



# Santen Pharmaceutical Meeting on Long-term Vision

Jul 7, 2020

President and CEO

**Shigeo Taniuchi**

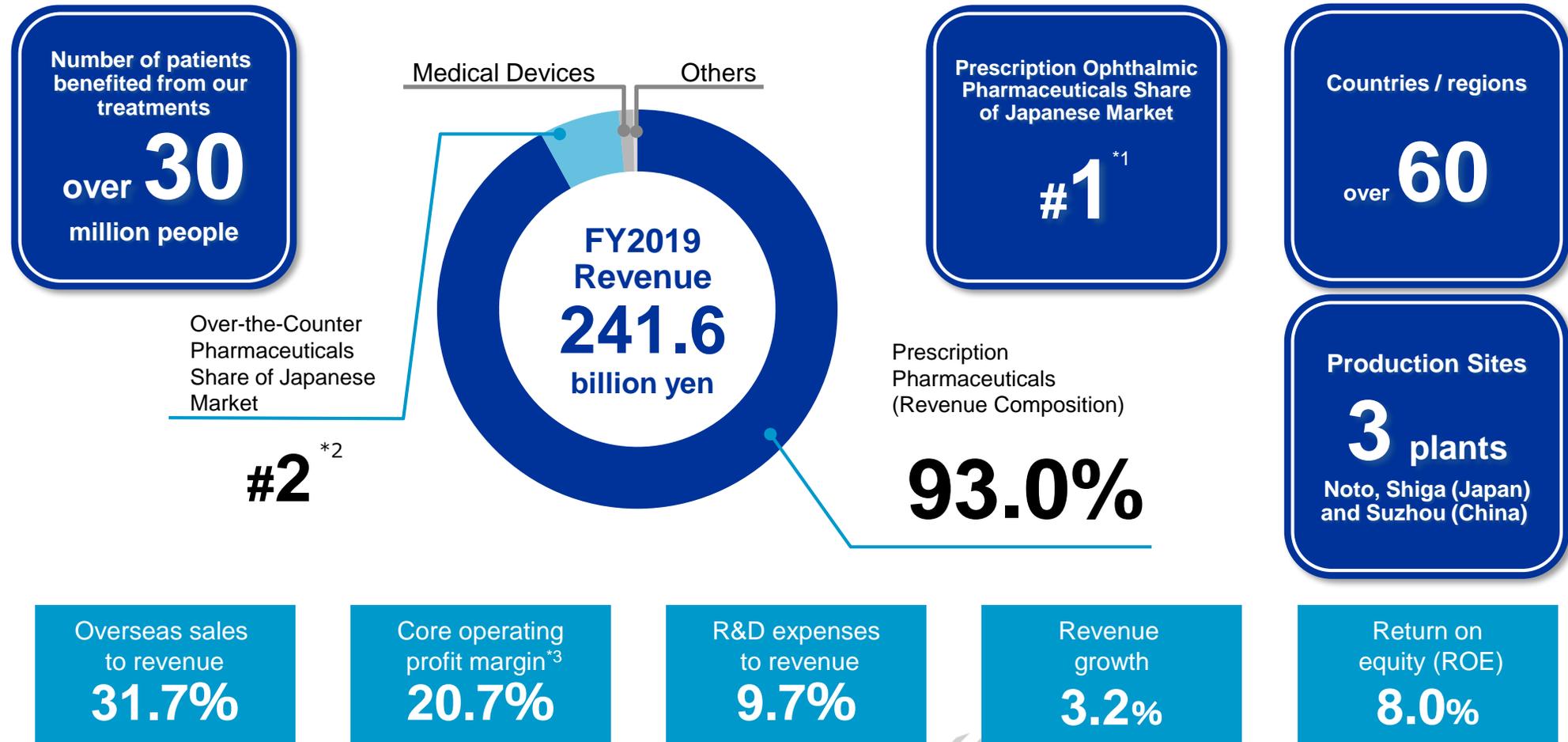
# ▶▶▶ Video: Potential of Vision



[Please click here for video](#)

# Business Overview

Aiming for the health of the world's vision,  
we are developing projects specializing in the field of ophthalmology



\*1:Source: Copyright © 2020 IQVIA. Santen analysis based on IQVIA MIDAS 2019. Reprinted with permission.

\*2 Market share and market position in Japanese for the fiscal year ended March 31, 2020. Source: Santen Pharmaceutical Co., Ltd.

\*3 Santen discloses information on a core basis to better express its recurring business performance. Financial information on a core basis excludes certain gains and expenses from IFRS results on a full basis.



# Agenda

- **Vision 2020 Review**
- **New Long-term Vision**
  - ▶ World We Want to Create
  - ▶ Santen 2030

