FY2021 Financial Results

Presentation: May 11, 2022

Become A Social Innovator

Imagine Your Happiness

Participants

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Forward-looking statements

- Materials and information provided in this announcement include so-called "forward-looking statements" .The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that we believe to be reasonable. The realization of these forecasts is subject to various risks and uncertainties. Please be aware that actual results could differ materially from these forward-looking statements. We assume no obligation to update the contents of this document from time to time.
- Risk factors include, but are not limited to, the following:
  External factors such as trends in pharmaceutical administration, social and economic conditions, changes in laws and regulations, and exchange rates. Changes in the competitive environment, such as the impact of generics. Reliance on certain products and business partners, such as dependence on mainstay products, reliance on licensed products, and reliance on certain business partners for the supply of bulk drugs. Uncertainty in the development of new drugs, the possibility that R&D investment will not produce sufficient results, the success or failure of alliances with other companies, and other R&D activities. Other factors include intellectual property rights, production slowdowns and delays caused by natural disasters, product supply issues such as discontinuations and product recalls, litigation, and risks related to global business development.
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CORE PRINCIPLE and WORLD VISION

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” *

WORLD VISION

Happiness with Vision

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

* Santen’s original interpretation of a passage from the Zhongyong (The Doctrine of the Mean) by Confucius.

Santen 2030

Toward 2030 and beyond

Santen's VISION

Become A Social Innovator

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

GOAL

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

STRATEGY

A **Ophthalmology**
Innovation in Ophthalmology and Acceleration of Ecosystem Development

B **Wellness**
Awareness and Proactive Care toward Better Eye Condition

C **Inclusion**
Building Society that is Inclusive regardless of Visual Impairment

Evolution from Vision 2020 to Santen 2030

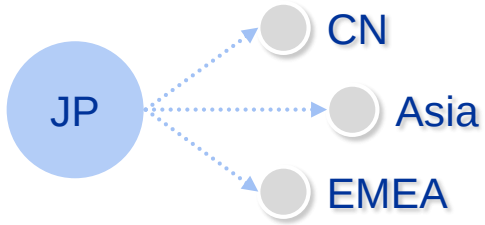
Vision 2020 (2011-2020)
Expanded global market presence

MTP2025 (2021-2025)
Transformation into a truly global ophthalmology Rx company

Santen 2030 (2021-2030)
Become a Social Innovator

Step 1
Expand overseas by leveraging Japan's strengths

Santen as of 2011

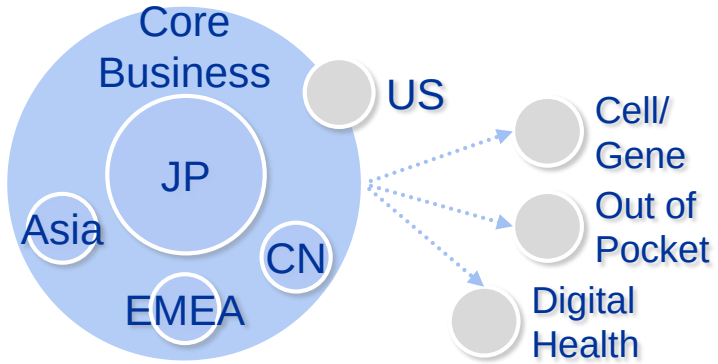


Expand globally as a top player in Ophthalmology prescription market from Japan. Established global presence (excl. US)

- Expanded presence in Asia and EMEA after acquiring Merck products in 2014

Step 2
Enhancing globalization and entering new fields

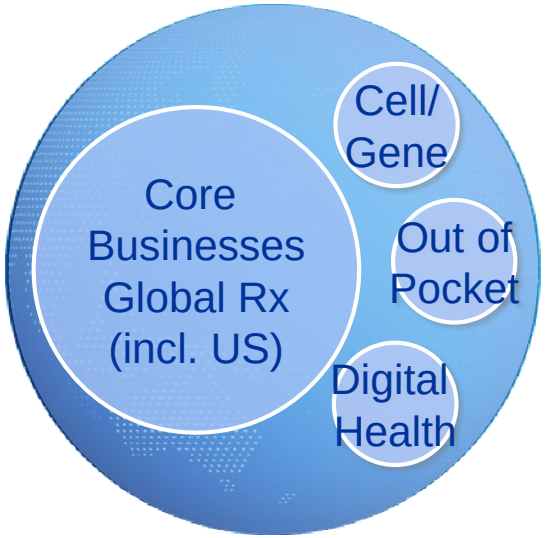
Santen as of 2021



Maximize the value of core businesses. Leverage to enter new businesses and new areas

