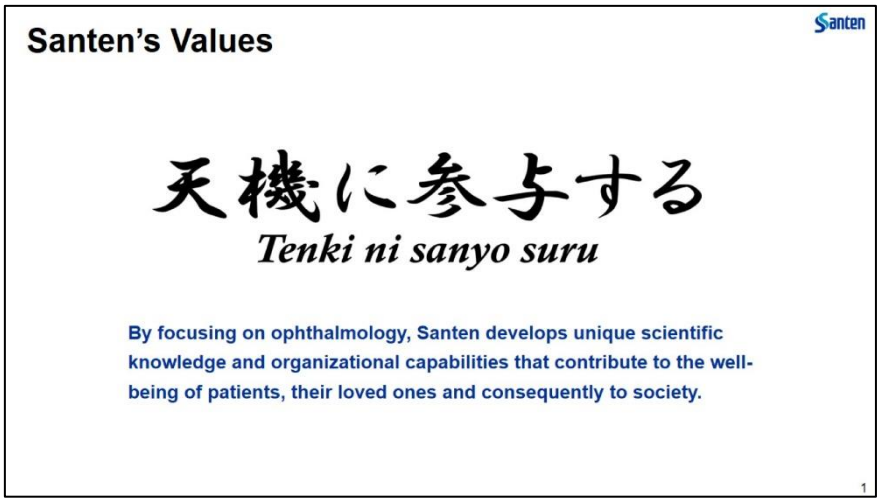
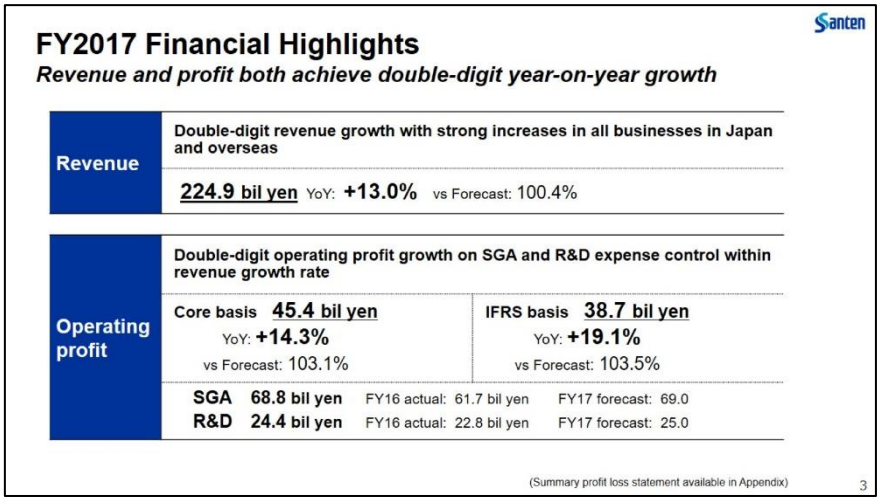
Speaker Remarks May 10, 2018 (summary)

Thank you very much for joining us for our earnings report meeting. I'll first explain Santen's FY2017 consolidated results.

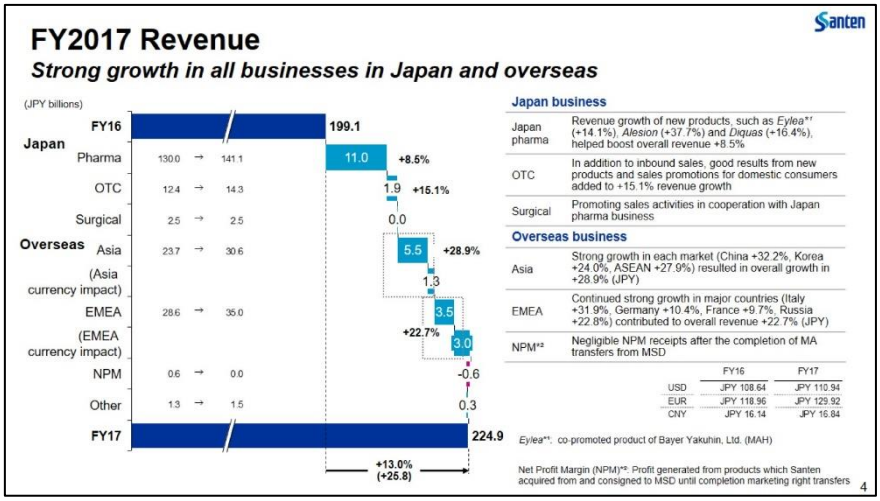


As you know, this is Santen's Values. We specialize in ophthalmology and we want to contribute to patients in this therapeutic area.

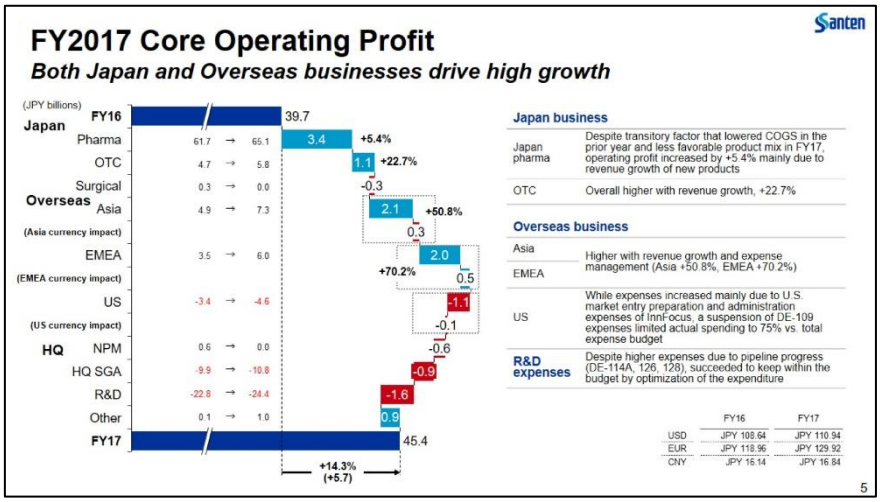


FY2017 financial results will be explained. In FY2017, our domestic prescription business grew very well, thanks to *Eylea* and *Alesion.* Inbound and domestic demand for OTC business, we also enjoyed good growth. Also, in Asia, EMEA, pharma business grew very well, maintaining the momentum from last year. Good business in