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- **Brand Communication**



# Vision 2020 Review

# Vision 2020

## To Become a Specialized Pharmaceutical Company with a Global Presence

Maximize new global product value

Establish & reinforce overseas business platform

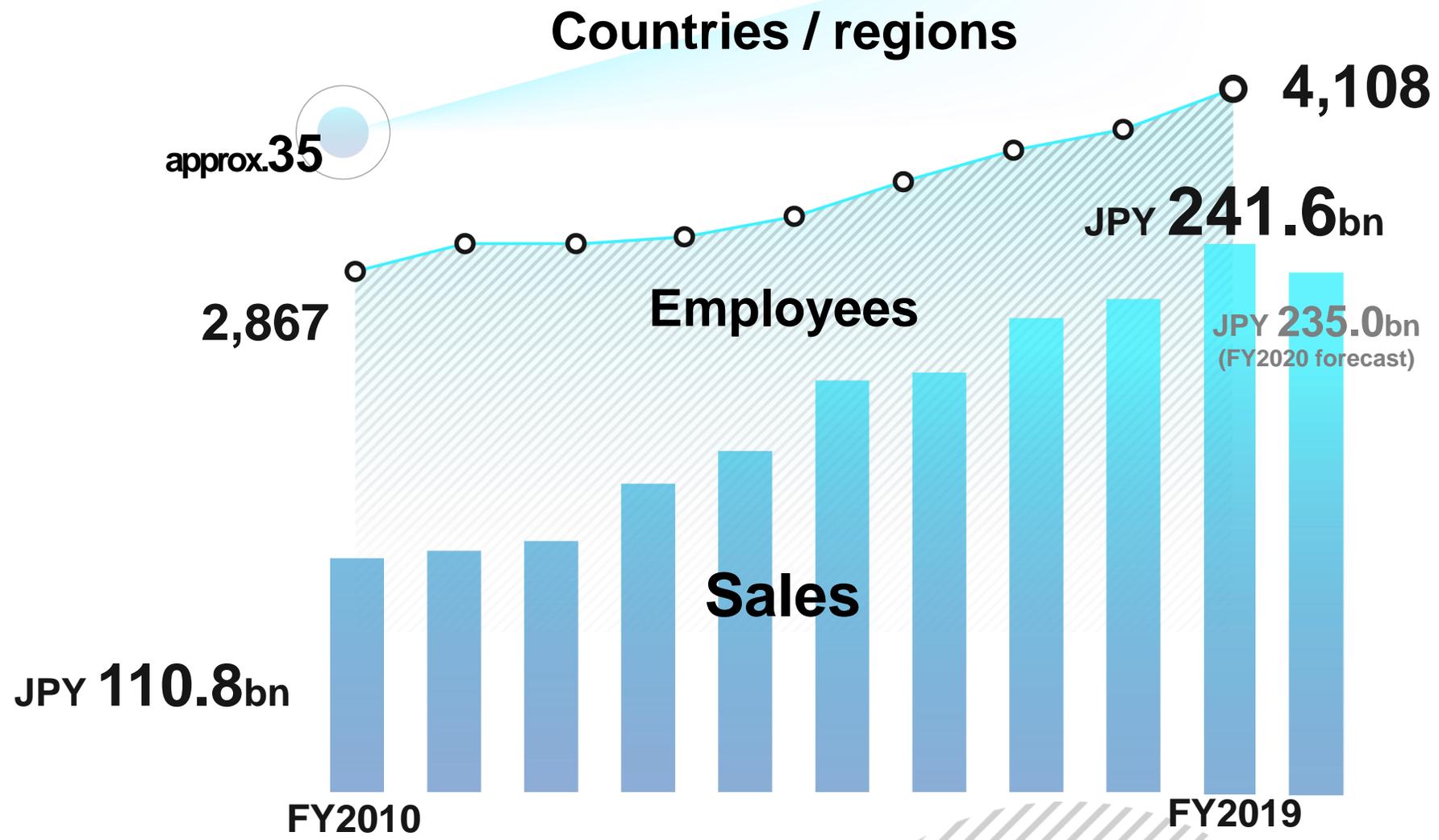
Strengthen Japanese business platform  
and market creation

FY2010

FY2020

# Performance Trend

Over 60



# Major Changes in the Last 10 Years

**FY2011**    **Acquired Novagali**

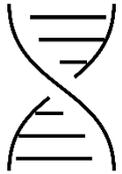
**FY2014**    **Took over ophthalmic assets from MSD**

**FY2015**    **Transferred anti-RA business**

**FY2016**    **Acquired InnFocus**

# Road to Success

1



## Product development

Develop products that meet true customer needs

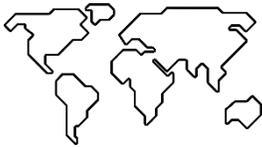
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## Leading market in Japan

Transform our Japan business for further growth

3



## Global expansion

Accelerate business expansion in Asia and promote market entry in W. Europe and US

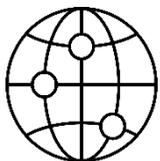
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## Product supply

Establish competitive global products, and supply and quality assurance systems

5



## Global organization structure

Strengthen talents and organizational capabilities to promote creation and innovation

# 1 Product Development

- New products launched such as *Alesion, EYBELIS, Ikervis*
- Built a global R&D system
- Accelerated our **product franchises** from Japan to overseas
- Started **application of new technologies** such as gene therapy, cell therapy and digital technology to ophthalmology

## ▶▶▶ 2 Leading Market in Japan

- Achieved **higher growth than the market** as a core business
- Transformation to **Solution Provider**
  - Integrating Rx, OTC and Surgical business
  - Patient-centered services such as ACT Pack  
(tool for supporting continuous glaucoma treatment)
- RX market share **#1**\*

# 3 Global Expansion: China

- Achieved **double-digit growth** and **monetization**
- Realized **high CS** by strengthening sales foundation, high-qualified products and customer-oriented activities
- RX market share **#1**\*
- Suzhou plant: Obtained **EU GMP certificate** (only Santen has achieved this among all Chinese ophthalmic pharmaceutical companies), Decided to **construct a 2nd plant**

# 3 Global Expansion: ASIA

- Achieved **double-digit growth** and **monetization**
- Focused on **medical needs** through adapting **country specific situations** and established **self-sales systems**
- **Expanded product portfolio**
- **Korea: RX market share #1\***

## 3 Global Expansion: EMEA (Europe, the Middle East and Africa)

- Achieved **higher growth than market** and **monetization**
- Launched new products to address unmet medical needs including **preserved-free** products
- Expanded geographical coverage from original business in Northern and Eastern Europe to **Pan European**, leveraging the acquisition of the glaucoma franchise from MSD
- **Established presence** in EMEA which has a big influence globally in regulatory and academic fields

# 3 Global Expansion: Americas

- Started selling products in **Canada**
- Preparing for steady **US** market entry
  - **DE-128: Completed NDA filing in aiming for market entry with differentiated product, Plan to launch in FY 20**
  - **Partnered with Glaukos on Exclusive Distribution of DE-128 in US and built sales system**

