

Data Book

Year Ended March 31, 2017

Corporate Communications Group
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Santen group has unified the accounting period from the fiscal year ended March 31, 2014, for voluntary adoption of International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2015. In this data book, performance for the unification of accounting period is noted as (*), and financial results for the previous 12 month period are shown as [12month]. Financial results before the fiscal year ended March 31, 2013 are based on the previous 12 month performance.

Results contained in the column marked 2014[12month] provide precise and comparable 12 month results including for subsidiaries using different fiscal year periods.

The company implemented a 5-for-1 stock split on April 1, 2015. Figures in the column 2014.3[IFRS] are adjusted assuming the new, post-split number of shares for comparison purposes.

Forecasts in this report are based on the currently available information. 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 etc. Actual results may differ materially depending on a number of factors including adverse economic conditions, delays in new products launch, currency exchange rate, legislative and regulatory developments.

Financial highlights

■ Consolidated financial summary

(Millions of yen)

| Year ended March 31 | J-GAAP | | IFRS | | | | | 2018 Forecast |
|------------------------------------|---------|---------|---------|---------|---------|---------|----------|---------------|
| | 2013 | 2014* | 2014 | 2015 | 2016 | 2017 | % Change | |
| Net sales/Revenue | 119,066 | 148,663 | 146,260 | 161,831 | 195,291 | 199,096 | 1.9 | 218,000 |
| Operating income/profit | 24,681 | 27,414 | 29,878 | 35,374 | 80,180 | 32,479 | (59.5) | 37,400 |
| Net income/Net profit for the year | 16,520 | 17,109 | 19,718 | 24,032 | 53,373 | 23,054 | (56.8) | 26,800 |
| Dividends per share (yen)# | 20 | 20 | 20 | 22 | 25 | 26 | 4.0 | 26 |
| Dividend payout ratio (%) | 51.1 | 48.2 | 41.9 | 37.8 | 19.4 | 46.3 | 138.7 | 39.3 |

Notes: The company implemented a 5-for-1 stock split on April 1, 2015. Dividends per share have been retrospectively adjusted to reflect the impact of the share split..

| | | | | | | | | |
|--------------------------------|---|---|--------|--------|--------|--------|-------|--------|
| Core operating profit | — | — | 30,403 | 39,088 | 43,067 | 39,687 | (7.8) | 44,000 |
| Core net profit for the year | — | — | 19,813 | 25,948 | 29,163 | 28,688 | (1.6) | 31,200 |
| Core dividend payout ratio (%) | — | — | 41.7 | 35.0 | 35.5 | 37.2 | 4.8 | 33.6 |

■ Consolidated balance sheets summary

(Millions of yen)

| Year ended March 31 | J-GAAP | | IFRS | | | | |
|------------------------|---------|---------|---------|---------|---------|---------|----------|
| | 2013 | 2014* | 2014 | 2015 | 2016 | 2017 | % Change |
| Total assets | 199,640 | 231,105 | 237,640 | 304,200 | 355,399 | 322,778 | (9.2) |
| Equity | 165,132 | 181,209 | 187,210 | 211,779 | 260,009 | 253,884 | (2.4) |
| Interest-bearing debts | 133 | 110 | 153 | 37,161 | 22,484 | 16,963 | (24.6) |