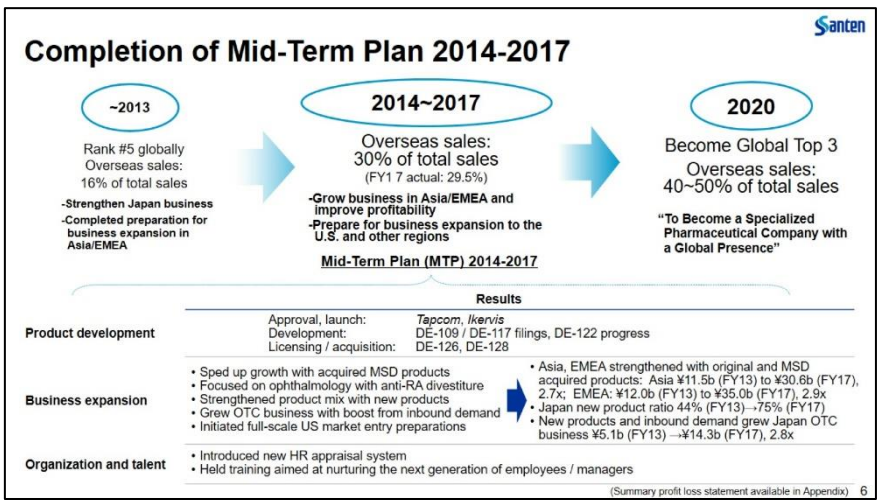
and outside Japan, increased sales revenue by 13.0% year-on-year. Consolidated sales exceeded 200 billion yen for the first time to reach 224.9 billion. Along with sales growth, strategic expenses for future growth also increased, but such costs were fully absorbed by the sales increase. As the result, the core base operating profit showing business earning activity increased by 14.3% to a record high of 45.4 billion. The IFRS-based operating profit was up 19.1% to 38.7 billion.



Next slide. This shows factors impacting sales revenue by business segment for the full year. As you can see, thanks to positive factors of growth in and outside Japan– the pharma business grew very well, with the size of revenue increase largest in Japan. As I mentioned, penetration of new products such *Eylea*, *Diquas*, *Tapros* expanded, allowing strong contributions from such new products. Overall, sales revenue increased, and 11 billion yen of this growth came from Japan, +8.5%. The OTC business also went up, +15.1% or 1.9 billion. In Asia, sales increased +28.9%. EMEA's increase was +22.7%. As you can see, new products and penetration of existing products grew very well. With broad growth across geographies, we were able to enjoy overall sales growth of +13.0%.

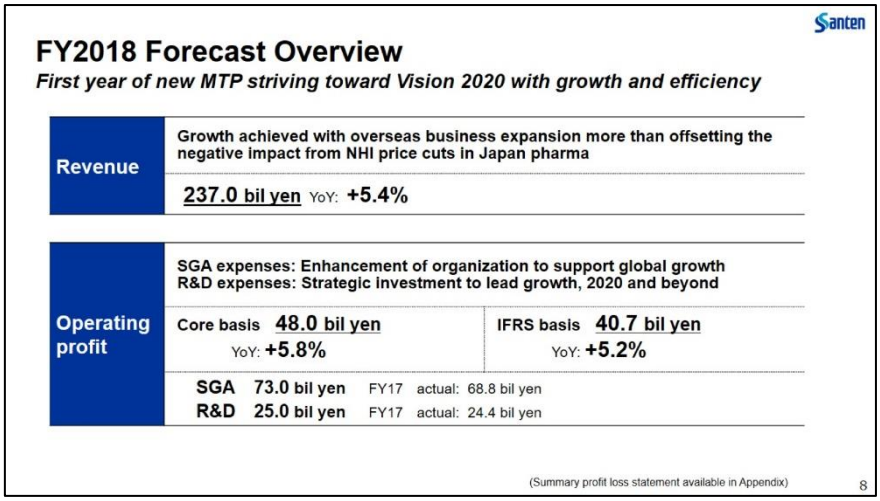


This shows core operating profit. Overall, we achieved 45.4 billion yen in operating profit. You can see the breakdown on the slide. The pharma businesses in Japan, Asia business and EMEA contributed to great performance in operating profit in each business segment. We made investments to accelerate future growth, yet controlled expenses overall. For the U.S. business, we prepared for market entry, and that increased expenses. But for DE-109 situation, we stopped spending from the January quarter. Thus, by a good balance of sales growth and cost control, overall core operating profit was up 14.3% or 45.4 billion.



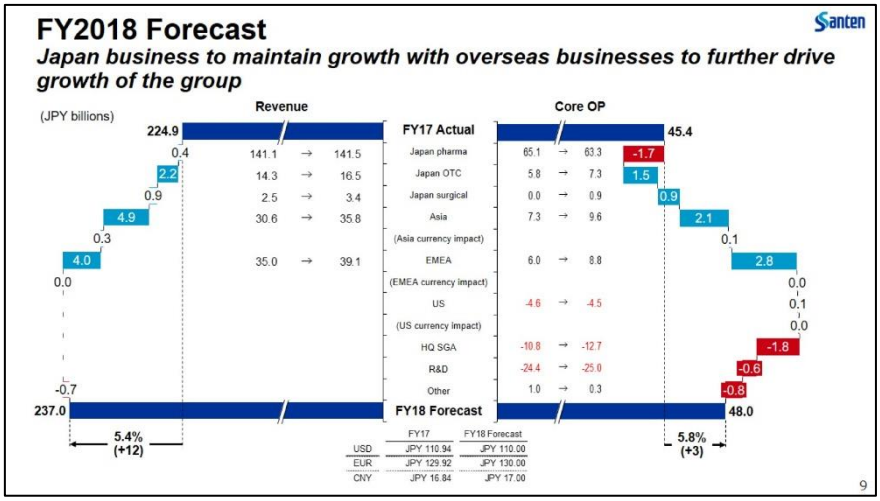
FY2017 was the last year of our FY2014 to FY2017 Mid-Term Plan (MTP) which is an important step on our way toward Vision 2020. We are pleased to have accomplished our goals in our MTP. Looking at our performance against plans, you can see how we