# ▶▶▶ 4 Product Supply

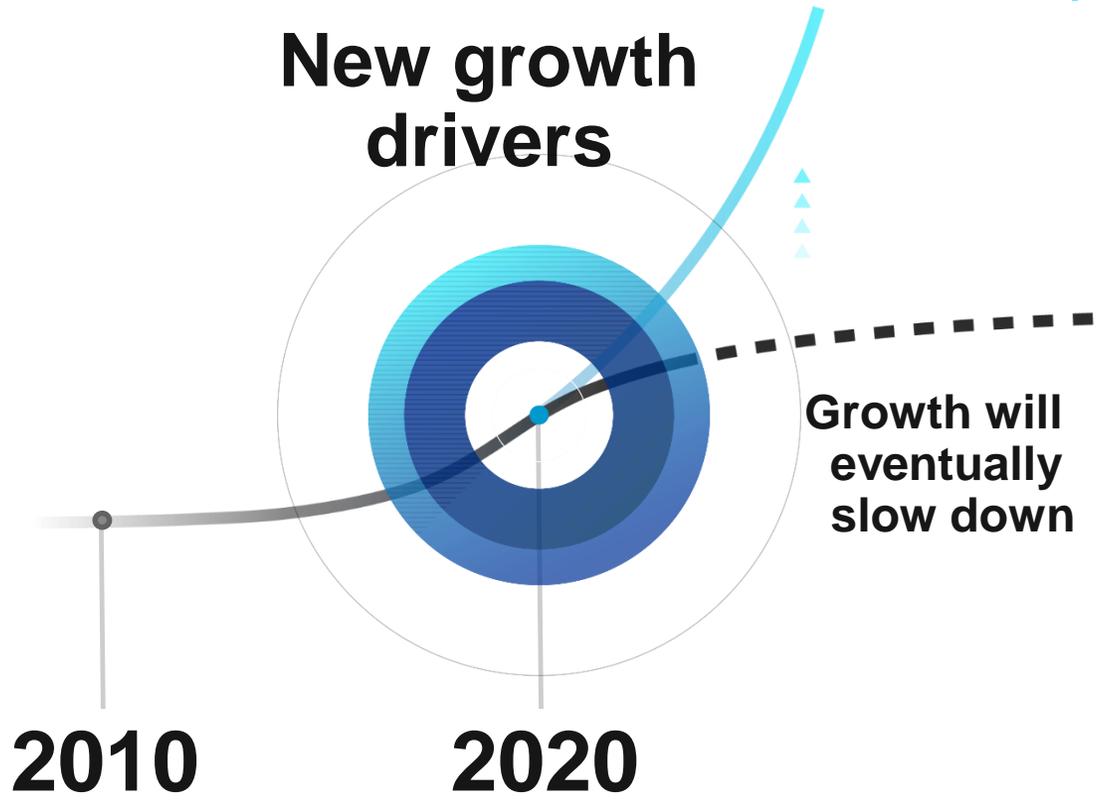
- Realized **cost reduction** and **response to demands** with limited capacity
- Built **global supply chain**



# 5 Global Organization Structure

- Developed **Santen Leadership Competencies (SLC)** globally as the basis for our expectations for personnel based on **Core Values**
- Started **standardization of core business processes and business optimization** globally
- Transforming to **true global organization** based on new management frame work

# Growth



**Search for new solutions that go beyond “medicine”**

**Unlock the market**



# New Long-term Vision

# World We Want to Create

# ▶▶▶ Video: Social Issue



[Please click here for video](#)

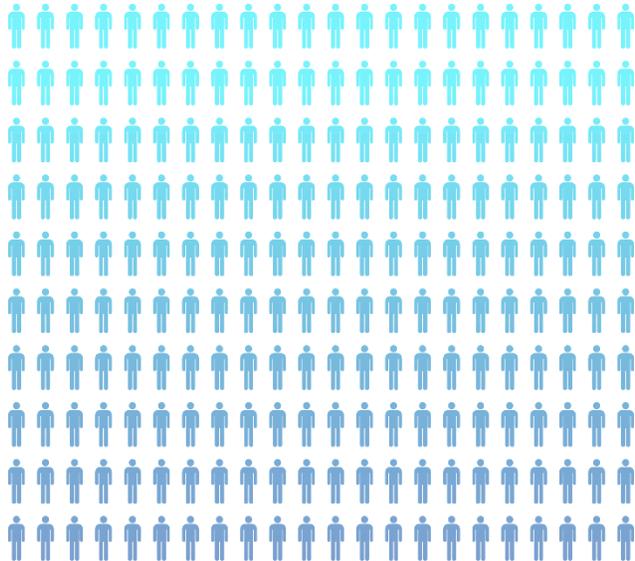
# Vision

## How important is the vision?

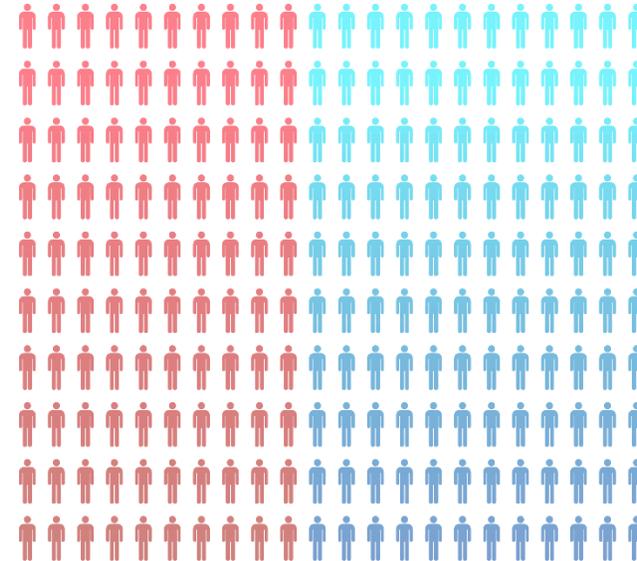


# Global Estimates of Numbers of People Affected by Eye Conditions

At least **2.2bn** people are visually impaired or blind



At least **1bn** within the 2.2bn, are untreated, or could have been prevented





# What Changes There will Be in the Next 10-20 Years?



**Explosive population growth**  
**Global population aging**



**Lifestyle**



**Preferences**



**Innovations**

**People with eye problems  
will increase further**

**Bring together the power of  
stakeholders  
in a people-centered manner**

# Santen's CORE PRINCIPLE



CORE  
PRINCIPLE

天機に参与する

*Tenki ni sanyo suru*

“Exploring the secrets and mechanisms of nature in order to contribute to people’s health” \*



\*Santen's original interpretation of a passage from chapter 22 of Zhongyong (The Doctrine of the Mean) by Confucius.



