

Santen Pharmaceutical Co.,Ltd Q3 FY2023 Data Book

Quarterly consolidated statements of income

■Core basis (JPY millions)											
	FY2022 (Year ended March 31, 2023)					FY2023 (Year ending March 31, 2024)					FY2023 Full Forecast
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	
Revenue	65,533	63,382	70,871	79,251	279,037	72,389	73,417	77,027		222,833	302,000
YoY	0.8%	-0.6%	5.7%	12.5%	4.8%	10.5%	15.8%	8.7%		11.5%	8.2%
Cost of sales	-28,406	-27,496	-29,548	-27,501	-112,950	-29,968	-29,376	-32,089		-91,432	-121,000
YoY	5.5%	6.0%	-1.0%	2.0%	3.0%	5.5%	6.8%	8.6%		7.0%	7.1%
(Percent of revenue)	43.3%	43.4%	41.7%	34.7%	40.5%	41.4%	40.0%	41.7%		41.0%	40.1%
Gross profit	37,127	35,886	41,323	51,751	166,087	42,422	44,041	44,938		131,401	181,000
YoY	-2.5%	-5.1%	11.1%	19.0%	6.1%	14.3%	22.7%	8.7%		14.9%	9.0%
(Percent of revenue)	56.7%	56.6%	58.3%	65.3%	59.5%	58.6%	60.0%	58.3%		59.0%	59.9%
Operating profit	10,600	5,850	10,703	17,088	44,242	15,542	15,990	17,756		49,288	58,000
YoY	-9.5%	-53.5%	4.4%	44.9%	-4.5%	46.6%	173.3%	65.9%		81.5%	31.1%
(Percent of revenue)	16.2%	9.2%	15.1%	21.6%	15.9%	21.5%	21.8%	23.1%		22.1%	19.2%
Net profit for the period	7,744	4,721	8,689	12,081	33,235	12,792	13,068	13,743		39,604	43,500
YoY	-14.2%	-50.5%	18.9%	29.5%	-5.6%	65.2%	176.8%	58.2%		87.2%	30.9%
(Percent of revenue)	11.8%	7.4%	12.3%	15.2%	11.9%	17.7%	17.8%	17.8%		17.8%	14.4%