have realized our goals. For example, our target for overseas sales was 30%. We developed good businesses in Asia and EMEA. And, in the U.S. market, we entered full-scale planning for entry. In total, we achieved an overseas sales ratio of 29.5%, which is a big increase from the end of FY2013 when we had about 17% of sales from overseas. These are some of the new products we launched. In 2014, we acquired the glaucoma business from U.S. Merck. In 2015, we divested from the anti-rheumatic business. In 2015, we acquired InnFocus. Through these deals, we could focus even more on ophthalmology, which resulted in great performance, as you can see here. Going forward, regarding the U.S. market entry, DE-109, DE-128, and DE-117, we have these differentiated, unique assets, and we hope to maximize the value of these in our market entry. We want to be a specialized company with a global presence, and we were able to mark a significant step toward that goal. Thank you very much and that's all from my presentation today.
Next, the new President will be giving you the forecasts for FY2018.

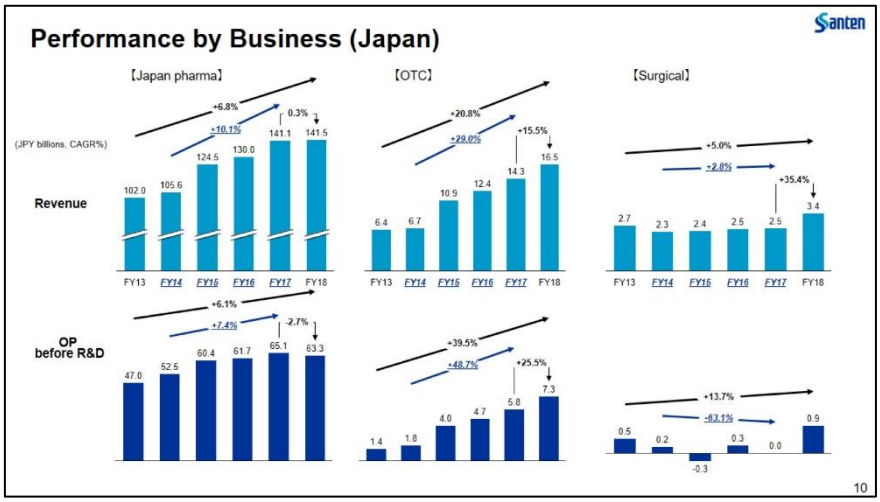


It's very nice to be here with you today. I am Shigeo Taniuchi. Since April, I'm the President and COO of Santen. Until March-end, I was the head of EMEA, I was in Geneva, Switzerland, and I'm back in Japan and learning something new every day. Going forward, I hope I can build great relationships with you, all.
I will explain the FY2018 forecast. In June, we will announce our new Mid-Term Plan toward Vision 2020. We have three more years to go, and 2018 is the first year in that, and this is very important toward Vision 2020 achievement. We want to make our business more efficient and continue to create good growth. The sales are forecast to be 237 billion, an increase of 5.4%. There has been an NHI price cut. However, that

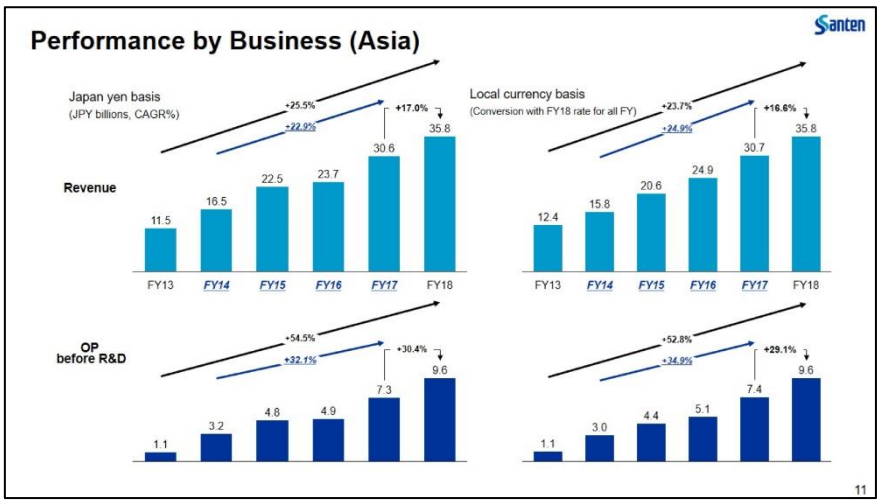
should be offset by good growth in overseas, and we hope to maintain good business growth, which I'll come back to in a moment. And we need to consider the best balance of sales and costs. We will try to enhance growth and efficiency, to increase both core and IFRS profit by over +5%. That's in our plan. We have created a good growth trajectory up to 2017 which should be further strengthened to make sure we generate sufficient resources to invest for future growth to realize Vision 2020 and beyond.



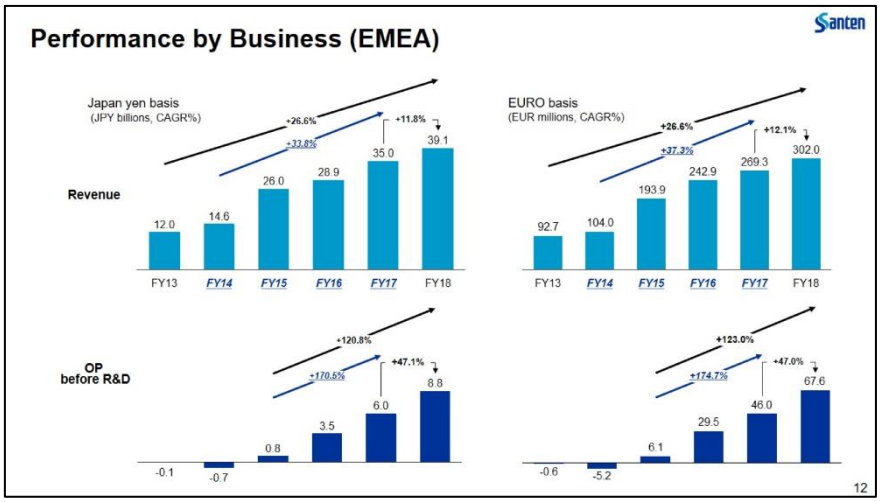
This shows our revenue and core operating profit forecast for fiscal year 2018. On the top are our Japan business revenue charts. The Japan pharmaceutical segment saw an impact from the NHI price reduction, but this will be offset by continued sound growth areas, though small growth overall. As for OTC and surgical, we are looking at growth. I will explain in detail later. And as for overseas market, Asia and EMEA, we have seen high growth and we will continue to grow. We aim for revenue of 237 billion yen and core operating profit of 48 billion.