# WORLD VISION:

## The World Santen Ultimately Aspires to Achieve

# Happiness with Vision

The Happiest Life for every individual,  
through the Best Vision Experience



# Santen 2030



# Santen's VISION: Toward 2030 and Beyond

## Become A Social Innovator

**Orchestrate and mobilize key technologies and players around the world, to deliver happiness through vision.**

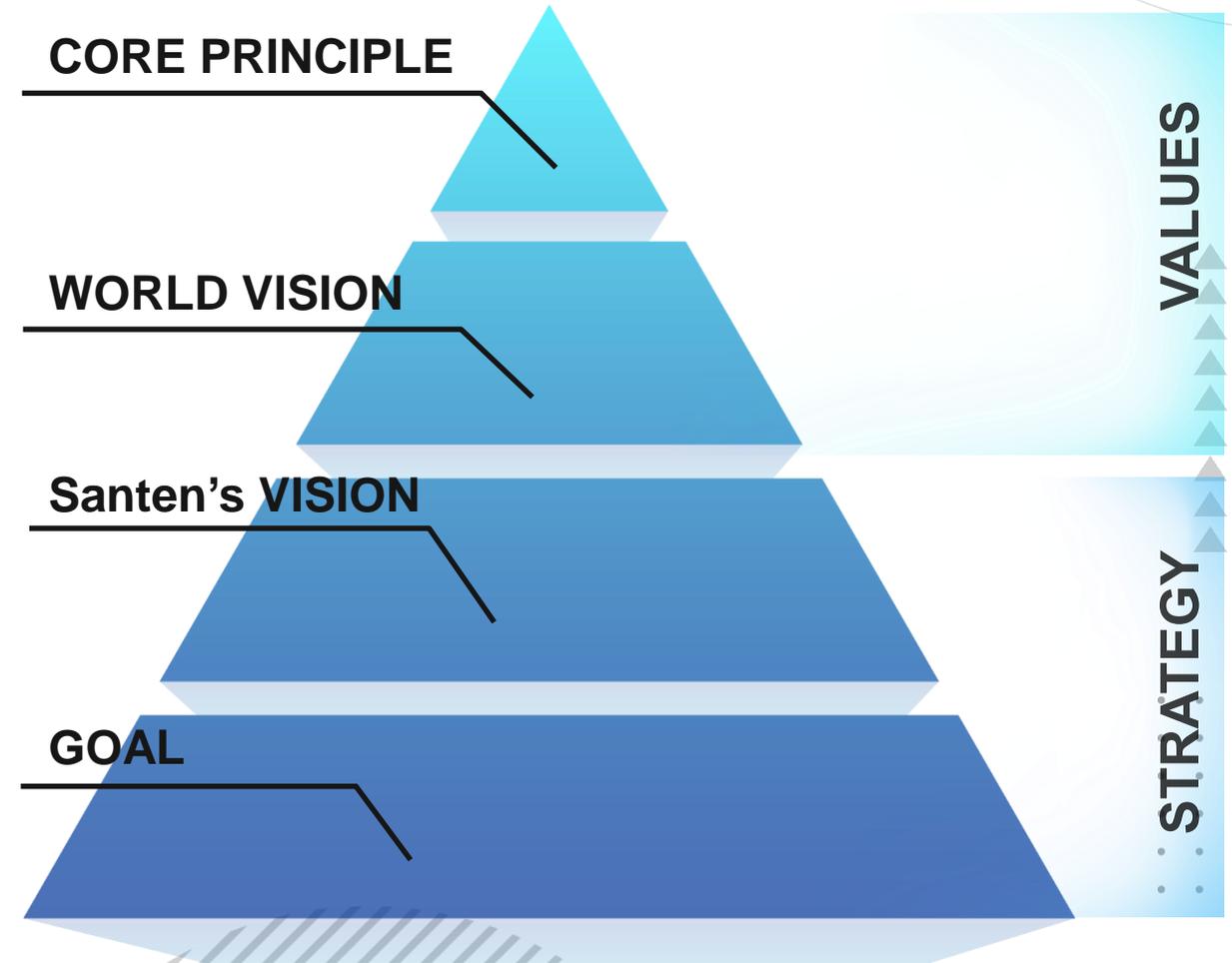


# Structure of Santen's CORE PRINCIPLE and Long-term Vision

天機に参与する  
*Tenki ni sanyo suru*

“Happiness with Vision”