- Enter the US ophthalmic Rx market through the platform of Eyevance
- Invest in future growth areas such as cell and gene therapy, out of pocket market and digital health

Step 3
Leader in ophthalmology



Achieve business consolidation in ophthalmic products, incl. US
Further evolve business model while expanding into new technology / out-of-pocket
To become a Social Innovator that contributes to society through the eyes

EMT: Bolster organization and accelerate execution as a global company

Nationalities
8

Female ratio
25%

Location
5
countries

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4. R&D Update

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Increased revenues, decline in Core profits
Paving the way for medium-term growth

Profit ratio improvement in core businesses

Accelerating global profit growth

- Revenue: JPY 266.3 bil. (+7%), Core OP：JPY 46.3 bil.（–7%）
- Contribution profit ratio by region
  Japan: Overseas(excl. US)＝ 66 : 34 (excluding US)
- Further focus on productivity and profitability enhancement (Consolidated OP CF +19% YoY)

Expansion of new areas

Achieved: Pipeline enhancement, Work in progress: U.S. profitability

- US: Slower growth momentum from new product launch delays and existing products sales
  Completed preparations as U.S. market-access platform
- Progress in mid-to-long term growth drivers: Ptosis/Myopia/Presbyopia/Cell therapies

Strengthening of foundation as a global company

Steady progress

- Product development: Strengthen function in US & China, pipeline prioritization
- Production: Strengthen cost competitiveness from new plants (Shiga and Suzhou)
- Management: Revamping to reinforce execution in strategy & governance
- ESG: ESG metrics-linked executive compensation

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Core operating profit: Below forecast and YoY decline

(JPY billions)	FY2020		FY2021				
	Actual	vs Revenue	Actual	vs Revenue	YoY	Forecast	vs forecast
Revenue	249.6	-	**266.3**	**-**	**+6.7%**	260.0	102%
Cost of sales	98.2	39%	109.7	41%	+11.7%	101.0	109%
Gross margin	151.4	61%	**156.6**	59%	**+3.4%**	159.0	98%
SG&A expenses	77.2	31%	83.9	31%	+8.7%	81.0	104%
R&D expenses	24.1	10%	26.4	10%	+9.4%	26.0	101%
Core operating profit	50.1	20%	**46.3**	**17%**	**-7.5%**	52.0	89%
Non core SG&A expense	2.4	1%	0.6	0%	-73.2%	0.4	159%
Amortization on intangible assets associated with products	10.7	4%	9.7	4%	-8.6%	8.9	109%
Other income	16.0	6%	1.0	0%	-93.5%	0.5	209%
Other expenses	40.9	16%	1.1	0%	-97.2%	1.7	67%
Operating profit	12.2	5%	**35.9**	**13%**	**+194.5%**	41.5	86%
Finance income	1.3	1%	2.5	1%	+88.9%	0.9	283%
Finance expenses	1.5	1%	1.2	0%	-18.8%	0.2	604%
Share of loss of Investments accounted for using equity method	0.4	0%	1.6	1%	+348.6%	1.2	134%
Profit before tax	11.7	5%	35.6	13%	+204.7%	41.0	87%
Income tax expenses	2.6	1%	8.4	3%	+228.9%	10.5	80%
Actual tax ratio	*21.9%*	*-*	*23.7%*	*-*	*+1.7pt*	*25.6%*	*-1.9pt*
Net profit	9.1	4%	**27.2**	**10%**	**+197.9%**	30.5	89%
ROE	3.0%		8.4%			10%	
Core net profit	37.5	15%	35.2	13%	-6.3%	39.0	90%

Gross Margin

+3% YoY

- YoY revenues increase from sales expansion in each region
- Gross margin ratio slightly impacted from product mix and one-time contractual-related costs

Operating Profit (Core basis)