■IFRS (JPY millions)											
	FY2022					FY2023					FY2023 Full Forecast
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	
Revenue	65,533	63,382	70,871	79,251	279,037	72,389	73,417	77,027		222,833	302,000
YoY	0.8%	-0.6%	5.7%	12.5%	4.8%	10.5%	15.8%	8.7%		11.5%	8.2%
Cost of sales	-28,406	-27,496	-29,548	-27,501	-112,950	-30,024	-29,431	-32,145		-91,600	-121,100
YoY	5.5%	6.0%	-1.0%	2.0%	3.0%	5.7%	7.0%	8.8%		7.2%	7.2%
(Percent of revenue)	43.3%	43.4%	41.7%	34.7%	40.5%	41.5%	40.1%	41.7%		41.1%	40.1%
Gross profit	37,127	35,886	41,323	51,751	166,087	42,365	43,986	44,881		131,233	180,900
YoY	-2.5%	-5.1%	11.1%	19.0%	6.1%	14.1%	22.6%	8.6%		14.8%	8.9%
(Percent of revenue)	56.7%	56.6%	58.3%	65.3%	59.5%	58.5%	59.9%	58.3%		58.9%	59.9%
SG&A expenses	-19,427	-22,868	-23,206	-30,756	-96,257	-21,066	-22,108	-21,575		-64,749	-94,900
YoY	-5.0%	19.1%	12.3%	27.2%	13.9%	8.4%	-3.3%	-7.0%		-1.1%	1.4%
(Percent of revenue)	29.6%	36.1%	32.7%	38.8%	34.5%	29.1%	30.1%	28.0%		29.1%	31.4%
R&D expenses	-7,099	-7,168	-7,415	-6,616	-28,297	-6,301	-6,159	-5,747		-18,208	-29,100
YoY	16.0%	15.3%	14.7%	-12.7%	7.3%	-11.2%	-14.1%	-22.5%		-16.0%	2.8%
(Percent of revenue)	10.8%	11.3%	10.5%	8.3%	10.1%	8.7%	8.4%	7.5%		8.2%	9.6%
Amortization on intangible assets associated with products	-2,554	-2,611	-2,059	-2,293	-9,518	-2,329	-2,370	-2,383		-7,083	-9,400
YoY	5.5%	10.4%	-16.5%	-7.5%	-2.2%	-8.8%	-9.2%	15.7%		-2.0%	-1.2%
(Percent of revenue)	3.9%	4.1%	2.9%	2.9%	3.4%	3.2%	3.2%	3.1%		3.2%	3.1%
Other income	332	-72	262	3,001	3,524	303	908	155		1,366	1,500
Other expenses	-45	-30,521	-32	-8,030	-38,629	-222	-1,907	-4,273		-6,401	-8,000
Operating profit (loss)	8,333	-27,354	8,874	7,057	-3,090	12,750	12,350	11,058		36,157	41,000
YoY	-9.0%	—	17.1%	-25.8%	—	53.0%	—	24.6%		—	—
(Percent of revenue)	12.7%	—	12.5%	8.9%	—	17.6%	16.8%	14.4%		16.2%	13.6%
Finance income^{*1}	1,385	-140	-250	158	1,153	1,050	152	486		1,313	1,500
Finance expenses^{*1}	-123	-140	-447	-790	-1,499	-168	-486	-703		-981	-1,200
Share of loss of investments accounted for using equity method	-521	-543	-667	-631	-2,362	-764	-809	-1,357		-2,930	3,000
Profit (loss) before tax	9,074	-28,176	7,509	5,794	-5,799	12,868	11,207	9,484		33,559	38,300
YoY	-1.1%	—	3.2%	-41.7%	—	41.8%	—	26.3%		—	—
(Percent of revenue)	13.8%	—	10.6%	7.3%	—	17.8%	15.3%	12.3%		15.1%	12.7%
Income tax expenses	-2,379	-538	-1,578	-4,689	-9,184	-2,456	-2,344	-2,179		-6,979	-8,800
Net profit (loss) for the period	6,695	-28,714	5,931	1,105	-14,983	10,412	8,862	7,305		26,580	29,500
YoY	-8.6%	—	17.6%	-86.0%	—	55.5%	—	23.2%		—	—
(Percent of revenue)	10.2%	—	8.4%	1.4%	—	14.4%	12.1%	9.5%		11.9%	9.8%
Profit (loss) attributable to Owners of the company	6,663	-28,704	5,977	1,117	-14,948	10,414	8,866	7,332		26,613	29,510
Non-controlling interests	32	-10	-46	-12	-35	-2	-4	-27		-33	-10

1. Santen Group has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015, for the purpose of enhancing the international comparability of its financial information.

2. 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.

3. The forecasts for our consolidated financial results are the revised version announced on November 7, 2023.

*1 YTD amount does not match QTD because net amount of foreign exchange gains or losses and others is recorded as either financial income or financial expenses at YTD.

Quarterly revenue details

■ Revenue by business segment

(JPY millions)

	FY2022					FY2023					FY2023
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	Full Forecast
Prescription pharmaceuticals	61,105	58,228	66,271	74,630	260,235	67,183	68,209	71,622		207,015	280,805
YoY	0.2%	-1.9%	5.9%	12.0%	4.3%	9.9%	17.1%	8.1%		11.5%	7.9%
OTC pharmaceuticals	2,379	3,260	2,520	2,469	10,628	2,886	3,028	2,911		8,825	11,266
YoY	-2.7%	23.4%	-5.1%	21.1%	8.7%	21.3%	-7.1%	15.5%		8.2%	6.0%
Medical devices	1,624	1,388	1,566	1,679	6,257	1,884	1,689	1,955		5,528	7,848
Others	425	506	514	473	1,919	435	491	538		1,465	2,081
Total	65,533	63,382	70,871	79,251	279,037	72,389	73,417	77,027		222,833	302,000
YoY	0.8%	-0.6%	5.7%	12.5%	4.8%	10.5%	15.8%	8.7%		11.5%	8.2%