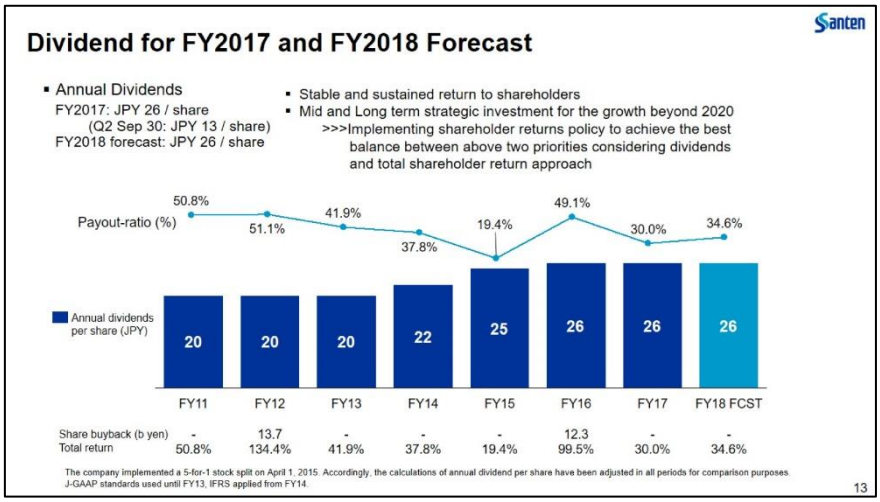
This slide shows pharmaceuticals, OTC and surgical businesses in Japan. Shown here are revenue and operating profit before R&D trends for businesses in Japan from FY13, the previous MTP, and forecasts for FY2018. In prescription pharmaceuticals, which is impacted every other year by NHI by price revisions, we will enhance new product expansion. For example, with support from *Eylea*, *Alesion* and *Diquas*, total revenue should be 141.5 billion. As for OTC, including inbound sales, we have seen strong growth. We will continue to capture demand both domestically and outside of Japan leveraging our skills and knowledge acquired in prescription pharmaceutical business to move on to the next stage in OTC. In the surgical business, through collaborations with our prescription pharmaceutical business in Japan, we will make every effort for early penetration into the market to expand revenue and profit going forward.



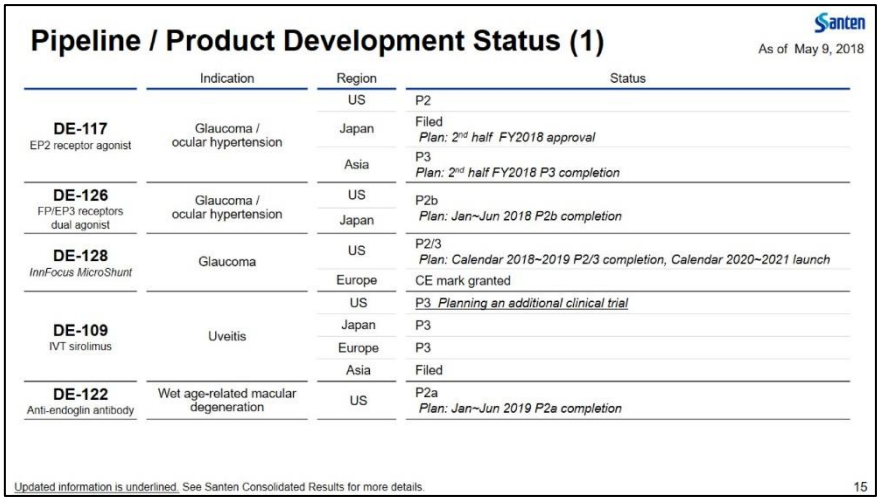
Next, here is a look at performance in Asia. We have seen very high growth which has exceeded market growth. And we will look to achieve steady, double-digit growth going forward as well. We have seen high growth in China as well as other Asian countries. We are seeing solid achievements from our continued efforts in market expansion and we will continually launch products with market needs in mind to raise customer satisfaction and secure mid- to long-term growth.



Here, this slide looks at performance trends in EMEA. With strong demand from products centered on glaucoma including those acquired from MSD and entry into new markets, we were able to strengthen our sales power. EMEA has increased sales and improved profitability, transforming into a business that contributes to the stable growth of the group. We will further penetrate into the market with glaucoma and *Ikervis*, raising our presence to aim for continued growth. And we will aim for double-digit growth going forward as well.

