Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (IFRS)

Listed Company Name:	Santen Pharmaceutical Co.,Ltd
Exchanges Listed:	Tokyo (First section)
Stock Code:	4536
URL:	https://www.santen.com
Representative:	Shigeo Taniuchi, President and CEO
Contact:	Kaori Itagaki, IR Group Manager (+81-6-7664-8621)
Filing of Securities Report (Scheduled):	February 14, 2022
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, 2021

(1) Operating Results

(IFRS)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	% change
Revenue	181,786	195,801	+7.7%
Operating profit	26,905	26,380	(2.0%)
Profit before tax	26,600	25,673	(3.5%)
Net profit for the period	20,828	19,296	(7.4%)
Net profit for the period attributable to owners of the company	20,998	19,349	(7.9%)
Total comprehensive income for the period	23,030	22,803	(1.0%)
Basic earnings per share (yen)	52.56	48.39	
Diluted earnings per share (yen)	52.44	48.32	

(Core basis)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	% change
Revenue	181,786	195,801	+7.7%
Core operating profit	36,428	34,553	(5.1%)
Core net profit for the period	28,339	25,865	(8.7%)
Core net profit for the period attributable to owners of the company	28,370	25,907	(8.7%)
Basic core earnings per share (yen)	71.02	64.80	
Diluted core earnings per share (yen)	70.84	64.70	

(2) Financial Position

	March 31, 2021	December 31, 2021
Total assets	405,285	429,598
Total equity	309,646	320,775
Total equity attributable to owners of the company	310,181	321,405
Total equity attributable to owners of the company ratio	76.5%	74.8%
Equity per share attributable to owners of the company (yen)	776.16	803.98

(Note) With regard to provisional accounting treatment related to a business combination in September 2020, in conjunction with the completion of adjustments in the second quarter of the fiscal year ending March 2022, the consolidated earnings (cumulative total) for the third quarter of the fiscal year ended March 2021 and financial position for the fiscal year ended March 2021 have been retroactively restated.

2. Dividends

	Year to March 2021	Year to March 2022	(Forecasts) Year to March 2022
First quarter dividends per share (yen)	—	—	—
Second quarter dividends per share (yen)	14.00	16.00	—
Third quarter dividends per share (yen)	—	—	—
Year-end dividends per share (yen)	14.00	—	16.00
Annual dividends per share (yen)	28.00	—	32.00

(Note) Revisions to the forecasts of dividends from the latest announcement: No

3. Consolidated Forecasts of Results for the Year Ending March 31, 2022

(IFRS)

	Year to March 2022	% change
Revenue	260,000	+4.2%
Operating profit	41,500	+240.5%
Profit before tax	41,000	+250.8%
Net profit for the year	30,500	+234.2%
Basic earnings per share (yen)	77.07	

(Core basis)

	Year to March 2022	% change
Revenue	260,000	+4.2%
Core operating profit	52,000	+3.8%
Core net profit for the year	39,000	+3.9%
Basic core earnings per share (yen)	98.34	

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

Please refer to "1. Summary of Quarterly Consolidated Results (1) Summary of Consolidated Results" on page 6 of the attached material for details of the reconciliation from IFRS basis figures to core-based figures.

*Notes

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No
With regard to Plano Pte. Ltd. which is part of the Santen Group (Santen and its affiliated companies), the ratio of Plano's voting shares held by Santen surpassed 20% during the period under review. Reflecting Santen's significant influence over Plano, it became an equity method affiliate of Santen.

(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, 2021	400,408,254 shares
March 31, 2021	400,368,954 shares

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

December 31, 2021	423,668 shares
March 31, 2021	549,909 shares

(iii) Average number of outstanding shares

The Third quarter ended December 31, 2021	399,708,261 shares
The Third quarter ended December 31, 2020	399,413,902 shares

(Note)The number of treasury shares at the end of the period includes shares (18,230 shares at the end of the fiscal year ended March 31, 2021 and 16,271 shares at the third quarter of the fiscal year ending March 31, 2022) owned in trust for the stock compensation system. Treasury shares are also included in the calculation of the average number of shares outstanding during the period.

*This financial summary is not subject to audit by a certified public accountant or auditing firm.

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

(Notes on forward-looking statements)

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

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

The Santen Group plans to hold a briefing on the results for securities analysts and institutional investors on February 10, 2022. The materials used in this briefing will be posted on our website.

Accompanying Materials – Contents

1. Summary of Quarterly Consolidated Results

(1) Summary of Consolidated Results
(I) Consolidated Results
A) IFRS

(JPY millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year-on-year change
Revenue	181,786	195,801	7.7%
Operating profit	26,905	26,380	(2.0%)
Net profit for the period	20,828	19,296	(7.4%)
Net profit for the period attributable to owners of the company	20,998	19,349	(7.9%)

[Revenue]

Revenue in the nine months ended December 31, 2021 increased by 7.7% year-on-year to ¥195.8 billion.

In the mainstay prescription pharmaceuticals business, sales grew by 7.3% year-on-year to ¥182.9 billion. This is due to the steady growth in mainstay products despite the impact of drug price revisions in Japan, a minimization of the impact from volume-based purchasing in China as well as the stable growth in mainstay products in EMEA.

The breakdown of revenue is as follows:

Upper: Value
Lower: Year-on-year change
【】: Year-on-year change excluding FX impact

(JPY millions)

	Japan	China	Asia	EMEA	Americas	Total
Prescription pharmaceuticals	115,772	20,296	13,193	31,619	2,066	182,946
	5.1%	11.1%	1.4%	13.8%	57.7%	7.3%
	【－%】	【(1.1%)】	【(4.7%)】	【6.5%】	【50.5%】	【4.3%】
OTC pharmaceuticals	7,281	－	461	－	－	7,742
	2.1%	－	80.1%	－	－	4.8%
Medical devices	2,309	29	－	1,196	319	3,852
	8.9%	－	－	79.2%	－	38.2%
Others	1,198	20	43	－	－	1,260
	20.6%	(65.8%)	(5.6%)	－	－	15.0%
Total	126,559	20,344	13,698	32,815	2,385	195,801
	5.1%	11.0%	2.9%	15.4%	82.0%	7.7%

(Note)
Represents revenue from sales to external customers.
Classified into countries or regions based on customer location. China is not included in Asia.
EMEA refers to Europe, the Middle East and Africa.