-7% YoY

- Increased from carried-over domestic sales promotion expenses (JPY 0.9 bil), Eyevance consolidation, strategic investments (cell therapies, etc.) and FX impact

Operating Profit (IFRS)

+194% YoY

- Other income and expenses: Reactionary drop of impairment loss on STN2000100 from previous year

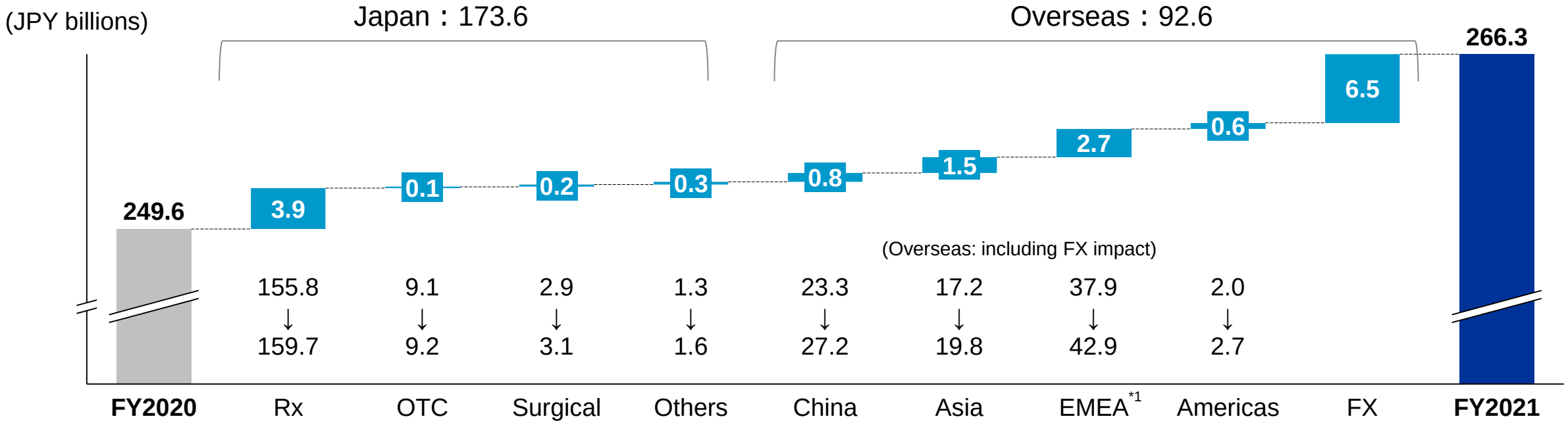
Net Profit (IFRS)

+198% YoY

- Increase in strategic invest. (equity-method investment loss)

Sales growth driven by overseas core businesses

	FY2020 ACT	FY2021ACT	FY2021FCST
USD (JPY)	105.95	112.57	105.00
EUR (JPY)	123.73	130.75	125.00
CNY (JPY)	15.61	17.55	16.50



Japan	+2.7% YoY: Impacted by lower-than-average year airborne pollen levels (*Alesion* YoY -3.4bil JPY). Growth in core products.
China	+16.5% YoY (Ex. FX impact +3.6%): Results from channel shift and new product market penetration. Continued initiatives to expand glaucoma market
Asia	+15.1% YoY (Ex. FX impact +8.7%): Above-market growth and increased sales, driven by core glaucoma and dry eye products
EMEA	+13.2% YoY (Ex. FX impact +7.1%): Dry eye, glaucoma core products' contribution. No.1 glaucoma mkt. share in 13 countries.*2 Negligible Q4 business impact from Ukrainian situation
Americas	+35.0% YoY (Ex. FX impact +27.4%): Below forecast from mainly formulary and supply-related issues on Eyevance products