[Japan]

(JPY millions)

	FY2022					FY2023					FY2023
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	Full Forecast
Prescription pharmaceuticals	38,839	32,909	39,465	51,556	162,770	37,126	36,177	40,839		114,141	163,808
YoY	-0.3%	-10.4%	-1.6%	17.4%	1.9%	-4.4%	9.9%	3.5%		2.6%	0.6%
OTC pharmaceuticals	2,141	2,928	2,258	2,269	9,595	2,628	2,737	2,562		7,927	10,147
YoY	-7.1%	17.8%	-9.3%	19.1%	4.5%	22.7%	-6.5%	13.5%		8.2%	5.8%
Medical devices	890	734	828	813	3,264	870	813	947		2,630	3,587
Others	408	433	462	440	1,744	393	456	477		1,326	1,958
Total	42,279	37,004	43,013	55,078	177,373	41,016	40,182	44,825		126,024	179,500
YoY	-0.1%	-8.5%	-1.8%	17.0%	2.2%	-3.0%	8.6%	4.2%		3.0%	1.2%

■ Revenue by region (Overseas)

(JPY millions)

	FY2022					FY2023					FY2023
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	Full Forecast
China	3,630	6,321	6,374	5,221	21,546	6,583	8,542	7,451		22,575	29,000
YoY	-43.8%	-16.3%	0.7%	-23.8%	-20.8%	81.3%	35.1%	16.9%		38.3%	34.6%
Asia ^{*1}	5,680	5,906	6,226	6,306	24,118	6,106	7,817	8,019		21,942	27,500
YoY	23.5%	32.5%	34.1%	3.1%	21.7%	7.5%	32.4%	28.8%		23.2%	14.0%
EMEA ^{*2}	13,062	13,043	14,466	11,942	52,513	17,802	15,703	15,805		49,309	63,500
YoY	22.0%	23.8%	25.0%	18.4%	22.4%	36.3%	20.4%	9.3%		21.5%	20.9%
Americas	882	1,108	793	705	3,488	883	1,173	927		2,982	2,500
YoY	-2.1%	44.6%	10.4%	113.8%	28.5%	0.1%	5.8%	16.9%		7.2%	-28.3%
Total	23,255	26,378	27,858	24,174	101,665	31,373	33,234	32,201		96,809	122,500
YoY	2.6%	13.1%	19.8%	3.4%	9.8%	34.9%	26.0%	15.6%		24.9%	20.5%
Overseas sales ratio	35.5%	41.6%	39.3%	30.5%	36.4%	43.3%	45.3%	41.8%		43.4%	40.6%

■ Profit contribution by region^{*3}

(JPY millions)