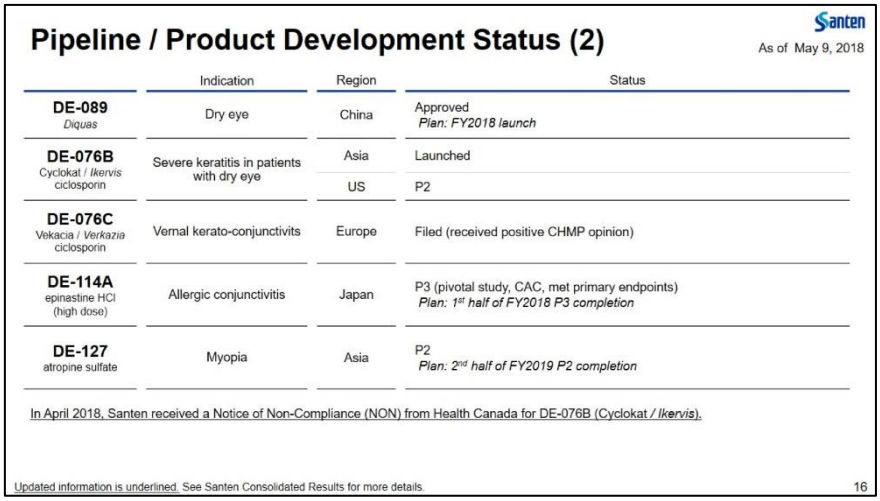


Lastly, this is shareholders' returns. We aim for stable and sustained returns. In fiscal year 2017, annual dividend came to 26 with payout ratio of 30%. For fiscal year 2018, we are looking at 26 for annual dividend, same as 2017. And our plan includes a forecasted payout ratio of 34.6%. Thank you very much.



This is Naveed Shams. I'll give you a quick review of our pipeline products and development and update. On this slide, let's start with DE-117, which is our IOP-lowering product. This product is currently in registration in Japan, and it is moving fine at this point. No issues. We are forecasting approval in the second half of this year. And there is a Phase 2 study which is ongoing in Asia. We expect to complete in the second half of fiscal 2018. I move next to DE-128, *MicroShunt* which is a key product for Santen. As you know, we completed enrollment last year, and the study is ongoing

without any major issues. I'm also delighted to let you know that after extensive review of our DE-109 sirolimus program for noninfectious uveitis of the posterior segment, and continued discussions with the U.S. FDA, we have decided to start one additional clinical trial, so that we can meet the requirements of approval in the U.S. This study is likely to start in the second half of this year. DE-122 is our wet AMD program and is ongoing.



Pipeline / Product Development Status (2)

Santen

As of May 9, 2018

	Indication	Region	Status
DE-089 *Diquas*	Dry eye	China	Approved *Plan: FY2018 launch*
DE-076B Cyclokat / *Ikervis* ciclosporin	Severe keratitis in patients with dry eye	Asia	Launched
		US	P2
DE-076C Vekacia / *Verkazia* ciclosporin	Vernal kerato-conjunctivits	Europe	Filed (received positive CHMP opinion)
DE-114A epinastine HCl (high dose)	Allergic conjunctivitis	Japan	P3 (pivotal study, CAC, met primary endpoints) *Plan: 1st half of FY2018 P3 completion*
DE-127 atropine sulfate	Myopia	Asia	P2 *Plan: 2nd half of FY2019 P2 completion*

In April 2018, Santen received a Notice of Non-Compliance (NON) from Health Canada for DE-076B (Cyclokat / *Ikervis*).

Updated information is underlined. See Santen Consolidated Results for more details.

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As far as dry eye is concerned, as you know, we have approval and we have launched the product *Diquas* in China. As for DE-114, epinastine, the study which is critical to also to the Japan business here in Japan – we will be finishing in 2018. We did meet the primary endpoint of the study, as you may recall. And our myopia program is still on track to finish in the second half of 2019. I'd be happy to answer any questions you have. Thank you very much.

Q&A session (summary)

<Q1-1>: Can you tell me Mr. Taniuchi's background and strengths to be used in his role as President & COO as well as how you identify and divide the responsibilities between CEO and COO?
<A1-1-1>Shigeo Taniuchi : I joined Santen in 1996. I was in sales first and then corporate planning roles. On the international side, I have worked in Europe and, prior to that, I was in China to start up the business there. I also worked on the building of the Asia and European businesses and was involved in U.S. market entry. So, I have worked in global development and the launch of new business operations.

<A1-1-1> Akira Kurokawa : The second question, let me answer to that. The roles and responsibilities of CEO and COO are quite straightforward. As CEO, I continue to have top responsibility on my shoulders, especially strategic decision-making for which I'm ultimately responsible. And then the COO is responsible for the execution of operations.

<Q1-2 > It seems there will be an increase in SGA - can you explain what is increasing for FY18? What's your focus for spending in FY2018?
<A 1-2> Akira Kurokawa: Basically, we are spending to grow our businesses, overseas in particular, such as Asia and Europe. We will continue our investment in overseas business growth but, of course, the investment spending increases should be within, so absorbed by, the sales increases. In Japan, looking at ophthalmologic medicine industry, the market size is about 360 billion yen, but when you try to imagine what the growth will be, you have to keep in mind the impact for the NHI drug price system reforms, so it’s hard to be optimistic about the growth potential. So, SG&A in Japan should be well contained especially for indirect expenses. We are at the turning point, so it’s important to review expenses.
<Q1-2-2> So, Europe and Asia, where business is growing, and you are going to make further investment in the U.S. preparation?
<A 1-2-2> Akira Kurokawa: As for overseas, we will, of course, have regional development in geographic areas and for new businesses, we have many new launches in Asia and in Europe. We expect further growth, beyond the current growth, and that includes geographical expansion. So, we will make investments, including in human resources for U.S. With the DE-109 delay of launch, certain expenses have been frozen. While such launch costs are now frozen, at the right time, when *MicroShunt* and DE-109 are ready, we will make investment.

<Q1-3> Dr. Shams, I have a question to you. I was listening in English, and regarding DE-109, you have ongoing discussion with FDA, that's what you said. So, you will have additional one clinical trial that is decided and that was accepted and agreed, but you also said that discussions are ongoing.
<A1-3> Naveed Shams: Yes. Very simply. As I mentioned, we have agreement that one additional trial would be sufficient if it meets its primary statistical endpoint, and that would be sufficient to complete the registration process for the FDA. What we are trying to do is making sure that we have everything in place and that there is agreement on some elements of the protocol that need to be confirmed in the coming weeks, and that

was my comment about ongoing discussions. We want to make sure that we partner with the FDA and that any risks of the program are reduced as much as we can. So, that's my point. But, generally speaking, we are in good shape to start.