<Prescription pharmaceuticals>

◇ Japan

Revenue in the nine months ended December 31, 2021 increased by 5.1% year-on-year to ¥115.8 billion.
Revenue of major products are as follows.

Glaucoma and ocular hypertension		
Tapros ophthalmic solution	¥6.7 billion	(YoY -5.2%)
Tapcom ophthalmic solution	¥2.2 billion	(YoY +4.4%)
Eybelis ophthalmic solution	¥2.5 billion	(YoY +30.8%)
Dry Eye		
Diquas ophthalmic solution	¥10.3 billion	(YoY +7.2%)
Allergy		
Alesion ophthalmic solution *1 (refer to Page5)	¥14.4 billion	(YoY +13.5%)
Intravitreal VEGF inhibitor		
EYLEA *2 (refer to Page5) (solution for intravitreal injection)	¥55.9 billion	(YoY +9.8%)

◇ China

On a JPY basis, revenue in the nine months ended December 31, 2021 increased by 11.1% year-on-year (-1.1% excluding FX impact), to ¥20.3 billion. The Company focused further on strengthening sales promotion of *Diquas* and *Tapros* ophthalmic solution which are new products in China as well as expanding other market channels such as private hospitals and pharmacies, although revenues from mainstay products *Cravit* and *Hyalein* ophthalmic solution were impacted by volume-based purchasing. Revenue of major products are as follows.

Glaucoma and ocular hypertension		
Tapros ophthalmic solution	¥0.7 billion	(YoY +86.7%)
Dry Eye		
Diquas ophthalmic solution	¥2.6 billion	(YoY +544.0%)
Hyalein ophthalmic solution	¥7.0 billion	(YoY -3.5%)
Bacterial conjunctivitis		
Cravit ophthalmic solution	¥5.6billion	(YoY -15.9%)

◇ Asia (excluding China)

On a JPY basis, revenue in the nine months ended December 31, 2021 increased by 1.4% year-on-year (-4.7% excluding FX impact), to ¥13.2 billion. Revenue of major products are as follows.

Glaucoma and ocular hypertension		
Tapros ophthalmic solution	¥1.5 billion	(YoY +5.5%)
Tapcom ophthalmic solution	¥0.6 billion	(YoY +49.3%)
Cosopt ophthalmic solution	¥3.8 billion	(YoY +17.0%)
Dry Eye		
Diquas ophthalmic solution	¥1.3 billion	(YoY +20.0%)
Bacterial conjunctivitis		
Cravit ophthalmic solution	¥1.2 billion	(YoY -12.9%)

◇ EMEA

On a JPY basis, revenue in the nine months ended December 31, 2021 increased by 13.8% year-on-year (+6.5% excluding FX impact), to ¥31.6 billion. Revenue of major products are as follows.

Glaucoma and ocular hypertension		
Tapros ophthalmic solution	¥5.2 billion	(YoY +1.5%)
Tapcom ophthalmic solution	¥2.6 billion	(YoY +19.1%)
Cosopt ophthalmic solution	¥8.0 billion	(YoY +11.3%)
Trusopt ophthalmic solution	¥2.3 billion	(YoY +4.0%)
Dry Eye		
Ikervis	¥3.8 billion	(YoY +42.8%)

◇ Americas

On a JPY basis, revenue in the nine months ended December 31, 2021 was ¥2.1 billion. Revenue from Eyevance Pharmaceuticals Holdings Inc. (U.S.) which Santen acquired in the second quarter of the fiscal year ended March 31, 2021 was ¥1.4 billion.

<OTC pharmaceuticals>

Revenue in the nine months ended December 31, 2021 increased by 4.8% year-on-year to ¥7.7 billion.
Santen continues to focus on high-end products such as the *Sante Medical* series, *Sante Beauteye* series, and *Soft Santear* series as well as *Hyalein S*, which is a switch OTC product and *Sante FX* series, which, in 2021, is marking its 30th anniversary since launch.

<Medical devices>

Revenue in the nine months ended December 31, 2021 increased by 38.2% year-on-year to ¥3.9 billion. Revenue of major products are as follows.

Lentis Comfort	¥1.1 billion	(YoY +27.8%)
PRESERFLO MicroShunt	¥1.2 billion	(YoY +85.6%)

<Others>

Other revenues amounted to ¥1.3 billion. This is due to sales of supplements, and cleaning of dustless and aseptic clothing at consolidated subsidiary Clair Co., Ltd.

[Operating profit]

Gross profit in the nine months ended December 31, 2021 increased by 6.8 % year-on-year to ¥113.1 billion.
SG&A expenses on an IFRS basis increased by 14.2% year-on-year to ¥60.3 billion. In addition to SG&A expenses on a core basis of ¥59.7 billion to be hereinafter described, expenses of ¥0.6 billion were incurred, including one-time expenses in connection with the integration of Eyevance Pharmaceuticals Inc. (U.S.).
R&D expenses in the nine months ended December 31, 2021 increased by 6.5% year-on-year to ¥18.8 billion.
Amortization on intangible assets associated with products in the nine months ended December 31, 2021 decreased by 6.3% year-on-year to ¥7.3 billion. This was mainly due to the amortization on intangible assets associated with products acquired from Merck & Co., Inc. (U.S.) in 2014, *Ikervis* which was launched in Europe in 2015, STN2000100 (DE-128, *PRESERFLO MicroShunt*) acquired in connection with the acquisition of InnFocus, Inc. (U.S.) in 2016 (amortization began in April 2019) and ophthalmic products acquired in connection with the acquisition of Eyevance Pharmaceuticals Holdings Inc. (U.S.) in 2020.

Related to the acquisition of Eyevance Pharmaceuticals Holdings Inc. (U.S.) in the second quarter of the fiscal year ended March 2021, as a result of the completion of the purchase price allocation in the six months ended September 2021, the provisional figures used previously have been retroactively restated. Please see section 2. (5) Notes to Condensed Interim Consolidated Financial Statements (Business Combinations) for more details. Note the impact on the condensed interim consolidated financial statement net income and other comprehensive income for the nine months ended December 2020 is negligible. The amortization expense for intangible assets related to products in the nine months ended December 2021 amounted to ¥1.4 billion.

Other income amounted to ¥0.3 billion.
Other expenses amounted to ¥0.7 billion.