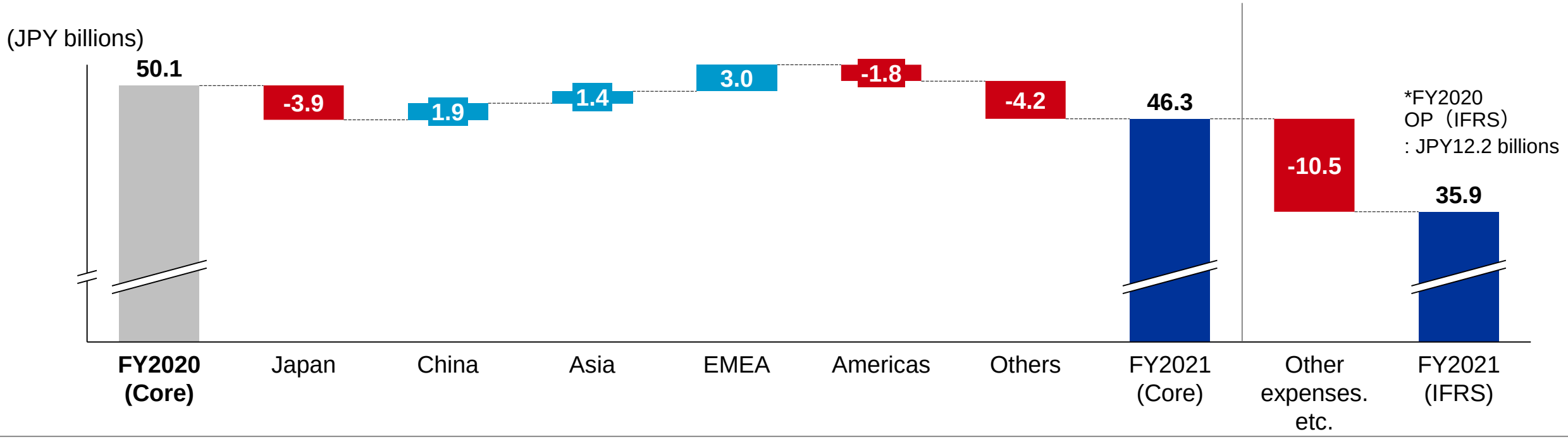
Sales classified into countries or regions based on customer's location

*1: EMEA: Europe, Middle East and Africa

*2: Source: Copyright © 2022 IQVIA. IQVIA MIDAS 2021Q1-2021Q4, Santen analysis based on IQVIA data. Reprinted with permission

FY2021 Operating profit bridge

Decline in Core operating profit



\+ Core: Higher gross margin from sales growth
IFRS: Reactionary drop of FY2020 impairment loss, decline in non-core SG&A and amortization of intangible assets

\- Core: Product mix, carried-over sales promotion expenses (JPY 0.9 billion), Eyevance delay in turning profitable, strategic investments and FX impact

Regions reported on Contribution profit basis. “Others” include global R&D expenses and indirect costs associated with service provided in each region

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FY2022-23: Transition to a resilient structure

2021	2022~2023 FY2022	~2025
Revenue JPY 266.3bil. (overseas: 35%)	Revenue JPY 264.0bil. (overseas: 41%)	Revenue JPY315.0bil. (overseas: 50%)
COGS 41%	COGS 39%	COGS 36%
SG&A (incl. non-core SG&A) 32%	SG&A 34%	SG&A 30% level
Core OP 17%	Core OP 17%	Core OP 24%
OP 13%	OP 13%	OP 21%

1. Prioritize profitability improvement

2. Increase revenue & overseas sales with improved profitability

Towards a global competitive company by building financial resilience

Short/ Mid-tem impact Actions

Accelerate and strengthen strategy execution and governance through EMT

- Core business: increase profitability of China/Asia/EMEA
- Manufacturing: cost reduction through production efficiency and management
- SG&A: optimization and Zero-based review of all costs
- R&D expenses: prioritization and optimization of R&D pipeline
- New business: accelerating all measures deemed necessary to turn U.S. profitable

Long-term impact Actions

Strengthening foundations as a global company

- Pipeline: building out by prioritizing projects and optimizing portfolio
- Next generation ERP: firm-wide roll out to improve productivity

-1% YoY revenue from price revisions in Japan. OP margins YoY flat. Transforming to deliver second-half of MTP2025