■ Consolidated financial indexes

| Year ended March 31 | J-GAAP | | | IFRS | | | | |
|--------------------------------------|----------|----------|----------------|--------|----------|--------|--------|----------|
| | 2013 | 2014* | 2014 [12month] | 2014 | 2015 | 2016 | 2017 | % Change |
| EPS (yen) | 195.81 | 207.29 | 229.26 | 47.78 | 58.18 | 128.99 | 56.20 | (56.4) |
| Core EPS (yen) | — | — | — | 48.01 | 62.82 | 70.48 | 69.93 | (0.8) |
| BPS (yen)#1 | 1,998.44 | 2,189.50 | 2,234.70 | 452.43 | 511.14 | 627.78 | 623.06 | (0.8) |
| Debt equity ratio (times) | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.1 | (22.1) |
| PER (times) | 22.7 | 22.1 | 20.0 | 19.2 | 30.1 | 13.1 | 28.7 | 119.0 |
| Core PER (times) | — | — | — | 19.1 | 27.9 | 24.0 | 23.1 | (3.8) |
| PBR (times) | 2.2 | 2.1 | 2.1 | 2.0 | 3.4 | 2.7 | 2.6 | (3.7) |
| ROE (%) #1 | 10.0 | 9.9 | 10.8 | 11.1 | 12.0 | 22.6 | 9.0 | (60.2) |
| Core ROE (%) #1 | — | — | — | 11.2 | 13.0 | 12.4 | 11.2 | (9.7) |
| ROA (%) | 8.3 | 7.9 | 8.8 | 8.9 | 8.9 | 16.2 | 6.8 | (58.0) |
| Equity ratio(%) #1 | 82.6 | 78.2 | 79.3 | 78.8 | 69.6 | 73.2 | 78.4 | 7.1 |
| Free cash flows (millions of yen) #2 | 6,334 | 21,172 | — | 20,807 | (41,054) | 13,433 | 1,342 | (90.0) |
| EBITDA (millions of yen) #3 | 28,255 | 29,812 | — | 22,565 | 22,660 | 38,596 | 38,620 | 0.1 |

#1 BPS (equity per share), ROE (return on equity), Core ROE and equity ratios are based on the IFRS inputs of equity per share attributable to owners of the company, net profit attributable to owners of the company, Core net profit attributable to owners of the company and equity attributable to owners of the company ratio.

#2 Free cash flows = (Net cash flows from operating activities)-(Capital expenditures/Payments for acquisition of property, plant and equipment, and intangible assets)

#3 EBITDA = J-GAAP: (Income before income taxes) + (Interest expense) + (Depreciation and amortization)
IFRS: (Core profit for the year) + (Interest expense) + (Depreciation and amortization)