As a result, operating profit on an IFRS basis in the nine months ended December 31, 2021 decreased by 2.0 % year-on-year to ¥26.4 billion.

[Net profit for the period]
Finance income amounted to ¥1.2 billion.
Finance expenses amounted to ¥0.7 billion.

Share of loss of investments accounted for using equity method amounted to ¥1.2 billion from Twenty Twenty Therapeutics LLC (U.S.), a joint venture with Verily Life Sciences LLC (U.S.)
Income tax expenses amounted to ¥6.4 billion. Tax burden rate increased year-on-year to 24.8%, mainly due to a change in the composition of corporate profits within the Group and a decrease in tax deduction amount pertaining to research and development expenses.

As a result, quarterly net profit in the period ended December 31, 2021 decreased by 7.4% year-on-year to ¥19.3 billion.

[Net profit for the period attributable to owners of the company]
Quarterly net profit attributable to owners of the company in the nine months ended December 31, 2021 decreased by 7.9% year-on-year to ¥19.3 billion. The ratio to revenue was 9.9%.

*1 Includes *Alesion LX*
*2 Co-promoted product of Bayer Yakuhin, Ltd. (MAH)

B) Core basis*3

(JPY millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year-on-year change
Revenue	181,786	195,801	7.7%
Core operating profit	36,428	34,553	(5.1%)
Core net profit for the period	28,339	25,865	(8.7%)
Core net profit for the period attributable to owners of the company	28,370	25,907	(8.7%)

[Revenue]

There are no adjustments from the IFRS basis.

[Core operating profit]

There are no adjustments to gross profit from the IFRS basis.
SG&A expenses in the nine months ended December 31, 2021 increased by 15.3% year-on-year to ¥59.7 billion. For the adjustments from the IFRS basis, please refer to the aforementioned section on [Operating profit].
There are no adjustments to R&D expenses from the IFRS basis.

As a result, operating profit on a core basis in the nine months ended December 31, 2021 decreased by 5.1% year-on-year to ¥34.6 billion.

*3 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
- One-time expenses related to acquisitions of companies included in SG&A

(II) Research & Development Activities

<Glaucoma and the ocular hypertension area>

STN1011101 (DE-111A, generic name: tafluprost / timolol maleate) is a fixed dose combination drug of a prostaglandin $F_2\alpha$ derivative and a beta-adrenergic receptor blocker. Conducting Phase 3 trial since January 2019 in China.

STN1011700 (DE-117, generic name: omidenepag isopropyl) is an EP2 receptor agonist. The Company received a complete response letter from FDA in November 2021 and is preparing for resubmission at the end of March 2022 in the U.S. The product was launched in November 2018 in Japan. The Company successively filed for marketing approval in Asian countries. Launched in Korea in February 2021.

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. A phase 2 trial was completed in Japan. Phase 2 trial (exploratory study) started in September 2021 in Europe.

STN2000100 (DE-128)* is a device for glaucoma. The Company filed for marketing approval in May 2021 in Japan. The device was launched in April 2019 in Europe. The Company successively filed for marketing approval in Asian countries since March 2020, and received approval in Singapore and other countries from September 2021. The Company received a rejection letter in Korea in April 2021 but is considering re-filing.

STN1013001 (DE-130A, generic name: latanoprost) is an ophthalmic emulsion of a prostaglandin $F_2\alpha$ derivative. Conducting Phase 3 trials since April 2019 in Europe and Asia.

STN1013900 (AR-13324, generic name: netarsudil mesylate) is a ROCK inhibitor. Phase 3 trial underway since November 2020 in Japan. The Company plans to file for marketing approval in fiscal 2021 in Asia and is considering development plans in Europe and China. Plans for a combination drug including STN1013900 are being considered for world wide launch and development.

*Offered product development, commercialization, and sales rights to Glaukos Corporation (U.S., hereinafter, Glaukos) in Americas, Australia and New Zealand in May 2021. Completed Premarket Approval rolling submission in June 2020. Received feedback from the Food and Drug Administration (FDA) on its assessment at the end of February 2021. Discussions with the FDA are ongoing. Received marketing approval in March 2021 in Canada and in May 2021 in Australia.

<Keratoconjunctival disease area including dry eye >

STN1007603 (DE-076C, generic name: ciclosporine) for vernal keratoconjunctivitis was approved and launched in Europe, Asia, and Canada. Marketing approval has been filed in April 2021 in China. In the U.S., marketing approval has been approved in June 2021.

STN1008903 (DE-089C, generic name: diquafosol sodium) is for the treatment of dry eye. The Company filed for manufacturing and marketing approval in August 2021 in Japan.

STN1010905 (generic name: sirolimus) is for meibomian gland dysfunction. Phase 2a trial started in October 2021 in Japan. The company has plans for world wide development.

<Retina and uveal disease area>

STN1010900 (DE-109, generic name: sirolimus) is being developed for the treatment of uveitis. Conducting an additional Phase 3 trial since December 2018 in the U.S.

<New disease area>

STN1012700 (DE-127, generic name: atropine sulfate) is a treatment for myopia in children. Conducting Phase 2/3 trial since August 2019 in Japan. Phase 1 trial started in September 2021 in China. Phase 2 trial was completed in April 2020 in Asia.

STN1012701 (SYD-101, generic name: atropine sulfate) is a treatment for progressive myopia in children. Sydnexis Inc., (U.S.) the licensor, is conducting Phase 3 trial in Europe and the U.S. Santen has obtained the license for Europe, Middle East and Africa.

STN1013400 (compound name: AFDX0250BS) is a treatment for myopia. Phase 1 trial was completed in September 2021 in Japan.

※ The numbering method for development codes has changed. We show both existing development codes (DE-XXX) and new development codes (STNXXXXXXX). AR-13324 and SYD-101 are the development codes of Aerie Pharmaceuticals, Inc. (U.S.) and Sydnexis Inc. (U.S.) respectively.

(2) Summary of Financial Position

(I) Assets, equity and liabilities

Total assets at the end of the third quarter of the fiscal year under review amounted to ¥429.6 billion, up ¥24.3 billion from the end of the previous fiscal year. This was mainly due to an increase in intangible assets associated with a license contract with Aerie Pharmaceuticals, Inc. (U.S.) as well as an increase in property, plant and equipment related to the construction of the No. 3 plant for the manufacturing of prescription pharmaceutical eye-drops at the Shiga Product Supply Center and cash and cash equivalents associated with long-term loans of ¥10.0 billion.