(JPY billions)	FY2021		FY2022		
	Actual	vs Revenue	Forecast	vs Revenue	YoY
Revenue	266.3	-	**264.0**	-	**-0.8%**
Cost of sales	109.7	41%	103.0	39%	-6.1%
Gross margin	156.6	59%	**161.0**	61%	**+2.8%**
SG&A expenses	83.9	31%	88.5	34%	+5.5%
R&D expenses	26.4	10%	27.0	10%	+2.4%
Core operating profit	46.3	17%	**45.5**	**17%**	**-1.8%**
Non core SG&A expense	0.6	0%	-	-	-
Amortization on intangible assets associated with products	9.7	4%	10.3	4%	+5.8%
Other income	1.0	0%	0.5	0%	-52.0%
Other expenses	1.1	0%	1.5	1%	+32.4%
Operating profit	35.9	13%	**34.2**	**13%**	**-4.7%**
Finance income	2.5	1%	0.9	0%	-64.6%
Finance expenses	1.2	0%	0.6	0%	-50.4%
Share of loss of Investments accounted for using equity method	1.6	1%	2.0	1%	+24.7%
Profit before tax	35.6	13%	32.5	12%	-8.7%
Income tax expenses	8.4	3%	8.1	3%	-3.6%
Actual tax ratio	*23.7%*	-	*25.0%*	-	*+1.3pt*
Net profit	27.2	10%	**24.4**	**9%**	**-10.3%**
ROE	8.4%		7%		
Core net profit	35.2	13%	34.1	13%	-3.1%

Gross margin

+3% YoY

- Impact by change in product mix and measures to reduce manufacturing costs

Operating profit (core basis)

-2% YoY

- Increase allocation to R&D from FY2021
- Reducing SG&A

Operating profit（IFRS）

-5% YoY

Net profit（IFRS）

-10% YoY

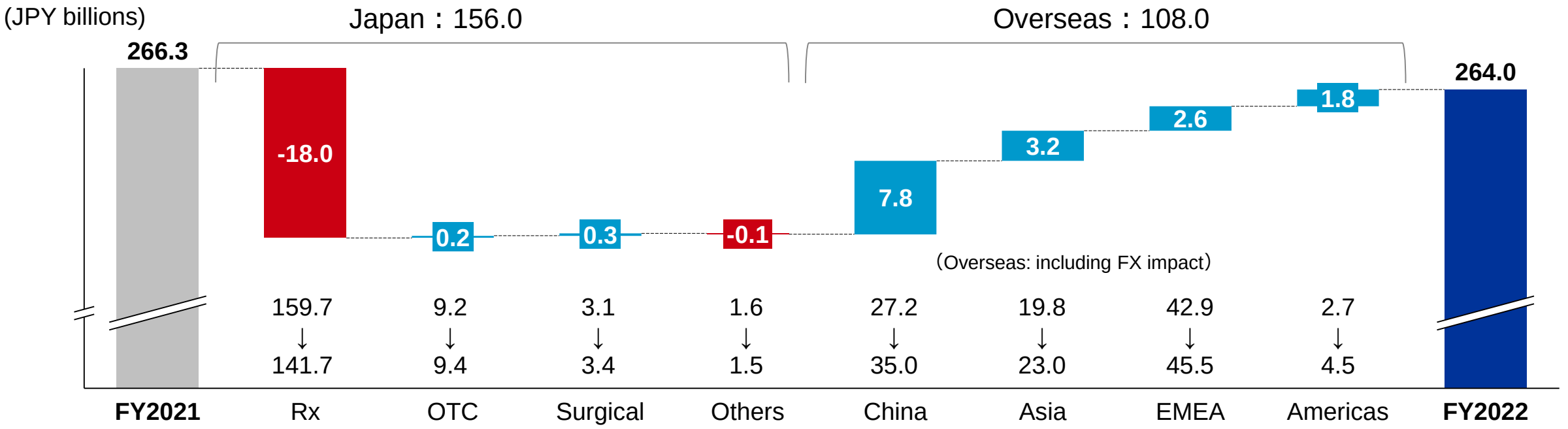
- Increase in strategic investments (equity-method investment loss)

Accelerating global dissemination of Japan's "Commercial excellence" Improving productivity and profitability coupled with growth overseas

	Revenue outlook	Action items
Japan	JPY156.0 bil. （YoY -10%）	• Maximize value of existing products • Launch of new products/LCM products • Improve diagnosis/adherence through digital tool
Overseas	JPY108.0 bil. （YoY +17%） *Overseas sales ratio: 41%	• China/Asia/EMEA: Core countries & Core products-centered growth with productivity increase through cost controls • US: accelerate trajectory to turn profitable