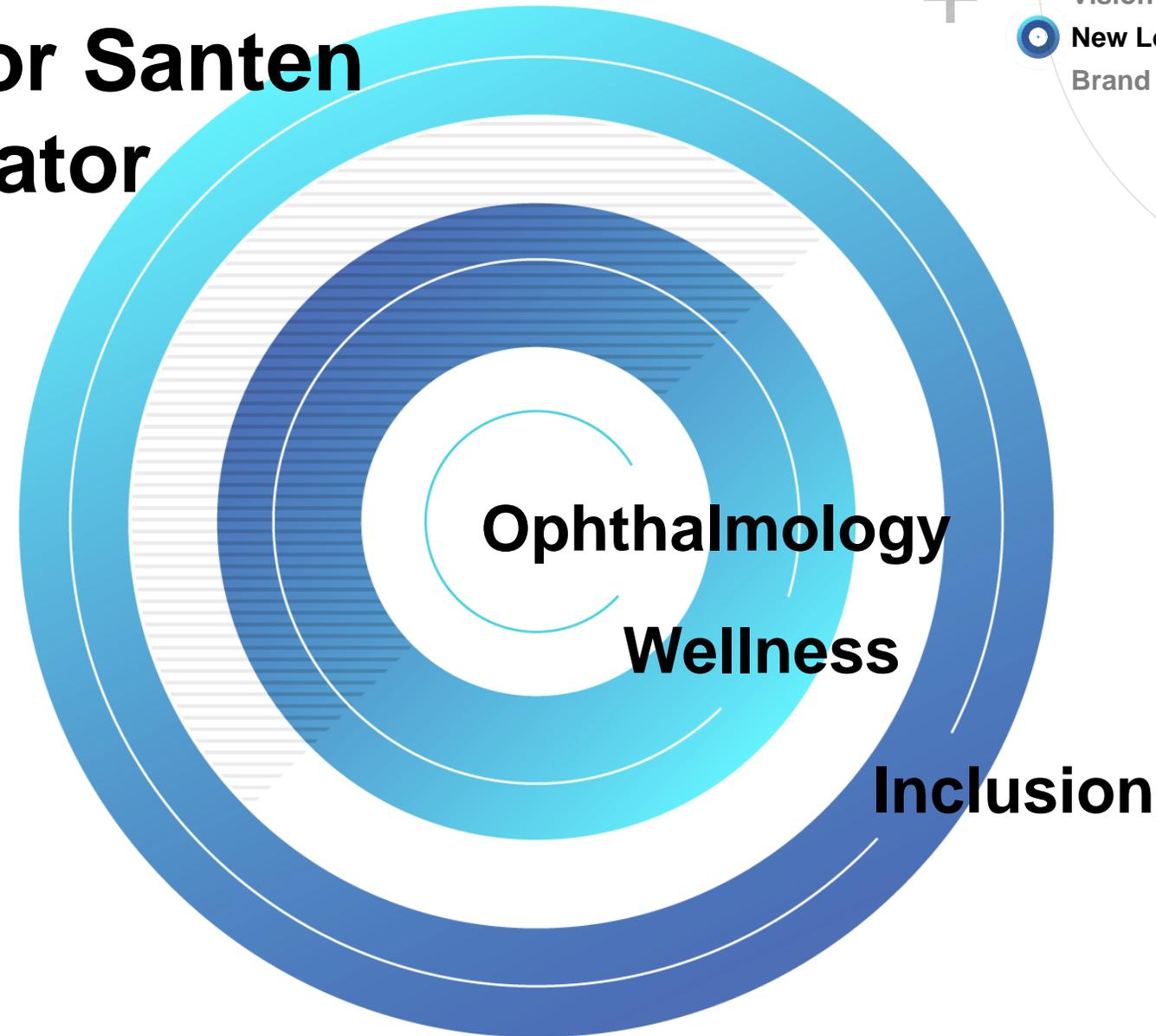
“Become A Social Innovator”



# Strategy Frame for Santen as a Social Innovator



Vision 2020 Review  
New Long-term Vision  
Brand Communication



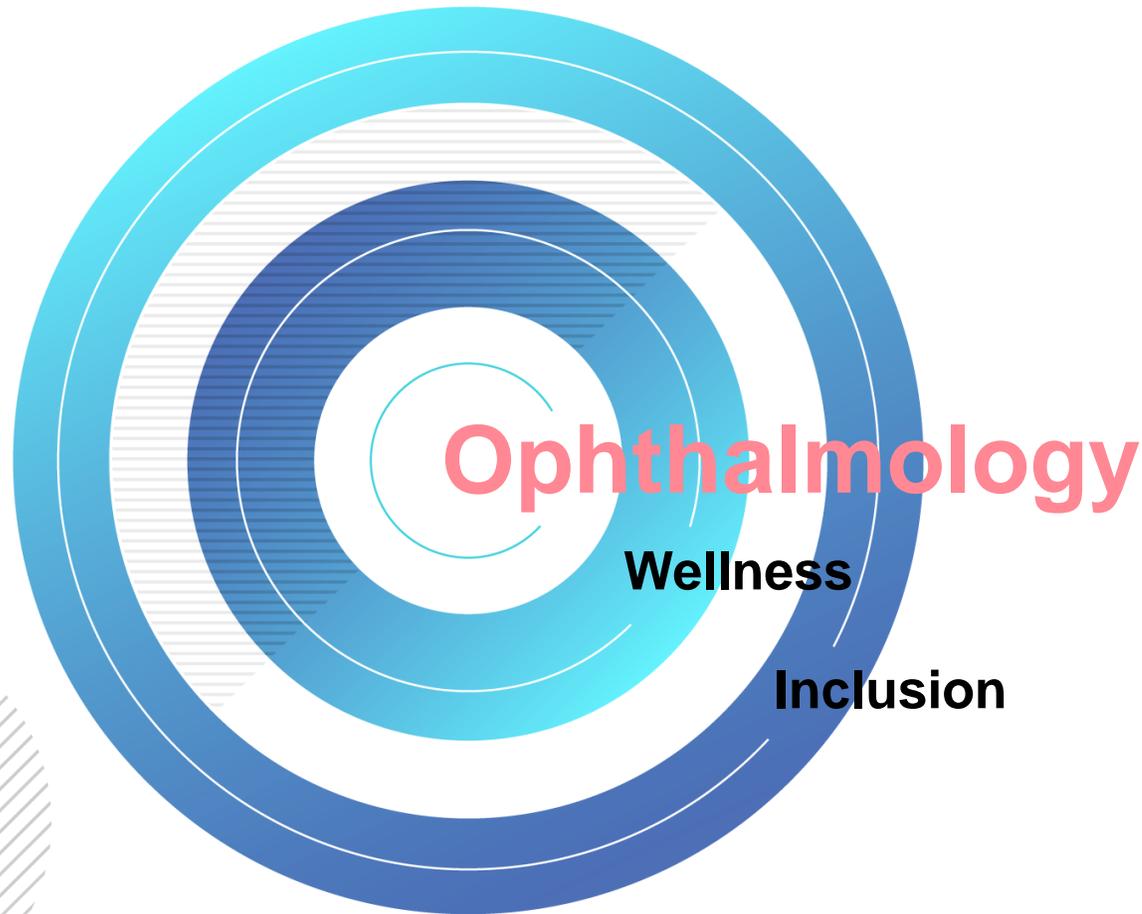
# Video: Strategy



[Please click here for video](#)



# Strategy Frame for Santen as a Social Innovator



- 1 Innovation in Ophthalmology
- 2 Acceleration of an Eye Care Ecosystem Development





# Ophthalmology 1

## Innovation in Ophthalmology

- ◆ Evolution of ophthalmic medicine using **digital and electronic devices**
- ◆ Addressing **therapeutic innovation** including cell and gene therapies



# Innovation in Ophthalmology



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New Long-term Vision  
Brand Communication



**People centric clinical development leveraging digital technology**



# Innovation in Ophthalmology

## Patient needs

## Partnerships

## New modalities

- Gene therapy
- Cell therapy
- Biologics
- Peptides ...

