Q1 FY2026 Financial Results Transcript

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August 6, 2026

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)

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Kurihara: Thank you very much for taking time out of your busy schedule to join Santen's Q1 FY2026 financial results presentation today. I will begin with a summary of our first-quarter performance, focusing mainly on initiatives for mid- to long-term growth.

In our Medium-Term Management Plan, we position FY2026 as the year in which we return to a growth trajectory in both revenue and profit. In the first quarter, we achieved YoY revenue and profit growth, getting off to a steady start to the fiscal year.

We are also making steady progress on initiatives that will underpin our mid- to long-term growth.

For *Alesion cream*, we entered into a co-promotion agreement with KYORIN Pharmaceutical, which has deep expertise in allergic diseases and a strong presence in otolaryngology, as well as internal medicine and pediatrics. We understand that KYORIN's approximately 600 MRs will be fully engaged from August, ahead of the pollen season, particularly in areas such as otolaryngology where KYORIN has established strengths. In addition to our detailing activities in ophthalmology, we will reinforce promotional activities beyond ophthalmology.

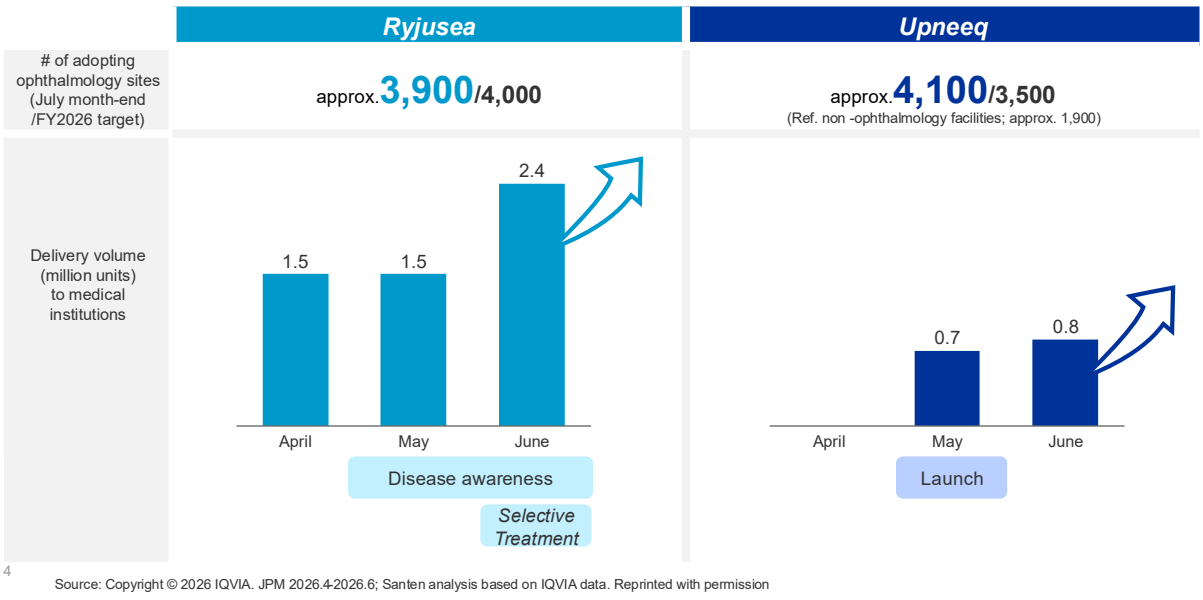
As for *Diquas LX*, as Mr. Ito explained in May, its sales tend to correlate with detailing volume. In the first quarter, we allocated resources to the launch of *Upneeq* and disease awareness activities for *Ryjusea*. From the second quarter, however, we plan to step up promotional activities to a level comparable to when *Diquas LX* expanded its share prior to the supply suspension, with the aim of further market penetration.

For *Ryjusea*, Selective Treatment became effective on June 1. Together with initiatives to raise disease awareness, we are working to further expand the adoption of treatment to slow myopia progression.