<Q2-1>: About cost reduction. From last year, you have set up an office for cost optimization, I believe costs have been your focus. I don't know if there is any impact from this office looking at the numbers. If there is good impact, let us know. If there is no impact, please let us know – I want to know if there is room for upside.
<A2-1> Akira Kurokawa: As for cost optimization, of course, we are working on it at the moment. From the start of this year, I think we are seeing good impact, but it is still minimal at the moment. Global cost optimization is our target and the project has started. We will not be able to give you specific targets yet, but this is an area we are working on, especially with regard to SG&A.

<Q2-1-2> Is that number saying roughly 5 billion yen or 6 billion yen?
<A2-1-2> Kazuo Koshiji: I'd like to answer this question. I think the 5 billion yen to 6 billion range you have in your mind is correct. Of course, we are seeing some benefits that are already included in our numbers. But there are measures to be taken going forward as well. In actuality, we are seeing good impact. In 2017, we have a plan of 68.8 billion for SG&A. We are not talking about further cuts from that level, but instead suppress increases in future years.

<Q2-2>: Since joining the Board, do you, Taniuchi-san, feel there are good and healthy discussions going on in board meetings?
<A2-2> Shigeo Taniuchi: Of course, the board of directors places the highest importance on corporate governance, and quality discussion among the board members is the priority. Since I have joined the board, I can say there is very good and healthy discussion across all board members particularly in areas of important decision-making.

<Q2-3> To Dr. Shams, please. Could you comment on the trial design for the Phase 3 of sirolimus? I mean, will the statistical hurdle would be the traditional 0.05 or it could be higher? And also FDA – do you think the FDA would allow integrated analysis again? And, also, I would appreciate your comment on the eligibility for SPA, special protocol assessment.
<A2-3> Naveed Shams: I will first answer your question related to the SPA. Without

having to secure an SPA in its traditional form, because it takes time and we are trying to save as much time as possible, we are having discussions which are almost like an SPA. And so, we've had and will continue to have very good discussions to that end, without surprises. And that includes discussions like you're pointing out. So, it would be premature for me to tell you clearly today what the trial design will look like. Again, let me say we haven't yet reached the final decisions on the design. But the goal I will remind you is simply to be successful and save as much time as we possibly can in the process. And so, that's the intent. The trial design will take care of both of these issues.

<Q3-1>: DE-117 for U.S. and Europe, what's the development strategy and future plan for this compound? You have the Japanese data now available and can be a development benchmark. Regarding the next step, what is the plan for further development?
<A3-1> Naveed Shams: Regarding DE-117, the process toward approval in Japan is moving very nicely. Up to this point we have nothing really to report except that it's in progress, and we expect, like I have said, to launch in Japan as promised at the end of this calendar year. And as far as the U.S. plan is concerned, based on our learnings from both the Japanese trial, as well as our experience in Asia and the previous experience in Japan. We are looking forward to starting a pivotal program in the U.S. by the second half of this fiscal year. So, we'll give you an update on as soon as we have a little bit more detail on when the study will start, but we have a strong plan to develop the product in the U.S. And asking about the big picture, I believe that we will also have enough data to do a filing in the European region. But we have not had any discussions with any regulatory agency in Europe yet at this point, so I can't really give you any additional detail. But our intention is to seriously consider how we can bring DE-117 to our European patients as well.

<Q3-1-2>: For example, for the U.S. and the Europe, maybe a new step can start this year or would it take longer?
<A3-1-2>: It will start this year.

<Q3-2>: Regarding sales of some products, *Cosopt* this year showed decreased sales. That is your forecast. And in Japan, the probability is high that generic drugs can come. Overseas, you have enjoyed good growth but, this year, you expect a decline, why is that?
<A3-2> Kazuo Koshiji : In overseas markets, you mentioned the decrease which is 7%,

from 9.6 billion to 8.9 billion. I think that's what you are talking about. When we acquired *Cosopt*, the patent was expired in Europe, so there was already a declining trend. Our strong efforts to now have allowed us to maintain these sales, however, we now see some decline trend going forward. In some countries or markets such as France, we have also taken a conservative outlook about drug prices. Therefore, our forecasts are reflected in the numbers. When you look at country by country, Italy, has the biggest sales, still enjoying good momentum of over 20% growth. That is our expectation.
<A3-2> Shigeo Taniuchi: Yes, drug price have been declining in France and some other countries as well. And in the past few years, France and other countries felt pressure to lower the drug price. And in terms of profitability, we have switched our focus to other products. And overall, we expect growth in sales and profit. But if you look at each individual item there are some ups and downs.

<Q4-1>: I would like to get your views on spending. R&D, 25 billion, I believe it's kept flat. SG&A is going to increase mainly in Asia. So, in the mid-term, R&D will be kept at about 25 billion for the foreseeable future and SG&A will increase as sales increase as well. Is that your decision or are you going to increase R&D expenses so you will be able to accelerate R&D? So, can you talk about your priorities, please? What would be the conditions necessary for you to increase your R&D expenses?
<A4-1> Akira Kurokawa: As for my view on spending, 25 billion yen is the number we have given for R&D. We have some flexibility on that number. R&D spending is an investment and we want to proactively pursue new product and new technology opportunities to create the growth drivers for the future. I think the number of early stage opportunities is increasing and we will not hesitate to actively pursue. However, in thinking about R&D it is most critical that products actually get to the market. And Santen's investment, is not only R&D but also BD, such as in-licensing or acquisition. We have to consider these in combination. R&D, of course, brings success, but we are working on ophthalmic products. As we experienced with DE-109, we cannot always see the future clearly. Since sustainable growth is very important, R&D and BD will be considered in combination going forward. And as for SG&A, of course, we need to suppress SG&A as much as possible. We need to best ensure that our investments are leading to growth. We are investing in Asia and Europe sales efforts and this has led to sales growth. So, if our spending will increases sales, we will invest. Investments are also being made to increase productivity. In Japan, we are not increasing the number of sales person but rather focused on increasing market share through higher

productivity to boost our results.