	FY2022					FY2023					FY2023
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	Full Forecast
Japan	17,032	12,323	15,531	25,441	70,327	15,190	13,720	17,070		45,981	68,700
YoY	12.4%	-16.6%	-3.5%	26.3%	6.3%	-10.8%	11.3%	9.9%		2.4%	-2.3%
(Percent of revenue)	40.3%	33.3%	36.1%	46.2%	39.6%	37.0%	34.1%	38.1%		36.5%	38.3%
China	1,026	1,741	2,400	1,493	6,660	2,408	3,851	3,119		9,378	10,200
YoY	-65.2%	-47.9%	-2.0%	-47.3%	-42.4%	134.7%	121.3%	29.9%		81.5%	53.2%
(Percent of revenue)	28.3%	27.5%	37.7%	28.6%	30.9%	36.6%	45.1%	41.9%		41.5%	35.2%
Asia ^{*1}	2,508	2,518	2,676	2,649	10,352	2,676	3,751	3,565		9,992	11,500
YoY	35.5%	50.1%	53.1%	-11.0%	25.4%	6.7%	49.0%	33.2%		29.7%	11.1%
(Percent of revenue)	44.2%	42.6%	43.0%	42.0%	42.9%	43.8%	48.0%	44.5%		45.5%	41.8%
EMEA ^{*2}	4,564	5,093	5,238	3,154	18,049	7,490	7,036	6,016		20,541	24,500
YoY	23.1%	28.8%	24.7%	26.9%	25.8%	64.1%	38.1%	14.8%		37.9%	35.7%
(Percent of revenue)	34.9%	39.0%	36.2%	26.4%	34.4%	42.1%	44.8%	38.1%		41.7%	38.6%
Americas	-1,183	-1,157	-1,102	-1,048	-4,490	-365	-159	86		-439	-500
YoY	—	—	—	—	—	—	—	—		—	—
(Percent of revenue)	—	—	—	—	—	—	—	9.2%		—	—

*1 Excluding China

*2 Europe, the Middle East and Africa

*3 Deducting cost of sales and expenses related to revenue generation from revenue of each region. Due to reorganization in Asia and EMEA in Q2 FY2023, contribution profits in Asia and EMEA in FY2023 were revised retroactively (Annual impact: Asia JPY 0.7 billion, EMEA JPY 2.3billion). This change is included in FY2023 revised forecast on November 7, 2023. In Q3 FY2023, contribution profits in China in FY2023 is also revised retroactively due to reorganization (Annual impact: JPY0.6 billion) and this change is not included in FY2023 forecast. It has no impact on consolidated numbers.

Quarterly revenue details

■ Revenue of major products

(JPY millions)