In May, we also launched *Upneeq*, Japan's first treatment drug for ptosis, as a new growth driver. Adoption by medical institutions has been progressing at a very rapid pace.

In addition, we obtained approval in June for *Rhopressa,* a glaucoma treatment, and are now preparing for its launch. Regarding the drug price of *Rhopressa*, approval was granted at yesterday's Central Social Insurance Medical Council (Advisory body to the Minister of Health, Labour and Welfare) meeting for the product to receive a usefulness premium and to be eligible for the Price Maintenance Premium for Innovative New Drugs.

Outside Japan, we obtained approval for *Ryjusea* in Asia and are planning to launch it next fiscal year.



Here, I would like to provide an update on myopia and ptosis in Japan, where we are driving the creation of new markets in new disease areas and in the out-of-pocket treatment segment.

Last fiscal year, our focus was on establishing treatment to slow myopia progression in clinical practice. This fiscal year, as the next stage, we began disease awareness activities, including TV commercials, to broaden understanding of myopia in children and available treatment options.

As I mentioned earlier, from June, treatment drugs to slow myopia progression became eligible for Selective Treatment, which has provided an additional tailwind. Adoption by medical institutions has been steadily expanding. The number of adopting sites has increased to approximately 3,900 against our full-year target of 4,000, and delivery volume has also grown significantly. We have confirmed that the expansion trend continued in July.

Turning to *Upneeq*, since its launch on May 15, adoption by medical institutions has progressed faster than initially expected. Our target for this fiscal year was adoption by 3,500 ophthalmology sites, but this target was exceeded in less than one month, and the product has now been adopted by approximately 4,100 sites. Ophthalmologists are likely to have seen patients with ptosis at least once, while until now, the only treatment option had been surgery, which may have led some patients to give up on treatment. As a new treatment option using eye drops, *Upneeq* has attracted strong interest, and we have also received positive feedback from patients who have used it, including high satisfaction and a clear sense of efficacy.

Going forward, we are confident that prescriptions will increase as awareness of both the disease and treatment expands. As we did with the launch of *Ryjusea*, after establishing an environment in which

ptosis treatment can be provided in ophthalmology, we will move on to broader activities to raise awareness of the disease and treatment.

Both myopia and ptosis represent markets that provide new value to patients who previously had limited treatment options, and we view them as important business opportunities that will support our future growth. Although these markets are still in the early stages of development, we hope you will continue to follow their progress closely.

This concludes my remarks.

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

Q1 FY2026 Results

(JPY billions)	Q1 FY2025 Actual	Q1 FY2025 vs Revenue	Q1 FY2026 Actual	Q1 FY2026 vs Revenue	Q1 FY2026 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)

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

Koshiji: I am Kazuo Koshiji. Please turn to page 6.

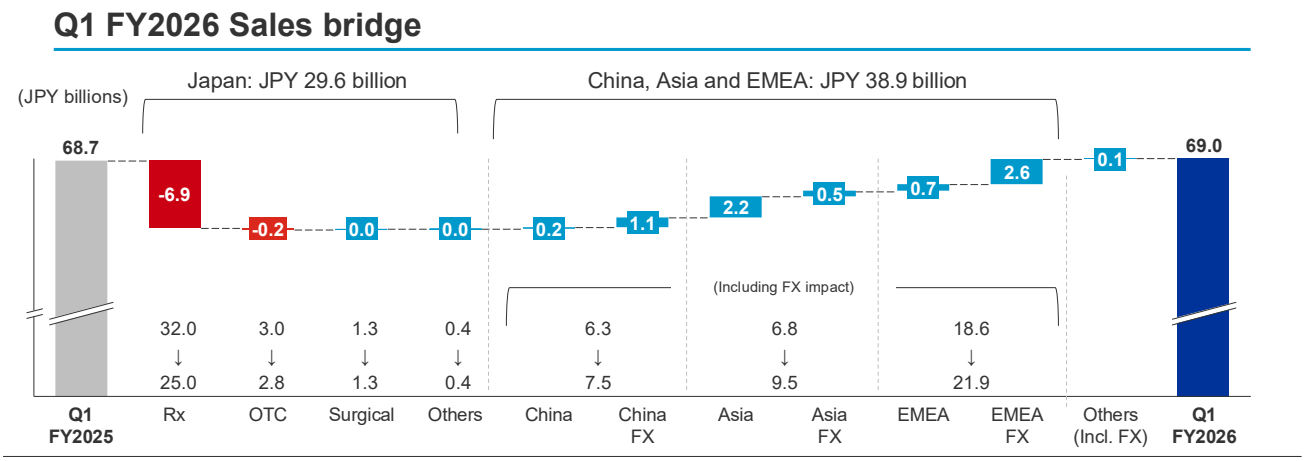
This slide shows our Q1 financial results. As Mr. Kurihara explained earlier, both revenue and profit increased year on year. In revenue, overseas growth in China, Asia and EMEA offset the impact in Japan from the market expansion repricing of a mainstay product in August last year as an external factor, and the penetration of the biologic authorized generic (AG) launched in January this year as an internal factor.