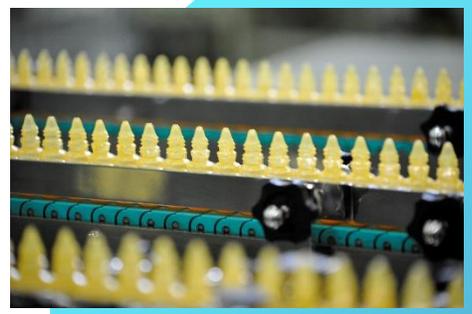




# ▶▶▶ Innovation in Ophthalmology

## Traditional ophthalmic solution providers

## New entrants



Accelerating  
pace of  
change

Increasing  
competition



### Open innovation that combining business development with venture capital investment



# Message from heads of R&D and business development





# Ophthalmology 2

## Accelerating Development of an Eye Care Ecosystem

**Aging /  
Urbanization**



**Increasing ophthalmic  
health care needs**

- ◆ **Contributing to qualitative and quantitative improvements for healthcare professionals**
- ◆ **Improving of diagnostic and therapeutic rates**

The Eye Care Ecosystem is a collection of different actors that contribute to the provision of ophthalmic health care and their organically functioning collaborative relationships.

# Development of an Eye Care Ecosystem

Increase of potential patient numbers  
due to improved of disease recognition and treatment rate

## Development of an Eye Care Ecosystem

Emphasis on  
quality of vision

Representative  
Disorder

Infections (trachoma, etc.)

Diseases with subjective symptoms (allergy, inflammation, etc.), cataracts

Glaucoma, Retina

Regions  
As of 2019

African countries

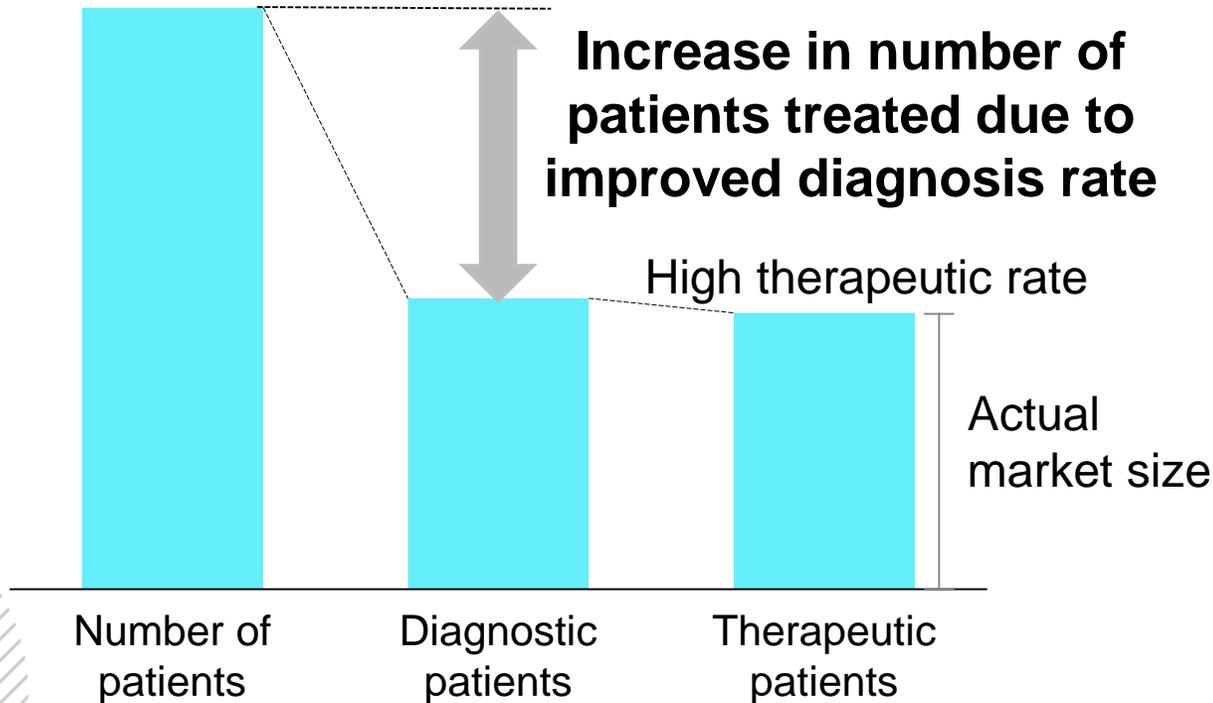
China, Southeast  
Asian countries, etc.

Japan, US,  
Europe, Singapore,  
etc.

