	Nintedanib	STN10**142**00 CBT-001	Japan	P2b *Plan: FY2026 P2b completion*

Current status of global development (3)

As of July 2026
Updated information is in blue

Refractive disorder

Indication	Generic Name	Dev. Code	Development Status	
Myopia	Atropine sulfate *Ryjusea Mini/Ryjunea*	STN10**127**00 DE-127	Japan	Launched
			China	P2/3 (met primary endpoint) *Plan: FY2026 filing*
			Asia	Approved in Philippines in May 2026 *Plan: FY2027 launch*

Retinal diseases area

Indication	Generic Name	Dev. Code	Development Status	
Diabetic macular edema	Eflimrufusp alfa	STN10**143**00 RC28-E	China	P3 (withdrawal of filing in June 2026. Planning an additional trial)
Wet age-related macular degeneration	Eflimrufusp alfa	STN10**143**01 RC28-E	China	P3 (met primary endpoint)
Retinitis pigmentosa	jCell	STN**6000**100	-	jCyte Planning P3

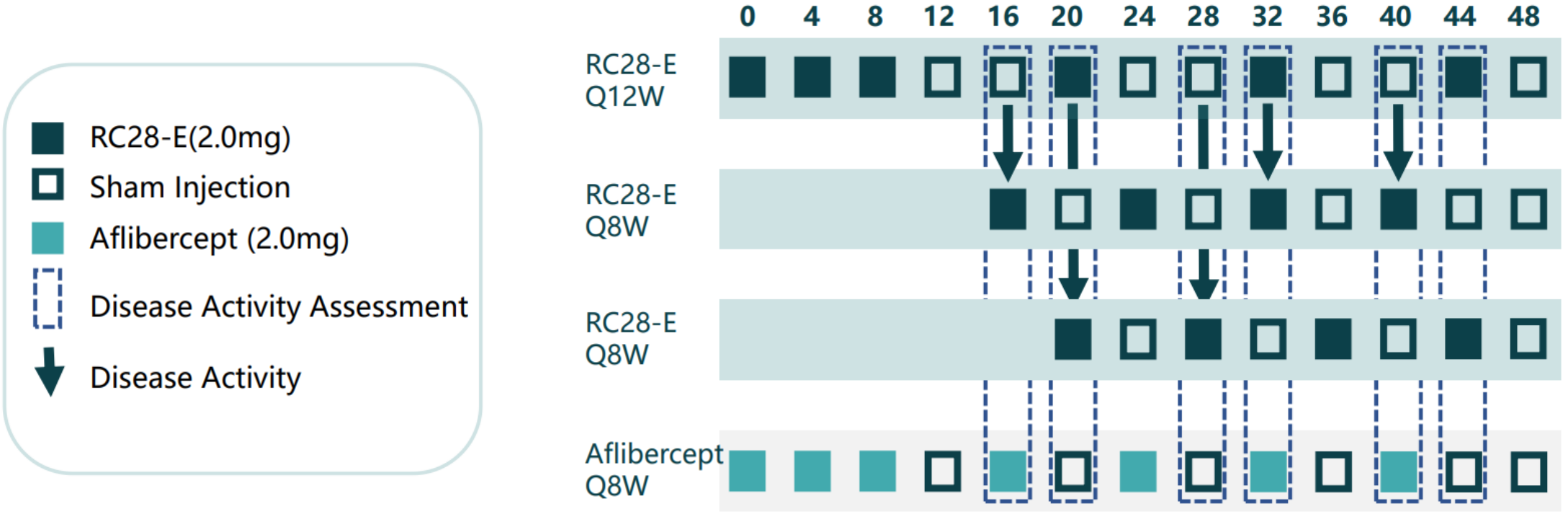
Current status of global development (4)

As of July 2026
Updated information is in blue

Others

Indication	Generic Name	Dev. Code	Development Status	
Ptosis	Oxymetazoline hydrochloride *Upneeq Mini*	STN10**138**00 RVL-1201	Japan	Launched in May 2026
			Europe	P3 *Plan: FY2026 P3 completion*
			China	P3 *Plan: FY2026 P3 completion*
			Asia	*Plan: FY2026 filing*

STN1014301: Protocol in China P3 trial for wAMD



- 432 patients were randomized: 215 to RC28-E (STN10**143**01) and 217 to aflibercept
- Non-inferiority margin: 4 letters.

NCT05727397

Forward-looking statements

- Materials and information provided in this announcement include so-called "forward-looking statements" .The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that we believe to be reasonable. The realization of these forecasts is subject to various risks and uncertainties. Please be aware that actual results could differ materially from these forward-looking statements. We assume no obligation to update the contents of this document from time to time.
- Risk factors include, but are not limited to, the following:
  External factors such as trends in pharmaceutical administration, social and economic conditions, changes in laws and regulations, and exchange rates. Changes in the competitive environment, such as the impact of generics. Reliance on certain products and business partners, such as dependence on mainstay products, reliance on licensed products, and reliance on certain business partners for the supply of bulk drugs. Uncertainty in the development of new drugs, the possibility that R&D investment will not produce sufficient results, the success or failure of alliances with other companies, and other R&D activities. Other factors include intellectual property rights, production slowdowns and delays caused by natural disasters, product supply issues such as discontinuations and product recalls, litigation, and risks related to global business development.
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