For cost of sales, the COGS ratio declined by 4 percentage points year on year due to a change in product mix.

SG&A expenses increased partly due to FX impact; however, disciplined cost management limited the increase to a modest level excluding FX. R&D expenses decreased due to the timing of payments,

while development activities themselves are progressing as planned.

As a result, core operating profit increased by approximately 9% year on year to JPY 10.6 billion, progressing in line with our internal plan.



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.

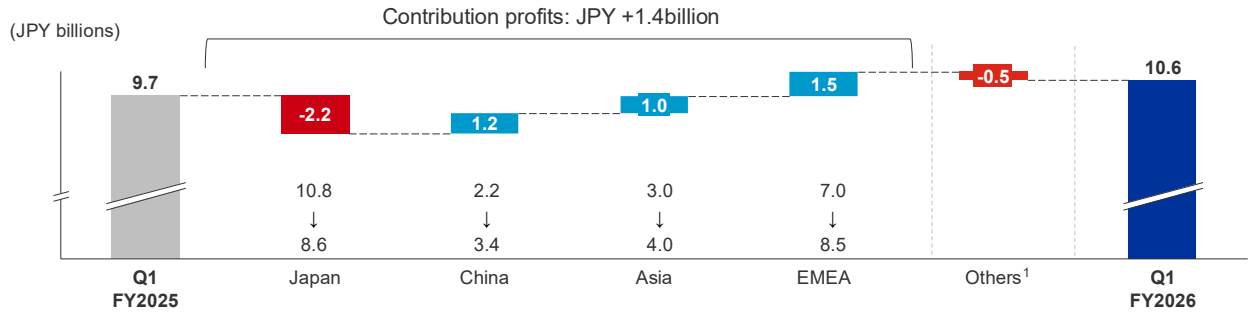
Page 7 shows the factors behind the change in revenue.

Revenue was JPY 69.0 billion. By region, Japan revenue was JPY 29.6 billion, down 19% year on year, while China, Asia and EMEA revenue was JPY 38.9 billion, representing growth of 23%. The revenue mix of these three regions increased by 10 percentage points from 46% in Q1 last fiscal year to 56%.

In Japan, as mentioned earlier, revenue declined due to the impact of market expansion repricing of a mainstay product in August last year and the penetration of its biologic AG launched in February this year. On the other hand, as Mr. Kurihara explained, initiatives for new products and mainstay products underpinning mid- to long-term growth are progressing steadily.

Overseas, distribution inventory levels in China normalized in the second half of last fiscal year. In Asia, sales of anti-VEGF products in South Korea began in November, and revenue increased across all regions: China, Asia and EMEA.

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

8 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.

Page 8 shows the factors behind the change in core operating profit.

Contribution profit from regional businesses increased by JPY 1.4 billion. In Japan, profit declined due to the gross profit decrease associated with the aforementioned change in product mix and an increase in expenses. Overseas, profit increased, driven by sales growth and appropriate cost control. As a result, on a contribution profit basis, the overseas ratio increased by 12 percentage points from 53% in Q1 last fiscal year to 65%.