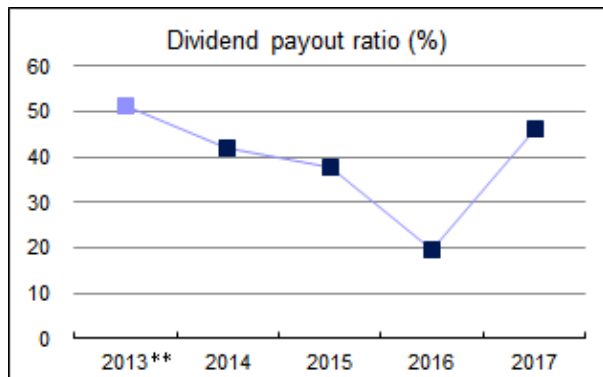
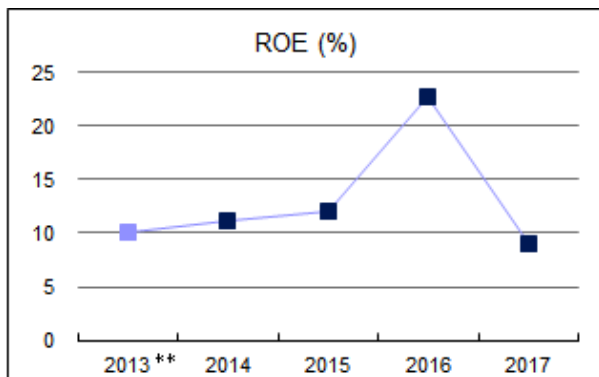
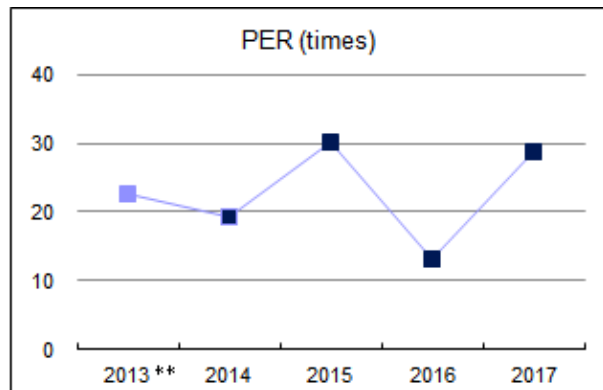
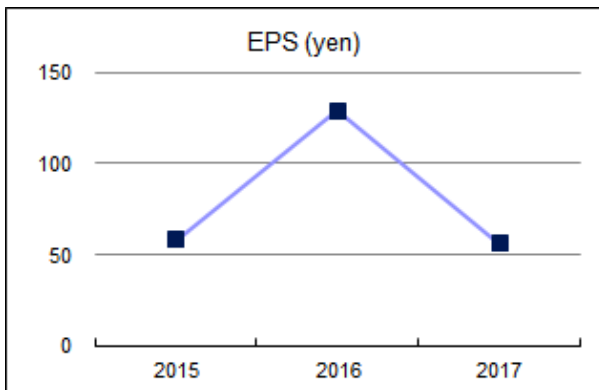
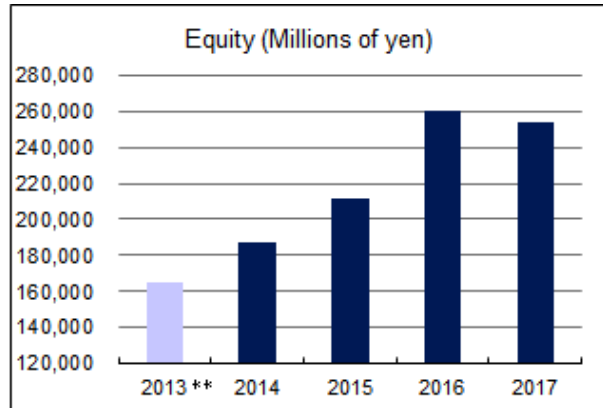
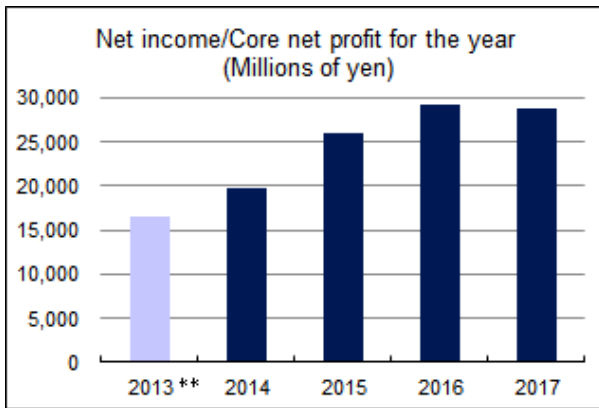
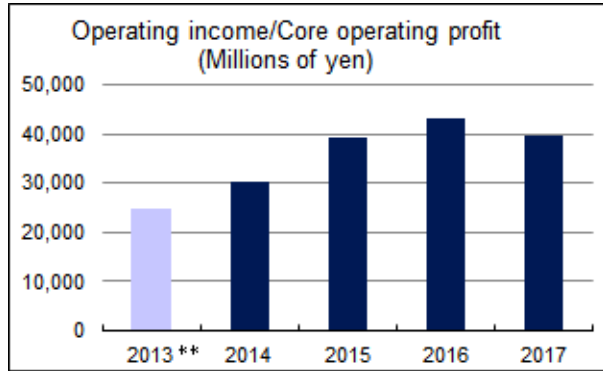
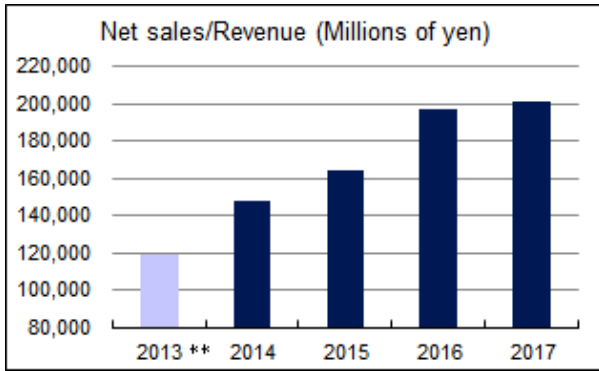
■ Exchange rates