Equity amounted to ¥320.8 billion, up ¥11.1 billion from the end of the previous fiscal year ended March 31, 2021, due to an increase in retained earnings.

Liabilities amounted to ¥108.8 billion, up ¥13.2 billion from the end of the previous fiscal year ended March 31, 2021. Despite the decrease in income tax payable due to the payment of corporate tax, there was an increase in financial liabilities from long-term loans, accounts payable and others.

As a result, the ratio of equity attributable to owners of the company to total assets decreased by 1.7 points from the end of the previous fiscal year ended March 31, 2021 to 74.8%.

(II) Cash Flows

Cash flows from operating activities of the third quarter of the fiscal year under review amounted to ¥31.2 billion. (¥23.8 billion in the nine months ended December 31, 2020). This was mainly due to the net profit of ¥19.3 billion, a decrease in trade and other receivables of ¥3.2 billion, income taxes paid of ¥9.9 billion and depreciation and amortization of ¥12.5 billion.

Cash flows from investing activities amounted to an outflow of ¥23.2 billion. (¥50.3 billion in the nine months ended December 31, 2020).
This was mainly due to payments for the acquisition of property, plant and equipment and intangible assets amounting to ¥14.9 billion and ¥5.6 billion respectively. Reflecting the Company’s accelerated review of strategic equity holdings, there was a cash inflow of ¥1.1 billion owing to the sale of one equity holding in the period under review.

Cash flows from financing activities amounted to an outflow of ¥4.1 billion. (¥13.0 billion in the nine months ended December 31, 2020). This was mainly due to the receipt of proceeds from long-term loans of ¥10.0 billion while cash dividends paid of ¥11.9 billion.

As a result, cash and cash equivalents at the end of the third quarter ended December 31, 2021 increased by ¥4.9 billion from the end of the fiscal year ended March 31, 2021 to ¥67.8 billion.

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

The results for the nine months of the fiscal year under review were generally in line with forecast. No changes have been made to the forecasts of consolidated financial results for the year ending March 31, 2022 announced on May 11, 2021.

2. Condensed Interim Consolidated Financial Statements

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

IFRS (JPY millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	**181,786**	**195,801**
Cost of sales	(75,897)	(82,704)
Gross profit	**105,889**	**113,097**
Selling, general and administrative expenses	(52,821)	(60,323)
Research and development expenses	(17,653)	(18,803)
Amortization on intangible assets associated with products	(7,744)	(7,255)
Other income	524	318
Other expenses	(1,290)	(655)
Operating profit	**26,905**	**26,380**
Finance income	1,017	1,212
Finance expenses	(1,147)	(734)
Share of loss of investments accounted for using equity method	(175)	(1,186)
Profit before tax	**26,600**	**25,673**
Income tax expenses	(5,773)	(6,377)
Net profit for the period	**20,828**	**19,296**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	—	—
Net gain on financial assets measured at fair value through other comprehensive income	1,619	(960)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	754	4,183
Share of other comprehensive income of investments accounted for using equity method	(170)	284
Other comprehensive income	**2,202**	**3,507**
Total comprehensive income	**23,030**	**22,803**
Profit attributable to		
Owners of the company	20,998	19,349
Non-controlling interests	(171)	(53)
Net profit for the period	**20,828**	**19,296**
Total comprehensive income attributable to		
Owners of the company	23,216	22,898
Non-controlling interests	(186)	(96)
Total comprehensive income	**23,030**	**22,803**
Earnings per share		
Basic earnings per share (yen)	52.56	48.39
Diluted earnings per share (yen)	52.44	48.32

Core basis (JPY millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	181,786	195,801
Core operating profit	36,428	34,553
Core net profit for the period	28,339	25,865
Basic core earnings per share (yen)	71.02	64.80
Diluted core earnings per share (yen)	70.84	64.70
Core net profit attributable to		
Owners of the company	28,370	25,907
Non-controlling interests	(30)	(42)
Core net profit for the period	**28,339**	**25,865**

(2) Condensed Interim Consolidated Statements of Financial Position

Assets (JPY millions)

	As of March 31 2021	As of December 31 2021
Non-current assets		
Property, plant and equipment	39,489	51,343
Intangible assets	115,808	125,234
Financial assets	31,903	30,528
Net defined benefit assets	1,619	1,422
Investments from application of equity method	5,162	7,523
Deferred tax assets	2,824	2,784
Other non-current assets	2,249	1,760
Total non-current assets	**199,054**	**220,594**
Current assets		
Inventories	41,575	39,291
Trade and other receivables	95,992	93,359
Other financial assets	527	453
Other current assets	5,248	8,068
Cash and cash equivalents	62,888	67,833
Total current assets	**206,231**	**209,004**
Total assets	**405,285**	**429,598**

Equity and liabilities (JPY millions)

	As of March 31 2021	As of December 31 2021
Equity		
Share capital	8,525	8,544
Capital surplus	8,954	9,068
Treasury shares	(934)	(718)
Retained earnings	273,238	281,098
Other components of equity	20,398	23,415
Total equity attributable to owners of the company	**310,181**	**321,405**
Non-controlling interests	**(535)**	**(630)**
Total equity	**309,646**	**320,775**
Liabilities		
Non-current liabilities		
Financial liabilities	10,141	21,222
Net defined benefit liabilities	1,210	1,201
Provisions	600	719
Deferred tax liabilities	3,626	3,806
Other non-current liabilities	1,514	983
Total non-current liabilities	**17,090**	**27,930**
Current liabilities		
Trade and other payables	38,106	38,292
Other financial liabilities	23,739	31,509
Income tax payable	5,458	934
Provisions	819	980
Other current liabilities	10,428	9,179
Total current liabilities	**78,549**	**80,893**
Total liabilities	**95,639**	**108,823**
Total equity and liabilities	**405,285**	**429,598**

(3) Condensed Interim Consolidated Statements of Changes in Equity

Nine months ended December 31, 2020 (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
Balance at April 1, 2020	8,366	8,746	(1,033)	273,422	—	11,150
Comprehensive income						
Net profit for the period				20,998		
Other comprehensive income						1,619
Total comprehensive income	—	—	—	20,998	—	1,619
Transactions with owners						
Issuance of new shares	80	80				
Acquisition of treasury shares			(3)			
Retirement of treasury shares		(43)	102			
Dividends				(11,187)		
Share-based payments		59				
Other				1,206		(1,206)
Total transactions with owners	80	96	98	(9,981)	—	(1,206)
Balance at December 31, 2020	8,446	8,842	(934)	284,439	—	11,563