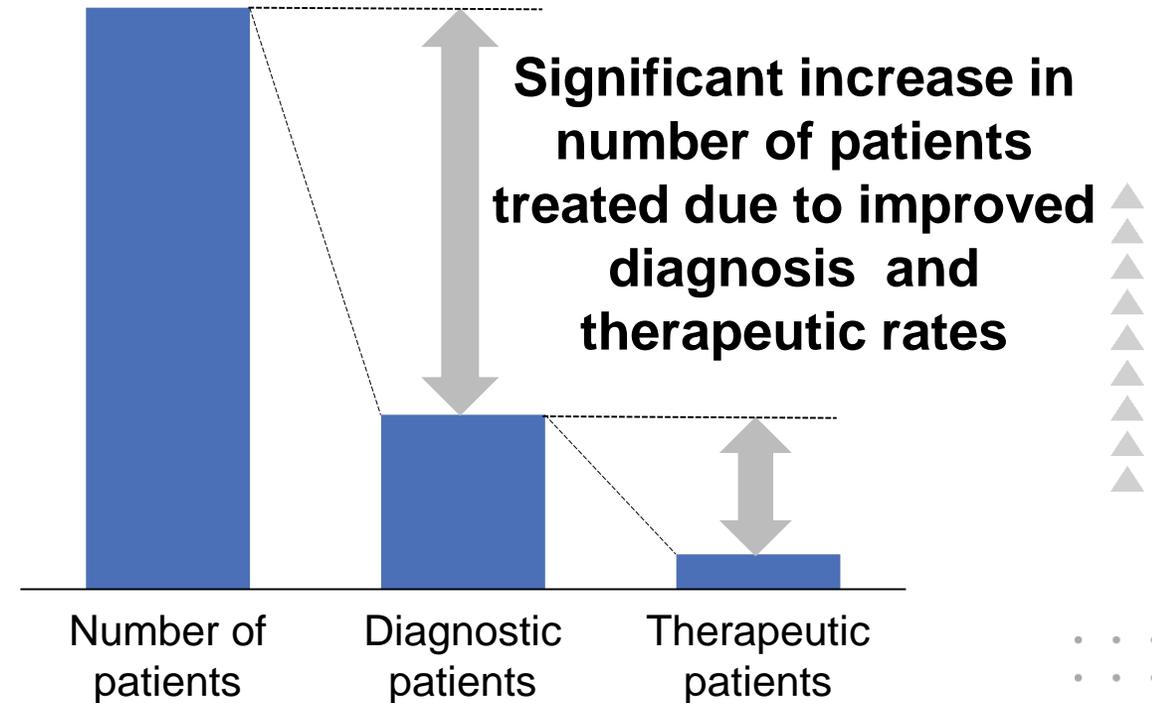
Number of  
Players' \*1  
Collaboration,  
Efficiency