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%

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■ 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

Please turn to page 9 for the full-year outlook.

There is no change to the earnings forecast announced on May 12.

Progress through Q1 was 22% for revenue and 18% for core operating profit. However, as in the previous fiscal year, both revenue and profit are planned to be weighted towards the second half, and for core operating profit, we assume an approximate 40:60 split between the first and second halves. Therefore, performance is progressing in line with expectations at this point.

The factors that may affect the full-year results at this point are shown on the right side of the slide.

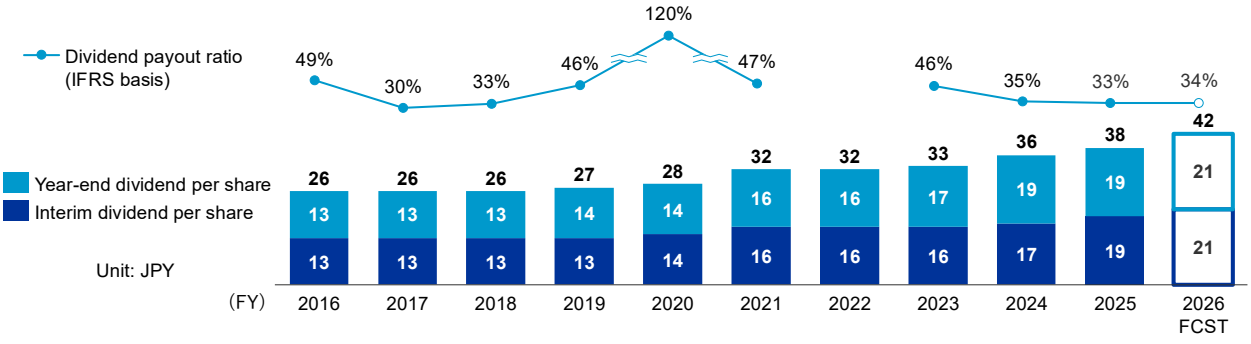
On the revenue side, in Japan, key factors include the penetration of mainstay products and new products, as well as pollen levels in the fourth quarter. Overseas, factors include the continued momentum of the recovery trend in China and stable product supply.

On the profit side, we will continue to optimize SG&A expenses to improve profitability and maximize profit. Although there are cost inflationary pressures arising from Middle Eastern geopolitical developments, we believe these can be absorbed through company-wide cost management.

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



(FY)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 FCST
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%)	

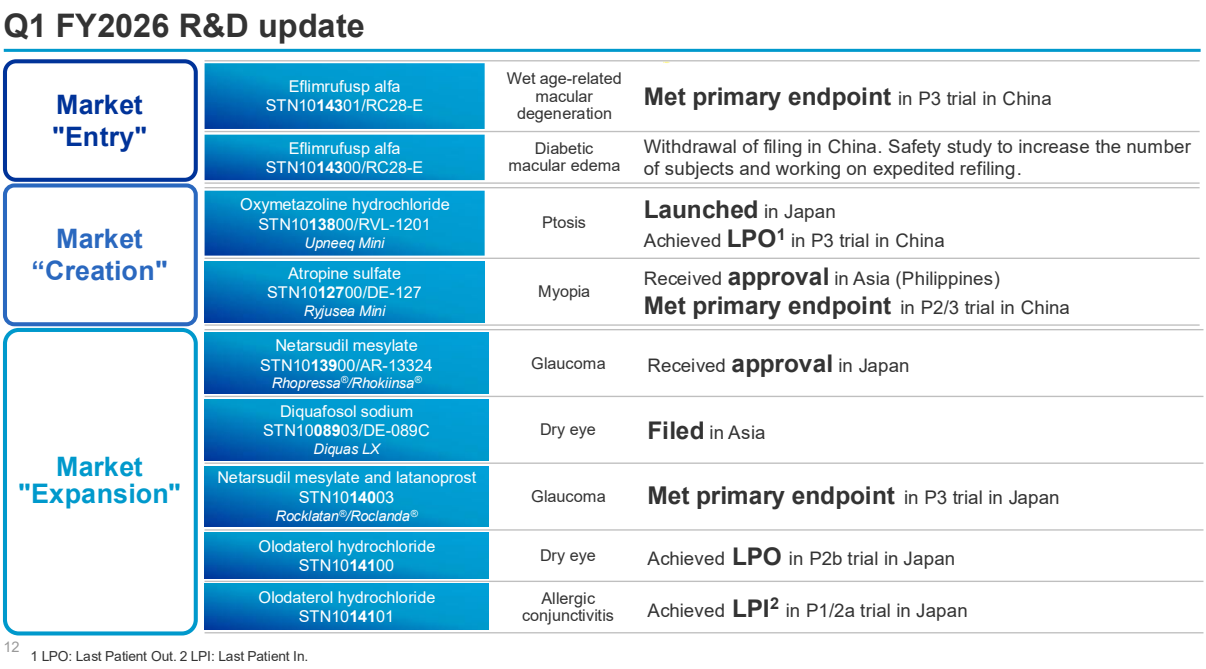
1 Treasury shares through open-market repurchase 2 Percentage of issued shares (excluding treasury shares) as of the previous fiscal year-end for each fiscal year