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Share of other comprehensive income of investments accounted for using equity method	Subscription rights to shares	Total			
Balance at April 1, 2020	1,529	—	686	13,364	302,865	(305)	302,560
Comprehensive income							
Net profit for the period					20,998	(171)	20,828
Other comprehensive income	769	(170)		2,218	2,218	(16)	2,202
Total comprehensive income	769	(170)	—	2,218	23,216	(186)	23,030
Transactions with owners							
Issuance of new shares			(79)	(79)	80		80
Acquisition of treasury shares				—	(3)		(3)
Retirement of treasury shares				—	59		59
Dividends				—	(11,187)		(11,187)
Share-based payments				—	59		59
Other				(1,206)	—		—
Total transactions with owners	—	—	(79)	(1,285)	(10,992)	—	(10,992)
Balance at December 31, 2020	2,298	(170)	606	14,297	315,089	(491)	314,598

Nine months ended December 31, 2021 (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
Balance at April 1, 2021	8,525	8,954	(934)	273,238	—	11,075
Comprehensive income						
Net profit for the period				19,349		
Other comprehensive income						(960)
Total comprehensive income	—	—	—	19,349	—	(960)
Transactions with owners						
Issuance of new shares	18	18				
Acquisition of treasury shares			(12)			
Retirement of treasury shares		15	228			
Dividends				(11,998)		
Share-based payments		81				
Other				508		(508)
Total transactions with owners	18	114	216	(11,489)	—	(508)
Balance at December 31, 2021	8,544	9,068	(718)	281,098	—	9,607

(JPY millions)

	Other components of equity				Total equity attributable to owners of the company	Non-controlling interests	Total equity
	Foreign currency translation adjustments	Share of other comprehensive income of investments accounted for using equity method	Subscription rights to shares	Total			
Balance at April 1, 2021	8,634	170	518	20,398	310,181	(535)	309,646
Comprehensive income							
Net profit for the period					19,349	(53)	19,296
Other comprehensive income	4,225	284		3,549	3,549	(43)	3,507
Total comprehensive income	4,225	284	—	3,549	22,898	(96)	22,803
Transactions with owners							
Issuance of new shares			(24)	(24)	12		12
Acquisition of treasury shares				—	(12)		(12)
Retirement of treasury shares				—	243		243
Dividends				—	(11,998)		(11,998)
Share-based payments				—	81		81
Other				(508)	—		—
Total transactions with owners	—	—	(24)	(533)	(11,674)	—	(11,674)
Balance at December 31, 2021	12,859	454	494	23,415	321,405	(630)	320,775

(4) Condensed Interim Consolidated Statements of Cash Flows

(JPY millions)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
I. Cash flows from operating activities:		
Net profit for the period	20,828	19,296
Depreciation and amortization	12,755	12,543
Impairment losses	287	64
Shares of loss (profit) of entities accounted for using equity method	175	1,186
Finance expenses (income)	(538)	(607)
Income tax expenses	5,773	6,377
Decrease (increase) in trade and other receivables	1,597	3,246
Decrease (increase) in inventories	(1,560)	2,568
Increase (decrease) in trade and other payables	(2,796)	(20)
Increase (decrease) in provisions and net defined benefit liabilities	237	264
Increase (decrease) in accrued bonuses	(1,678)	(2,549)
Other	695	(1,842)
Subtotal	35,773	40,525
Interest received	101	222
Dividends received	487	493
Interest paid	(119)	(156)
Income tax paid	(12,418)	(9,896)
Net cash flows from (used in) operating activities	**23,824**	**31,188**
II. Cash flows from investing activities:		
Payments for acquisition of investments	(2,728)	(823)
Proceeds from sales of investments	2,595	1,098
Payments for acquisition of shares of subsidiaries	(23,834)	—
Payments for acquisition of investments accounted for using equity method	(5,349)	(2,969)
Payments for acquisition of property, plant and equipment	(2,645)	(14,921)
Payments for acquisition of intangible assets	(18,275)	(5,592)
Other	(76)	(30)
Net cash flows from (used in) investing activities	**(50,311)**	**(23,237)**
III. Cash flows from financing activities:		
Proceeds from long-term loans	254	10,000
Dividends paid	(11,124)	(11,911)
Repayments of lease obligation	(2,164)	(2,236)
Other	77	(0)
Net cash flows from (used in) financing activities	**(12,956)**	**(4,148)**
IV. Net increase (decrease) in cash and cash equivalents	**(39,443)**	**3,804**
V. Cash and cash equivalents at the beginning of period	**91,430**	**62,888**
VI. Effect of exchange rate changes on cash and cash equivalents	**926**	**1,140**
VII. Cash and cash equivalents at the end of period	**52,913**	**67,833**

(5) Notes to Condensed Interim Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Business Combinations)

For the Nine Months Ended December 31, 2020

(Acquisition of Eyevance Pharmaceuticals Holdings Inc. and Eyevance Pharmaceuticals LLC)

(I) Outline of Business Combinations

A) The name and description of the acquiree

Company name：Eyevance Pharmaceuticals Holdings Inc.
Eyevance Pharmaceuticals LLC

Main business：Advancing ocular health through the development and commercialization of innovative and impactful topical ophthalmic products that enable optimal vision and better quality of life

B) Primary reasons for the business combination

Eyevance develops and commercializes topical ophthalmic products targeting the ocular surface and anterior segment. Within this area of focus, Eyevance currently offers anti-inflammatory, anti-allergic, anti-fungal, anti-infective/anti-inflammatory fixed combination, and tear lubricant products. Eyevance's current commercialization strategy is supported by a national sales team exclusively targeting ophthalmologists, optometrists, and allergists throughout the U.S.

Through this purchase, Santen Group will quickly establish a business base in the U.S. and sincerely take on and further contribute to addressing the needs of a greater number of patients by offering more value. At the same time, Santen will accelerate its global business rollout by gaining access to the U.S. and raising its presence in the market, aiming for even further corporate growth and to contribute to ophthalmic treatments for people around the world.