<Q4-2>: About DE-117, can you explain what you have learned from the FUJI Study? How do you compare the efficacy difference against *latanoprost*? It seems 20% to 40% of the patients were poor responders to *latanoprost*, so do you see large potential? It seems unlike prostaglandins in the past – is this the differentiation?
<A4-2> Naveed Shams: That is at least one of the value propositions for DE-117. And it is possible that we can achieve that because the signal that is transmitted is through what we call the EP2 receptor, it's very specific to that. And so that was the idea to take people who need more help than traditional prostaglandin analogues and engage a new receptor to induce some efficacy. So that is very true. Based on the study design, I will say the effect was very clinically meaningful. But I won't comment on the statistical significance of that because of the way the study was designed, but it's impressive, I must say. Now, we will see what the agency thinks about it, but this clearly addresses an unmet need in the IOP-lowering space.

<Q4-3>: About the OTC business - compared to prior levels, I think it is growing very strongly. How much of an increase are you foreseeing for the future? And how do you see inbound demand going forward? How are such factors included in the outlook?
<A4-3> Akira Kurokawa: As we have pointed out, in the OTC business, good performance has been supported by inbound demand, which probably represents about 30% to 40% of sales. But on the other hand, the domestic market is increasing as well. For example, eye drop OTC products like *Soft Santear* and *Hitomi Stretch* are increasing by more than 10%. And there is inbound demand but it is hard to forecast. So, we are working on measures for the domestic market because that, I believe, is going to lead to stable growth. Also for OTC overseas, we currently sell products in Taiwan. We are studying other ways to capture opportunities where the prospects are strong.

<Q4-3-2> How about *Hyalein* OTC, is it included or not included in your plan now?
<A4-3-2> Kazuo Koshiji : No, actually, only about 100 million or so is included at the moment. And we are looking to launch at the second half of the year.

<Q5-1> Question to Mr. Taniuchi, I would like to get your opinion on this. This is relating to midterm plan for the next few years. You have LOEs of some products. Mr. Taniuchi, what is your assessment regarding the LOE risk? You don't have to worry about patent

expiration. Has your view changed?
<A5-1> Shigeo Taniuchi: Some risks are known already and LOEs is incorporated in our plans. As to how we fight after LOE and/or after generic products come out, I think there is a difference depending on the product or the disease. In past experience, for chronic diseases, patients give their support by asking for our products. This is less so in the case of acute diseases which depend more on the relative competitive strength of the product. In Japan, the government has policies so we need to assess the government's influence and policies. As we look at LOE impact, we want to limit and recover as much as possible, like *Hyalein* which we are planning as a so-called “switch OTC” self-medication can create a new revenue opportunity. And also, overseas growth should be able to absorb these negative factors we face.

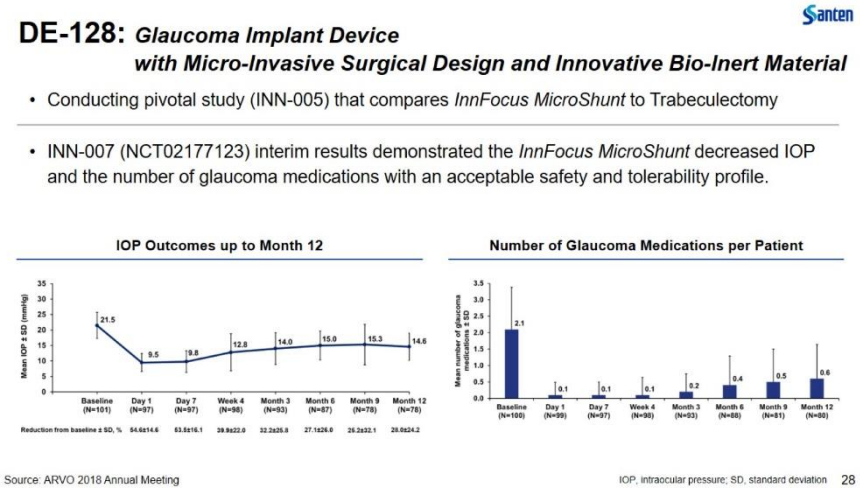
<Q5-1-2>: Going forward, do you think the generic market penetration won’t increase dramatically in the Japanese ophthalmology market. Is that your idea?
<A5-1-2> Shigeo Taniuchi: That's been the trend so far. In the case of eye drops compared to internal medicines, I think that through additives used, etc. it has been easier to show the advantages of original medicines over generics. I hear from ophthalmologists that patients have lots of opportunities to understand these differences. We want to continue to provide information and communicate closely with doctors.

<Q5-2>: Can you tell us hypothetically, would you be interested in picking up assets that may come to the market as spin off - even if the scale is rather large?
<A5-2> Akira Kurokawa : Well, it's very difficult to answer such a hypothetical question. It depends on the product. We review candidates as assets that could be acquired and we are pursuing globalization. Then, depending on valuation, we can make a bold decision. I can't mention any more specific information – this is all I can comment now.

<Q6-1>: You received a CRL for DE-109 - in the additional clinical study, will you be looking at visual acuity?
<A6-1> Naveed Shams: We are going to be looking at endpoints based on our experience and from the CRL. That is what we are currently discussing with the agency, that is, how to do and what to do, in order to show what they would like to see. I won't say that visual acuity would or would not be the primary endpoint or anything like that. It's premature for me to say that. But we are looking at all possible ways of making sure that we are successful this time. And so, we want to be very carefully

talking about all of this with the FDA, and we will disclose after we have agreement with the agency.

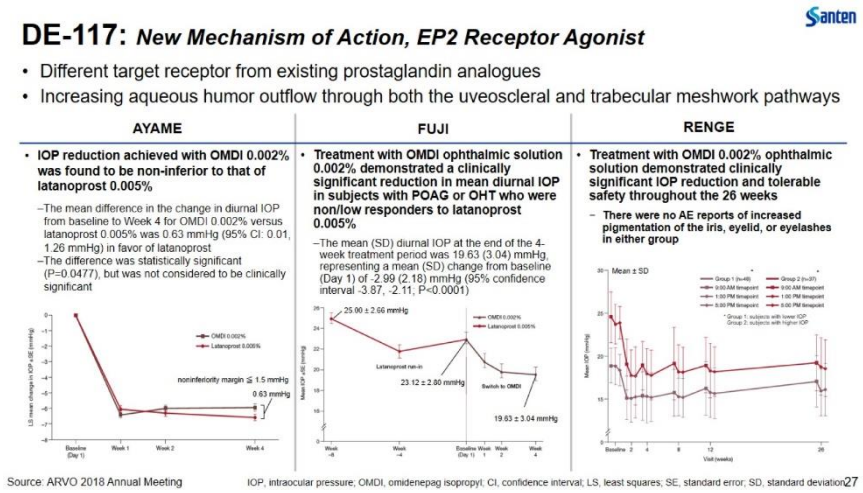
<Q6-2>: About MicroShunt, will the observation period be one or two years? I'm referring to slide number 28. And, is there a plan to start charging for MicroShunt in Europe?