Finally, please turn to page 10 for shareholder returns.

First, regarding dividends, as announced in the initial forecast, we plan an annual dividend of JPY 42 per share for FY2026, representing a JPY 4 increase year on year. Looking at the historical trend, annual dividends were JPY 36 in FY2024, JPY 38 in FY2025, and are planned to be JPY 42 in FY2026. Based on our progressive dividend policy, we have steadily increased dividends while taking into account profit levels and the business environment.

Regarding share repurchases, we will continue to execute flexibly, considering surplus cash, funding needs, and share price.

That concludes my presentation.



Sallstig:

Good afternoon, I'm Peter Sallstig, Chief Medical Officer. Please allow me to provide you with an update with regard to status of the pipeline.

First, let me start with 143, which we in-licensed with the aim of entering the back of the eye disease market in China, a market that is expected to continue growing at a high rate.

The Phase 3 trial in wet age-related macular degeneration achieved its primary endpoint. I will go through the data later.

As for diabetic macular edema, which had been filed by RemeGen, the authorities pointed out that the number of patients with long-term safety data was insufficient at this stage. Following discussions with the CDE, it was determined that additional safety exposure data would further strengthen the filing. Based on the authority's recommendation, the application was voluntarily withdrawn by RemeGen. RemeGen is currently discussing the protocol with the authorities for an additional clinical study, and plans to refile as soon as possible after rapidly obtaining the additional safety data. We are cooperating closely. We do not believe it changes the fundamental value of our pipeline asset.

Next, regarding ptosis, for which we aim to create a new market, we launched *Upneeq* in Japan this past May. This was the first launch outside the United States. We also aim to launch the product as early as possible in Asia, where we plan to file later this fiscal year, as well as in EMEA and China, where Phase 3 studies are currently ongoing. Through this product, we aim to provide a new treatment

option in an area where surgery has historically been the only available approach.

For myopia, we obtained approval in the Philippines for *Ryjusea*. We have also filed in countries such as South Korea and expect to obtain approvals sequentially.
In addition, the Phase 2/3 study in China achieved its primary endpoint, and we plan to file within this fiscal year.

In our more traditional areas, we obtained approval in Japan for *Rhopressa*, a once-daily ophthalmic solution and a Rho kinase and norepinephrine transporter inhibitor, as a treatment for glaucoma in cases where other treatments are insufficiently effective or cannot be used.

In addition to our first-line treatment portfolio, including *Eybelis*, *Setaneo* and *Tapros*, we will also contribute to the second-line treatment setting.