C) Acquisition date

September 16, 2020 (U.S. time)

D) Acquisition method

The Company acquired all of the shares issued of Eyevance Pharmaceuticals Holdings Inc. for a cash consideration.

Both Eyevance Pharmaceuticals Holdings Inc. and its Group company, Eyevance Pharmaceuticals LLC have become wholly-owned subsidiaries of Santen.

E) Percentage of voting equity interests acquired

100%

(II) The Fair Values of Assets Acquired, Liabilities Assumed and Purchase Consideration Transferred as at the Date of the Acquisition

The Company reported provisional amounts because the purchase consideration process had not been completed in the previous fiscal year. Following the completion of purchase consideration during the second quarter of the fiscal year under review, the fair values of assets acquired, liability assumed and purchase consideration transferred as at the date of the acquisition are as follows.

(JPY millions)

	Provisional fair value
Non-current assets	21,428
Current assets	838
Cash and cash equivalents	1,099
Non-current liabilities	(3,725)
Current liabilities	(564)
Goodwill	5,857
Total	24,933
Cash	24,933
Total consideration transferred	24,933

(Note) Goodwill primarily results from a reasonable estimation of the expected future excess profitability. For tax purposes, the above goodwill is not included as a loss.

In conjunction with the completion of purchase price allocation in the second quarter of the fiscal year under review, the previously used provisional amounts have been retroactively restated. As a result, major changes as of the date of acquisition include a ¥17.063 billion increase in intangible assets and a ¥3.550 billion increase in deferred tax liabilities, while goodwill was reduced by ¥13.705 billion. Note the impact on the condensed interim consolidated financial statement of income and other comprehensive income for the nine months ended December 2020 was negligible.

As a result of the completion of the aforementioned purchase price allocation, the consolidated financial statements for the previous fiscal year have been retroactively restated. The major changes were increases of ¥17.086 billion yen to intangible assets and ¥0.336 billion to deferred tax liabilities and a reduction of ¥14.154 billion to goodwill.

Related to this business combination, acquisition-related expenses of ¥0.853 billion yen were recorded under selling, general and administrative expenses.

(III) Cash flow

(JPY millions)

	Amount
Sum of the fair values of the consideration paid	24,933
Cash and cash equivalents held by the acquired company	(1,099)
Purchase of investment securities of consolidated subsidiaries	23,834

(IV) Impact on the Company's Business Results

Income (loss) from Eyevance Pharmaceuticals Holdings Inc (US) and Eyevance Pharmaceuticals LLC (US) subsequent to the date of acquisition included in the condensed interim consolidated statements of income and comprehensive income of the third quarter of the year ended March 31, 2021 is as follows:

Revenue :¥499 million
Net profit for the period :(¥608 million)

The impact on the Company's condensed interim consolidated statements of income and comprehensive income for the nine months ended December 31, 2020 assuming the acquisition date had been as of the beginning of the annual reporting period was as follows (excluded from scope of audit).

Revenue :¥1,251 million
Net profit for the period :(¥2,804 million)

For the Nine Months Ended December 31, 2021

No business combination applicable

(Significant Subsequent Events)

Not applicable.

3. Consolidated Reference
(1) Revenue of Major Products

(JPY millions)