<A6-2-1> Naveed Shams: So, I'll answer the first one, and then I'll request Taniuchi-san to answer the second one. So, your question about the duration of the *InnFocus MicroShunt* study. Currently, we are currently being evaluated under what's called the FDA's guidance for MIGS devices. According to this public information, MIGS devices are required to show a total duration of two years. Anything above that is good to have but the guidance for approval is for two years. We, again, are looking at having a robust discussion with the FDA on how much data would be required. And so when that is available we will be happy to share that with you too.
<A6-2-2> Shigeo Taniuchi: So I'd like to answer the second question please. As you have asked it is a controlled launch and that we started already in 2018 January or February I believe. This includes basically includes limited sales to the facilities that participated in the clinical study. We have delivered the product to three to four such facilities including Moorfields Hospital in the UK. In 2018, we will expand our measures and we hope that we will be able to expand sales – this is a process that is already underway.

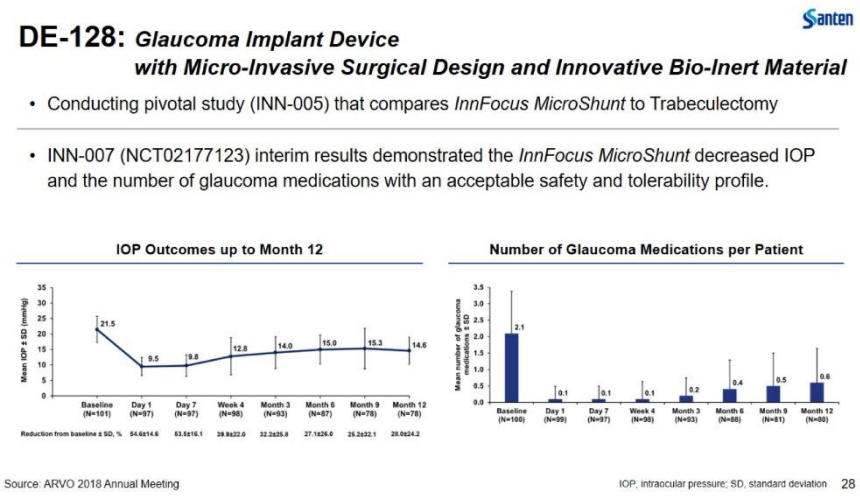
<Q7-1> DE-117, on page 27, the data as shown, I have high expectation of FUJI Study

with EP2 receptor inhibition. In a future US study for DE-117, are you going to include pigmentation evaluation as a secondary endpoint?



<A7-1> Naveed Shams: I would comment about pigmentation and eyelash growth or fat deposits disappearing from the sulcus. That is a differentiating point for DE-117. As you know, the studies up to this point have been of 3-months and 12-month follow-up, in many cases, for safety. And up to this point, we have not seen, at least in what I call colored irises, any change in the pigmentation or pigmentation changes on the outside of the eyelid. So, we haven't seen that but, again, we will see how many studies will be done in the U.S. based on conversations with the FDA, but these will be light-colored irises, and we will be looking for changes in the pigmentation. That would be probably needed to make some sort of a claim around the side effect or as you mentioned quality of life. So, we haven't sort of finalized that. We are in discussions on how to do that. But up to this point, with 12-month data in non-Caucasian eyes, we haven't seen any of these effects that are associated with FP analogues.

<Q7-2> Looking at the DE-128 data in the slides, I wonder if this level of IOP lowering can actually be positioned against the more serious trabeculectomy. Would doctors see this level of efficacy as more appropriate to replace the less severe trabeculotomy where there is already a competing device?



<A7-2> Naveed Shams: I will probably give you a short answer and we can give you a longer answer at some other occasion because it's a very complicated discussion. So, number one, the limit we are trying to achieve with the *MicroShunt* and, as a matter of fact, with any procedure that pokes a hole in the eye is that the IOP should be less than 15 mmHg, on average. The requirement for IOP, where it should be, is set by the patient's current condition. If you are really, really progressed, you'll need really, really low IOP. And all I would say is that *MicroShunt* will be shown to be capable of doing so. So, we will be doing exactly what the trabeculectomy procedure would do. However, we will be doing it much more safely than what a trabeculectomy outcome would look like. That's the hope. The main trial is as you know is running and it's a very large trial. And we will learn from that and see where we land. But on average, this IOP-lowering in my view is several-fold better although this is from early trials and I don't want to suggest that the new outcome is going to be like this or better - that would be inappropriate for me to do so, but just looking at this data and what's been published with other devices, there are in view either no or maybe some minor instances where you can achieve this without medication. And you have medication, it should be less than one medication on average. So I think we are – to our view and from what we hear, this is quite robust, lowering of IOP over a long period of time.

<Q8-1>: In Asia, how much did you sell in China and what was the growth rate in the local currency. Can you specifically talk about China, please?
<A8-2> Kazuo Koshiji: In FY2017 for China, revenue was 17.8 billion yen and for FY2018, we are looking at approximately 21 billion sales. In yen, FY2017 revenue grew 32.2%, while local currency growth was 26.7%. This difference was caused by the yen

depreciation.

<Q8-2>: If that is the case, Asia total sales forecast, excluding China, will the growth rate be down?
<A8-2> Kazuo Koshiji: No. I don't think so. For FY2018, we will see continued growth. Of course, the numbers may seem conservative. However, we are seeing momentum in each of the countries, so there is no specific country that is showing deterioration.