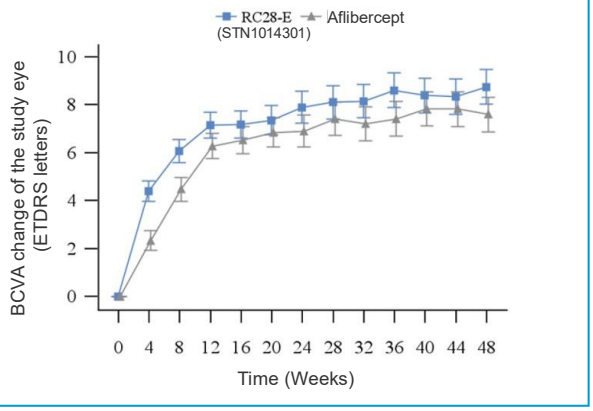
Furthermore, 140, a fixed-dose combination of *Rhopressa* and latanoprost, also achieved its primary endpoint in a Phase 3 study in Japan. The study is ongoing to evaluate long-term safety in the same trial, and we plan to file once the data required for submission is available.

As you can also see, we have made progress in dry eye and allergic conjunctivitis.

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

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As mentioned earlier, 143, the bi-specific fusion protein drug targeting VEGF and FGF in-licensed from RemeGen, as for diabetic macular edema as presented in May, also achieved its primary endpoint in the Phase 3 study in wet age-related macular degeneration.

The graph shows on the horizontal axis the time course of change from baseline in best corrected visual acuity when this drug and aflibercept 2 mg, marketed as *Eylea*, were administered intravitreally. Higher values on the vertical axis indicate greater improvement in best corrected visual acuity.

For the primary endpoint, best corrected visual acuity at Week 48, this drug demonstrated as designed in the study non-inferiority versus aflibercept.

In addition, as was the case with the data from the diabetic macular edema study that we presented at the earnings announcement in May, this drug showed numerically greater improvement than aflibercept.

As this was a non-inferiority study, we cannot say that this difference was statistically meaningful. However, we believe these data indicate the potential of this drug, but needs to be confirmed in real world setting once approved.

As mentioned before, during the review process for diabetic macular edema, the authorities pointed out that the number of patients with long-term safety data was insufficient. However, this was not a concern raised regarding safety itself, and we believe these data have reaffirmed the value of this drug.

This concludes my part. Thank you.

Question & Answer (Summary Version)

Citigroup Securities (Mr. Yamaguchi)

Q1: In Q1, the gross margin improved by 4 percentage points year-on-year. Is this improvement solely due to changes in product mix, or did inventory adjustments such as pollen allergy stock, *Eylea* decline or *Diquas* increase, also contribute?

A1: The gross margin improvement is almost entirely attributable to changes in product mix. The most significant factor is the decline in *Eylea* sales, which dropped from ¥20.1 billion in Q1 last year to ¥13.3 billion this year (a 34% decrease). There were no notable one-off factors in Q1. The Q1 gross margin was 42%, as expected, and for the full year, it is projected to decline further into the low 40% range due to continued product mix changes.

Q2: Regarding *Upneeq*, you mentioned a significant number of non-ophthalmology facilities have adopted the product. What activities are planned to raise awareness (such as disease awareness campaigns like those for *Ryjusea)*, and when will these initiatives begin?

A2: *Upneeq* has been adopted by 4,100 ophthalmology facilities and 1,900 non-ophthalmology

facilities. Most non-ophthalmology facilities purchased only one box, likely for trial purposes. The main focus remains on ophthalmology, but some non-ophthalmology facilities are actively engaged. Disease awareness activities will be launched cautiously, monitoring proper usage. There is no specific timeline yet, but trial initiatives are ongoing. The company aims to identify the appropriate approach before starting full-scale campaigns.

Goldman Sachs (Mr. Ueda)

Q1: The progress of *Alesion* sales is below forecasts, possibly due to seasonality. Cream sales and their ratio are also low. What are the risks versus the plan, and how will you manage profitability for this high-margin product?