Brand name Generic name/formulation	Therapeutic category	Region	Year ended March 31, 2021				Year ending March 31, 2022			
			Nine months ended December 31, 2020 Actual	Changes from the same period of previous year	Year ended March 31, 2021 Actual	Changes from the same period of previous year	Nine months ended December 31, 2021 Actual	Changes from the same period of previous year	Year ending March 31, 2022 Forecasts	Changes from the same period of previous year
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	10,450	(18.6%)	12,650	(16.7%)	9,142	(12.5%)	12,147	(4.0%)
		Japan	1,607	(23.5%)	1,971	(23.3%)	1,440	(10.4%)	1,592	(19.3%)
		China	6,607	(21.3%)	7,927	(16.6%)	5,559	(15.9%)	7,859	(0.9%)
		Asia	1,411	11.8%	1,722	(0.2%)	1,229	(12.9%)	1,786	3.7%
		EMEA	826	(24.3%)	1,029	(25.1%)	914	10.6%	910	(11.6%)
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	1,205	4.1%	1,427	(3.1%)	994	(17.5%)	1,215	(14.9%)
		Japan	276	(18.5%)	337	(18.6%)	262	(5.2%)	279	(17.3%)
		China	507	1.0%	683	16.8%	608	19.8%	688	0.7%
		Asia	421	33.1%	406	(14.1%)	125	(70.4%)	247	(39.2%)
Tapcom tafluprost-timolol maleate/ combination ophthalmic solution	Glaucoma	Total	4,642	10.9%	6,036	11.7%	5,344	15.1%	6,566	8.8%
		Japan	2,065	2.9%	2,604	3.3%	2,156	4.4%	2,403	(7.7%)
		Asia	391	33.9%	546	42.6%	584	49.3%	763	39.8%
		EMEA	2,186	16.0%	2,886	15.4%	2,604	19.1%	3,399	17.8%
Tapros tafluprost/ophthalmic solution	Glaucoma	Total	13,922	(1.0%)	17,915	0.1%	14,046	0.9%	20,564	14.8%
		Japan	7,022	(3.4%)	8,709	(4.5%)	6,655	(5.2%)	8,738	0.3%
		China	387	24.3%	602	52.4%	723	86.7%	2,788	362.8%
		Asia	1,422	(1.1%)	1,907	0.8%	1,501	5.5%	2,105	10.4%
		EMEA	5,090	1.0%	6,696	3.2%	5,168	1.5%	6,933	3.5%
Cosopt dorzolamide hydrochloride-timolol maleate/combination ophthalmic solution	Glaucoma	Total	16,152	(1.3%)	20,877	(0.8%)	16,397	1.5%	19,597	(6.1%)
		Japan	5,669	(5.6%)	6,940	(10.1%)	4,542	(19.9%)	5,173	(25.5%)
		Asia	3,257	7.4%	4,462	10.1%	3,810	17.0%	4,778	7.1%
		EMEA	7,227	(1.3%)	9,475	2.2%	8,046	11.3%	9,646	1.8%
Timoptol timolol maleate/ ophthalmic solution (* Including Timoptol XE)	Glaucoma	Total	1,723	(12.4%)	2,196	(12.3%)	1,638	(5.0%)	1,859	(15.3%)
		Japan	927	(15.5%)	1,137	(15.7%)	806	(13.1%)	789	(30.6%)
		Asia	192	13.6%	264	17.2%	213	11.5%	294	11.1%
		EMEA	604	(13.8%)	794	(14.5%)	618	2.3%	777	(2.2%)
Trusopt dorzolamide hydrochloride/ ophthalmic solution	Glaucoma	Total	3,429	(3.4%)	4,365	(1.3%)	3,423	(0.2%)	3,862	(11.5%)
		Japan	1,001	(6.9%)	1,227	(9.1%)	888	(11.3%)	1,009	(17.8%)
		Asia	258	(21.7%)	344	(16.2%)	278	7.8%	308	(10.7%)
		EMEA	2,170	1.1%	2,794	4.9%	2,257	4.0%	2,546	(8.9%)
Eybelis omidenepag isopropyl/ ophthalmic solution	Glaucoma	Total	1,943	64.5%	2,536	55.7%	2,617	34.7%	3,696	45.7%
		Japan	1,943	64.5%	2,516	54.4%	2,541	30.8%	3,612	43.6%
Alesion epinastine hydrochloride/ ophthalmic solution (* Including Alesion LX)	Allergy	Total	12,672	27.1%	32,752	31.5%	14,467	14.2%	32,368	(1.2%)
		Japan	12,672	27.1%	32,733	31.4%	14,385	13.5%	32,225	(1.6%)
		Asia	—	—	19	—	81	--	143	663.1%
Flumetholon fluorometholone/ ophthalmic solution	Inflammation	Total	2,121	(10.9%)	2,812	(6.2%)	2,365	11.5%	2,961	5.3%
		Japan	744	(21.0%)	1,052	(17.3%)	665	(10.6%)	924	(12.1%)
		China	1,073	4.2%	1,392	12.0%	1,450	35.1%	1,676	20.4%
		Asia	304	(25.7%)	368	(23.5%)	250	(17.8%)	361	(1.9%)
Pirenoxine Ophthalmic Suspension pirenoxine/ ophthalmic solution	Senile cataract	Total	3,097	(3.8%)	3,995	(1.5%)	3,196	3.2%	4,025	0.7%
		Japan	1,910	(4.6%)	2,391	(4.4%)	1,851	(3.1%)	2,354	(1.5%)
		China	581	(2.1%)	771	9.6%	629	8.2%	717	(7.1%)
		Asia	605	(2.7%)	832	(2.3%)	716	18.3%	954	14.6%
Oftan Catachrom cytochrome C, adenosine, nicotinamide/ ophthalmic solution	Senile cataract	Total	1,385	(28.8%)	1,830	(18.3%)	1,427	3.1%	1,767	(3.5%)
		EMEA	1,385	(28.8%)	1,830	(18.3%)	1,427	3.1%	1,767	(3.5%)
Sodium Hyaluronate Ophthalmic Viscoelastic Preparation sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	Total	1,750	(16.4%)	2,189	(18.1%)	1,656	(5.4%)	2,414	10.3%
		Japan	1,750	(16.4%)	2,189	(18.1%)	1,656	(5.4%)	2,414	10.3%
EYLEA aflibercept/ solution for intravitreal injection	Intravitreal VEGF inhibitor	Total	50,955	7.4%	64,454	7.2%	55,926	9.8%	65,038	0.9%
		Japan	50,955	7.4%	64,454	7.2%	55,926	9.8%	65,038	0.9%
Hyalein sodium hyaluronate/ophthalmic solution	Dry eye	Total	14,731	0.9%	18,420	4.6%	13,247	(10.1%)	14,932	(18.9%)
		Japan	5,576	(11.5%)	6,967	(11.2%)	5,119	(8.2%)	5,893	(15.4%)
		China	7,205	5.5%	9,259	17.9%	6,950	(3.5%)	6,918	(25.3%)
		Asia	1,951	31.7%	2,194	15.2%	1,178	(39.6%)	2,121	(3.3%)
Diquas diquafosol sodium/ophthalmic solution	Dry eye	Total	11,112	(13.8%)	14,403	(9.8%)	14,249	28.2%	17,935	24.5%
		Japan	9,620	(15.4%)	12,283	(13.8%)	10,313	7.2%	13,249	7.9%
		China	410	194.6%	717	328.6%	2,639	544.0%	2,782	288.3%
		Asia	1,082	(21.5%)	1,404	(9.2%)	1,298	20.0%	1,904	35.6%
Ikervis ciclosporin/ophthalmic solution	Dry eye	Total	3,336	16.9%	4,529	17.6%	4,652	39.4%	5,553	22.6%
		Asia	647	15.5%	890	20.6%	812	25.5%	1,368	53.7%
		EMEA	2,689	17.2%	3,638	16.9%	3,840	42.8%	4,184	15.0%
Cationorm	Dry eye	Total	2,366	6.3%	3,062	5.2%	2,537	7.2%	3,420	11.7%
		Asia	199	(9.4%)	256	(3.3%)	358	80.0%	337	31.7%
		EMEA	1,494	(3.4%)	1,969	(5.9%)	1,631	9.2%	2,315	17.6%
		US	673	46.7%	838	50.9%	548	(18.6%)	768	(8.3%)
Lentis Comfort	Intraocular Lens for Cataract Treatment	Total	829	7.1%	1,196	12.3%	1,059	27.8%	2,058	72.0%
		Japan	829	7.1%	1,196	12.3%	1,059	27.8%	2,058	72.0%
PRESERFLO MicroShunt	Glaucoma implant device	Total	629	135.5%	892	230.0%	1,167	85.6%	1,500	68.0%
		EMEA	629	135.5%	892	230.0%	1,167	85.6%	1,440	61.5%
OTC pharmaceuticals		Total	7,386	(25.0%)	9,410	(21.8%)	7,742	4.8%	10,000	6.3%
		Japan	7,130	(25.9%)	9,058	(22.7%)	7,281	2.1%	9,700	7.1%
		Asia	256	11.8%	352	12.7%	461	80.1%	300	(14.7%)

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.