(Yen)

| Year ended March 31 | 2013 | 2014* | 2014 [12month] | 2015 | 2016 | 2017 | 2018 Forecast |
|--------------------------|--------|--------|----------------|--------|--------|--------|---------------|
| Exchange rate: US dollar | 82.91 | 100.04 | 100.04 | 110.14 | 120.45 | 108.64 | 110.00 |
| : Euro | 106.01 | 132.98 | 132.34 | 139.01 | 132.46 | 118.96 | 120.00 |
| : CNY | 12.64 | 15.93 | 15.72 | 17.84 | 19.05 | 16.14 | 16.50 |

Financial highlights

■ Consolidated Financial summary (Graph)



**J-GAAP

Consolidated statements of income and comprehensive income

■ IFRS

(Millions of yen)

| Year ended March 31 | 2015 | 2016 | 2017 | % Change 2017/2016 |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| Revenue | 161,831 | 195,291 | 199,096 | 1.9 |
| Cost of sales (Percent of revenue) | (56,373) 34.8% | (72,829) 37.3% | (74,966) 37.7% | 2.9 — |
| Gross profit (Percent of revenue) | 105,458 65.2% | 122,463 62.7% | 124,130 62.3% | 1.4 — |
| Selling, general and administrative expenses (Percent of revenue) | (48,893) 30.2% | (59,406) 30.4% | (62,193) 31.2% | 4.7 — |
| Research and development expenses (Percent of revenue) | (17,477) 10.8% | (19,990) 10.2% | (22,786) 11.4% | 14.0 — |
| Amortization on intangible assets associated with products (Percent of revenue) | (3,979) 2.5% | (6,205) 3.2% | (6,412) 3.2% | 3.3 — |
| Other income | 723 | 44,999 | 468 | (99.0) |
| Other expenses | (458) | (1,681) | (728) | (56.7) |
| Operating profit (Percent of revenue) | 35,374 21.9% | 80,180 41.1% | 32,479 16.3% | (59.5) — |
| Finance income | 768 | 782 | 909 | 16.2 |
| Finance expenses | (279) | (1,492) | (1,565) | 4.9 |
| Profit before tax (Percent of revenue) | 35,863 22.2% | 79,470 40.7% | 31,822 16.0% | (60.0) — |
| Income tax expenses | (11,831) | (26,097) | (8,768) | (66.4) |
| Net profit for the year (Percent of revenue) | 24,032 14.9% | 53,373 27.3% | 23,054 11.6% | (56.8) — |
| ROE (%) | 12.0 | 22.6 | 9.0 | — |

■ IFRS (Core basis)

(Millions of yen)

| Year ended March 31 | 2015 | 2016 | 2017 | % Change 2017/2016 |
|--|-------------------------|-------------------------|-------------------------|-----------------------|
| Revenue | 161,831 | 195,291 | 199,096 | 1.9 |
| Cost of sales (Percent of revenue) | (56,373) 34.8% | (72,829) 37.3% | (74,966) 37.7% | 2.9 — |
| Gross profit (Percent of revenue) | 105,458 65.2% | 122,463 62.7% | 124,130 62.3% | 1.4 — |
| Selling, general and administrative expenses (Percent of revenue) | (48,893) 30.2% | (59,406) 30.4% | (61,657) 31.0% | 3.8 — |
| Research and development expenses (Percent of revenue) | (17,477) 10.8% | (19,990) 10.2% | (22,786) 11.4% | 14.0 — |
| Operating profit (Percent of revenue) | 39,088 24.2% | 43,067 22.1% | 39,687 19.9% | (7.8) — |
| Profit before tax (Percent of revenue) | 39,088 24.2% | 43,067 22.1% | 39,687 19.9% | (7.8) — |
| Income tax expenses | (13,140) | (13,904) | (10,999) | (20.9) |
| Net profit for the year (Percent of revenue) | 25,948 16.0% | 29,163 14.9% | 28,688 14.4% | (1.6) — |
| ROE (%) | 13.0 | 12.4 | 11.2 | — |

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