Brand name	Region	FY2022					FY2023					FY2023
		Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	YTD	Full Forecast
Glaucoma and ocular hypertension												
Cosopt	Total	6,030	5,466	6,596	5,610	23,702	6,294	6,346	6,543		19,182	24,902
	Japan	1,434	1,035	1,241	966	4,675	1,121	947	1,080		3,148	3,949
	Asia	1,460	1,470	1,522	1,658	6,110	1,643	1,692	1,779		5,114	6,481
	EMEA	3,137	2,961	3,833	2,986	12,917	3,530	3,706	3,684		10,920	14,472
Tapros	Total	4,895	4,521	5,103	4,225	18,744	4,884	4,725	4,460		14,069	18,421
	Japan	2,275	1,724	2,076	1,686	7,761	1,973	1,425	1,512		4,910	6,334
	China	126	316	342	261	1,045	320	516	398		1,234	1,561
	Asia	516	608	540	614	2,277	532	575	643		1,750	2,425
EMEA	1,978	1,872	2,145	1,665	7,660	2,058	2,210	1,907		6,175	8,100	
Tapcom	Total	2,129	1,963	2,244	1,866	8,202	2,360	2,378	2,282		7,019	9,202
	Japan	760	596	714	579	2,649	689	565	541		1,795	2,177
	Asia	240	284	253	274	1,051	296	308	360		965	1,352
	EMEA	1,129	1,083	1,278	1,013	4,502	1,374	1,504	1,380		4,259	5,672
Trusopt	Total	1,251	1,179	1,255	1,197	4,882	1,272	1,216	1,303		3,791	4,930
	Japan	294	222	262	202	980	245	209	239		692	885
	Asia	98	112	109	134	454	105	117	110		332	426
	EMEA	859	845	884	861	3,448	922	891	954		2,767	3,619
Eybelis	Total	1,123	922	1,126	985	4,156	1,208	1,141	1,329		3,679	4,820
	Japan	1,076	856	1,061	912	3,905	1,117	1,029	1,228		3,374	4,372
	Asia	47	65	65	74	251	91	112	102		305	448
Dry eye												
Diquas (Including Diquas LX)	Total	5,069	4,273	6,360	5,286	20,988	7,101	6,925	7,116		21,142	27,369
	Japan	3,876	2,892	5,302	4,188	16,259	5,465	4,872	6,090		16,426	20,882
	China	666	963	579	563	2,772	1,098	1,255	426		2,778	3,886
	Asia	527	417	478	535	1,957	539	799	600		1,938	2,601
Hyalein	Total	3,303	3,613	4,717	3,148	14,781	3,938	4,389	4,550		12,878	16,910
	Japan	1,636	1,298	1,551	1,233	5,718	1,414	1,210	1,463		4,087	5,008
	China	875	1,716	2,366	1,477	6,433	1,951	2,151	2,195		6,297	8,793
	Asia	793	599	800	438	2,630	574	1,028	893		2,494	3,110
Ikervis	Total	1,817	1,869	1,783	1,370	6,839	4,486	2,566	2,725		9,777	12,338
	Asia	357	450	380	363	1,549	377	473	550		1,399	2,194
	EMEA	1,460	1,419	1,404	1,007	5,290	4,109	2,094	2,175		8,378	10,144
Cationorm	Total	1,099	1,214	975	722	4,010	1,215	1,005	1,061		3,281	4,535
	Asia	121	139	80	101	441	92	108	229		429	553
	EMEA	707	726	709	485	2,626	803	730	687		2,219	2,931
	Americas	271	349	186	136	943	320	168	145		632	1,052
Allergy												
Alesion (Including Alesion LX)	Total	4,846	3,118	4,190	21,395	33,550	2,816	3,798	5,020		11,635	30,350
	Japan	4,798	3,080	4,162	21,360	33,400	2,766	3,750	4,979		11,495	30,173
	Asia	48	38	28	34	149	51	48	41		140	177
Verkazia	Total	213	323	234	144	914	416	449	417		1,283	1,534
	EMEA	157	263	180	148	748	301	321	360		982	1,234
	Americas	56	61	54	-4	166	115	128	57		301	301
Intravitreal VEGF inhibitor												
EYLEA *1	Total	18,230	17,618	18,874	16,535	71,257	18,455	18,349	19,396		56,199	73,812
	Japan	18,230	17,618	18,874	16,535	71,257	18,455	18,349	19,396		56,199	73,812
Bacterial conjunctivitis												
Cravit	Total	1,926	3,153	3,135	3,167	11,381	2,935	4,157	4,658		11,750	14,073
	Japan	378	317	327	264	1,285	325	287	300		911	1,221
	China	727	1,859	1,702	2,020	6,309	1,625	2,631	2,779		7,035	8,279
	Asia	476	569	736	598	2,380	598	855	1,205		2,658	3,148
	EMEA	345	407	369	286	1,408	387	384	374		1,145	1,425
Medical devices												
LENTIS Comfort	Total	331	308	361	332	1,331	330	324	327		982	1,347
	Japan	331	308	361	332	1,331	330	324	327		982	1,347
PRESERFLO MicroShunt	Total	627	496	610	695	2,429	892	854	1,056		2,801	4,118
	Japan	—	4	19	70	94	110	145	208		462	689
	EMEA	627	492	588	619	2,326	772	692	828		2,292	3,359
OTC pharmaceuticals	Total	2,379	3,260	2,520	2,469	10,628	2,886	3,028	2,911		8,825	11,266
	Japan	2,141	2,928	2,258	2,269	9,595	2,628	2,737	2,562		7,927	10,147
	China	31	83	81	66	262	64	73	94		230	303
	Asia	207	249	181	134	771	194	218	255		668	817

*1 Co-promoted product of Bayer Yakuhin, Ltd. (MAH)