(2) Research & Development

As of January 2022

Pipeline Development Status (Clinical Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
ciclosporin	STN1007603 / DE-076C	Vernal keratoconjunctivitis	Original	U.S.				Jun-2021		
				China					Apr-2021	
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 extension for Ikervis in August 2019. Launched in November 2019 in Canada. Received marketing approval in June 2021 in the U.S. and filed for marketing approval in April 2021 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				Aug-2021		
A dry eye treatment which stimulates secretion of mucin and aqueous components from the corneal and conjunctival epithelium. Long-lasting drug. Filed for manufacturing and marketing approval in August 2021 in Japan.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
sirolimus	STN1010900 / DE-109	Uveitis	Original	U.S.						
				Japan						
				Europe						
				Asia					Apr-2015	
An intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Conducting an additional Phase 3 from December 2018 in the U.S. Filed for marketing approval in April 2015 in Asia.										

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 P2a in October 2021 in Japan. Planning to develop world wide.										

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						
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. Conducting Phase 3 from January 2019 in China.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
omidenepag isopropyl	STN1011700 / DE-117	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S.				Nov-2020		
				Japan						Nov-2018
				Asia						Feb-2021
An EP2 receptor agonist with a new mechanism of action. Received a complete response letter from FDA in November 2021 and preparing for resubmission at the end of March 2022 in the U.S. Launched in November 2018 in Japan. Filed successively for marketing approval in Asian countries and launched in February 2021 in Korea.										

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		(Phase 2b)				
				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. Completed Phase 2b in Japan. Started Phase 2 (exploratory study) in September 2021 in Europe.										

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			(Phase 2/3)			
				China						
				Asia						
Non-selective muscarinic antagonist which reduces juvenile myopia progression. Conducting Phase 2/3 from August 2019 in Japan. Started Phase 1 in September 2021 in China. Completed P2 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						
Non-selective muscarinic antagonist which reduces juvenile myopia progression. Sydnexis Inc., the licensor, is conducting Phase 3 trial in Europe and the U.S. Santen has obtained the license for Europe, Middle East and Africa.										

—	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
glaucoma implant device	STN2000100* / DE-128	Glaucoma	Original	Japan				May-2021		
				Europe					Apr-2019	
				Asia					Sep-2021	
A drainage implant device designed to lower and sustain intraocular pressure (IOP) for the treatment of primary open-angle glaucoma through the drainage of aqueous humor. Filed for marketing approval in May 2021 in Japan. Launched in Europe in April 2019. Filed successively for marketing approval in Asian countries since March 2020 and received approval in Singapore and other countries since September 2021. Received rejection letter in April 2021 but considering re-filing in Korea.										

*License-out to Glaukos in Americas, Australia and New Zealand in May 2021. Completed Premarket Approval rolling submission to the FDA in June 2020. Received FDA's notification on assessment in the end of February 2021; continuing negotiations in the U.S. Received marketing approval in March 2021 in Canada and in May 2021 in Australia.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
latanoprost	STN1013001 / DE-130A (Catioprost)	Glaucoma/ Ocular hypertension	Original	Europe						
				Asia						
An ophthalmic emulsion of a prostaglandin $F_2\alpha$ derivative, for the treatment of glaucoma and ocular hypertension. Conducting P3 trials from April 2019 in Europe and Asia.										

Compound name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
AFDX0250BS	STN1013400	Myopia	Boehringer Ingelheim	Japan						
Selective muscarinic M2 antagonist which reduces juvenile myopia progression. Reduce mydriasis to selectively inhibit a subtype of receptors. Completed Phase1 in September 2021 in Japan.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	Filed	Approved	Launched
netarsudil mesylate	STN1013900 / AR-13324	Glaucoma / Ocular hypertension	Aerie	Japan						
A ROCK (Rho-associated kinase) inhibitor. Developed and sold by Aerie in the U.S. Conducting Phase 3 from November 2020 in Japan. Planning to file for marketing approval in fiscal 2021 in Asia and considering development plans for Europe and China. Planning launch and development of a combination drug including STN1013900 world wide.										

Changes from Q2 FY2021 (November 8, 2021)

Dev. Code	Changes
STN1011700 / DE-117	Received a complete response letter from FDA in November 2021 and preparing for resubmission at the end of March 2022 in the U.S.

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

Capital expenditures (JPY millions)

	Nine months ended December 31, 2020	Year ended March 31, 2021	Nine months ended December 31, 2021	Year ending March 31, 2022
	Actual			Forecast
Consolidated	5,747	11,281	16,216	25,000

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

Depreciation and amortization (JPY millions)

	Nine months ended December 31, 2020	Year ended March 31, 2021	Nine months ended December 31, 2021	Year ending March 31, 2022
	Actual			Forecast
Manufacturing cost	1,643	2,267	1,716	2,170
Selling, general and administrative expenses	1,107	1,533	1,198	1,970
R&D expenses	456	604	434	680
Consolidated total	3,206	4,404	3,348	4,820

(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, 2020*1	Year ended March 31, 2021*1	Nine months ended December 31, 2021	Year ending March 31, 2022
	Actual			Forecast
Intangible assets (Merck products)	4,356	5,808	4,305	5,740
Intangible assets (DE-128*2)	2,044	2,725	708	890
Intangible assets (Ikervis)	520	701	556	710
Other	825	1,417	1,686	1,560
Consolidated total	7,744	10,650	7,255	8,900

*1 With regard to provisional accounting treatment related to a business combination, in conjunction with the completion of purchase price allocation in the second quarter of the fiscal year under review, the consolidated earnings (cumulative total) for the third quarter of the fiscal year ended March 2021 and full-year consolidated earnings for the fiscal year ended March 2021 have been retroactively restated.
*2 *PRESERFLO MicroShunt*(STN2000100)

Research and development expenses (JPY millions)

	Nine months ended December 31, 2020	Year ended March 31, 2021	Nine months ended December 31, 2021	Year ending March 31, 2022
	Actual			Forecast
Consolidated	17,653	24,112	18,803	26,000
Percent of revenue	9.7%	9.7%	9.6%	10.0%

(4) FOREX

(JPY)

Exchange rate (yen)	Major currency	The 3rd quarter ended December 31, 2020	Fiscal year ended March 31, 2021	The 3rd quarter ended December 31, 2021	Fiscal year ending March 31, 2022 (Forecasts)
	US dollar	105.96	105.95	111.24	105.00
	Euro	122.34	123.73	130.80	125.00
	CNY	15.38	15.61	17.28	16.50

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