A1: Actual shipments from wholesalers to medical institutions are above budget, but shipments from Santen to wholesalers are below budget due to leftover inventory from last fiscal year. *Alesion Cream* sales are below ideal levels, but *Alesion LX* and *LX* AG are compensating for this shortfall. Santen will strengthen efforts with KYORIN to achieve full-year targets.

Q2: Regarding *Ryjusea*, adoption numbers are progressing well. Is sales performance on track compared to the plan, and what are your expectations for June onwards? How do you assess the impact of recent initiatives?

A2: *Ryjusea*'s progress is generally positive, with adoption numbers reflecting this. June and July saw overlapping initiatives (*selective treatment* and disease awareness), resulting in a clear upward trend. While the impact is still under review, the treatment for myopia progression is becoming mainstream in ophthalmology, overcoming pre-launch concerns that it would be limited to a few institutions. The company is optimistic about future sales and expects continued growth.

Morgan Stanley (Mr. Lee)

Q1: Regarding RC28-E (with RemeGen), a safety trial will be added. Was the application withdrawn voluntarily after discussions with Chinese authorities, or was it a "complete response letter"-like situation? Will additional safety trials be required for AMD as well as DME?

A1: The application was voluntarily withdrawn after discussions with the CDE (Chinese Drug Evaluation authority), not due to a complete response letter. The CDE is now conducting stricter reviews per ICH guidelines, leading to a request for additional safety data. Both DME and wAMD are considered together for safety data, not separately. Details will be clearer in 1-2 months.

Q2: Is RC28-E included in the mid-term plan, and will there be any impact?

A2: RC28-E was not included in the Medium-Term Management Plan, so there is no impact on the company's Medium-Term Management Plan targets.

Q3: Regarding shareholder returns, Santen has conducted share buybacks annually but skipped this year due to business development (BD) activities. Will buybacks be reconsidered after BD is completed in November? Any updates?

A3: No major BD or investment projects occurred in Q1, so cash accumulation is higher than expected. The basic policy remains unchanged; buybacks will be considered in light of cash outflows in Q2.

UBS Securities (Mr. Seki)

Q1: Regarding *Upneeq*, does the 4,100 facility count include the 1,900 non-ophthalmology facilities, or are they separate? What is the repeat purchase trend, especially for ophthalmology facilities?

A1: The 4,100 ophthalmology facilities and 1,900 non-ophthalmology facilities are separate counts. Repeat purchase data is not yet available due to the recent launch. Most patients likely purchase one box (30 doses), and many do not use it daily, so repeat trends will become clearer soon.

Q2: For RemeGen DME, ICH E1 requires 300-600 cases for safety. Given that DME and wAMD are different dosing schedules, can the data be pooled? Is registering approximately ~150 cases for 6 months sufficient?

A2: Details of additional safety trials are not yet determined; they will be decided in discussions with authorities and RemeGen. Some dosing schedule overlap exists, so authorities will review the totality of data. Santen will work closely with RemeGen to expedite trials and product delivery.

JP Morgan Securities (Mr. Wakao)

Q1: Regarding *Diquas* LX, Q1 sales were below expectations. Will full-year targets be achieved? *Diquas* (original) performed well. How is the balance between *Diquas* LX and *Diquas*?

A1: When *Diquas* LX underperforms, *Diquas* (original) is used as a substitute, so sales shift accordingly. Q1 *Diquas* LX sales were unsatisfactory due to limited resources, but monthly numbers

are steadily increasing. Physician surveys show high product evaluation and intent to prescribe, but supply concerns are slowing uptake. Addressing supply issues should restore growth. The company does not consider full-year target achievement to be at risk at this stage.

Q2: Regarding *Upneeq*, facility adoption has already exceeded FY26 target. Will adoption continue to grow after July? If repeat purchases are strong, could progress exceed original plans?

A2: Santen aims for *Upneeq* to be available at all ophthalmology institutions, so adoption will continue to expand. User feedback is very positive, suggesting repeated purchases will be strong. Progress is currently in line with plan, with upside potential if repeat rates are high.

End