# Growth Opportunities through Developments in an Eye Care Ecosystem

## Developed countries



## Emerging countries

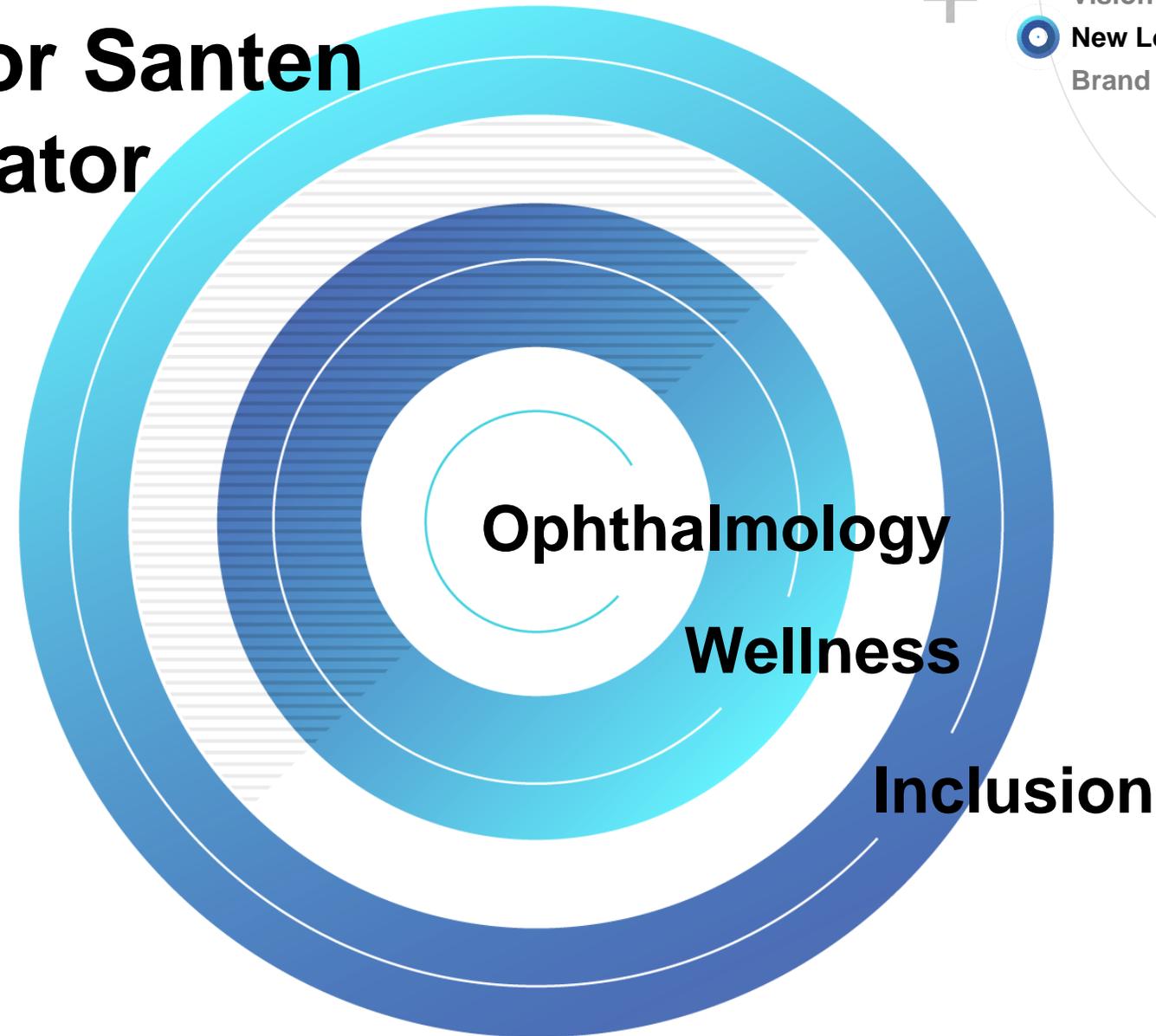


**Accelerating development of an Eye Care Ecosystem**  
→ **Improving diagnostic and therapeutic rates**

# Strategy Frame for Santen as a Social Innovator



Vision 2020 Review  
New Long-term Vision  
Brand Communication





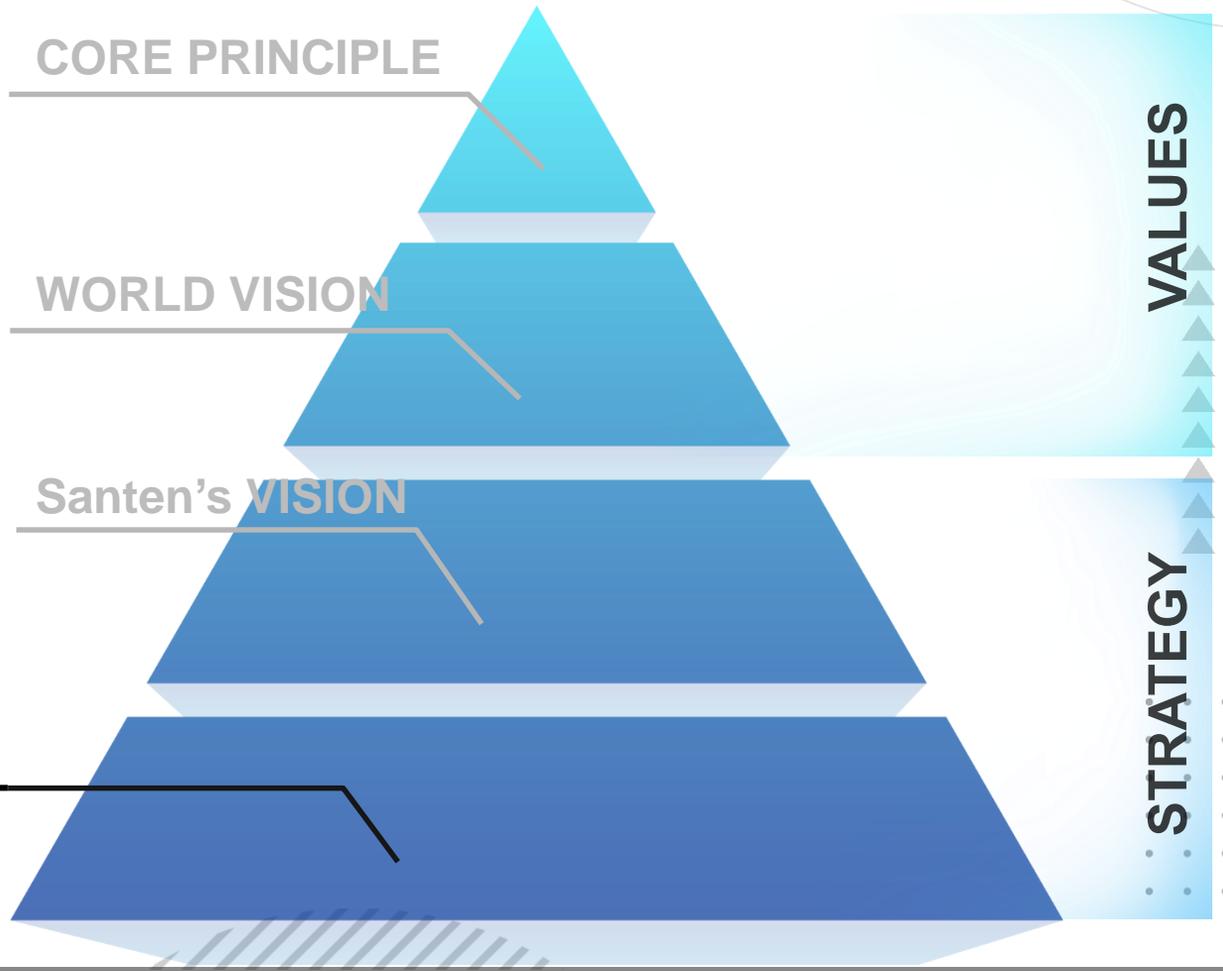
# GOAL

If nothing is done,  
global economic costs (US\$ 3.5 tn\*)  
due to visual impairment  
will increase



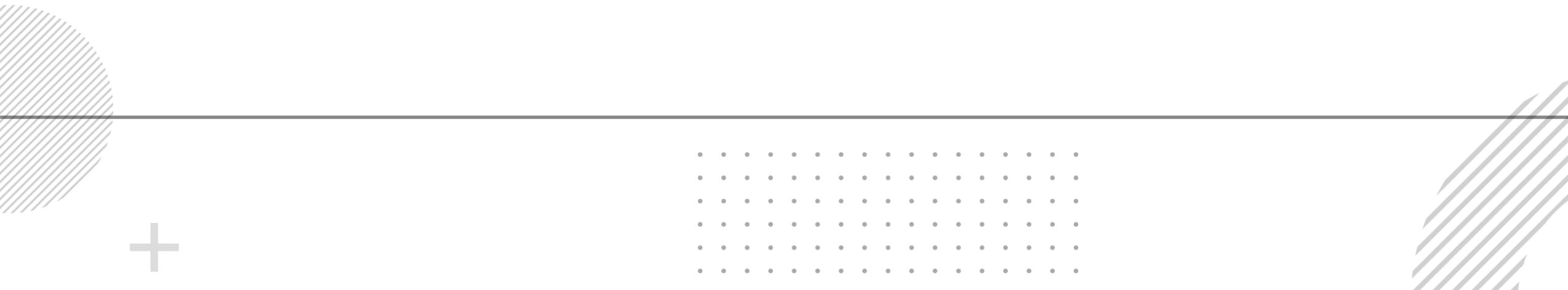
## GOAL

**Aim to reduce the loss of social and economic opportunities for people around the world due to eye conditions**





# Brand Communication





# Santen Pharmaceutical



# Santen



# New Corporate Slogan

Vision 2020 Review  
New Long-term Vision  
Brand Communication

# Imagine Your Happiness