Overseas core businesses-driven profit contribution expected

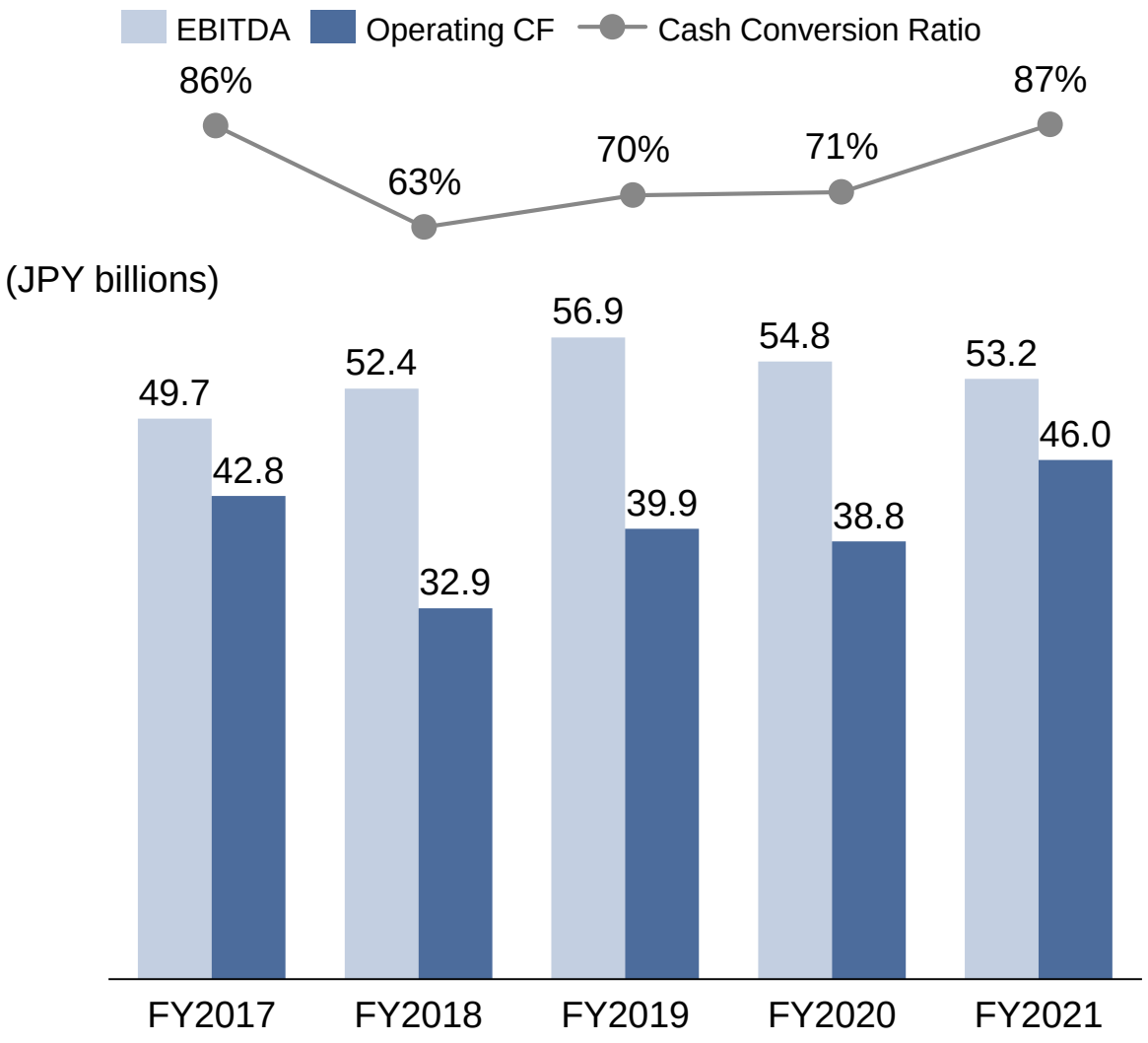
	FY2021ACT	FY2022FCST
USD (JPY)	112.57	125.00
EUR (JPY)	130.75	135.00
CNY (JPY)	17.55	19.00

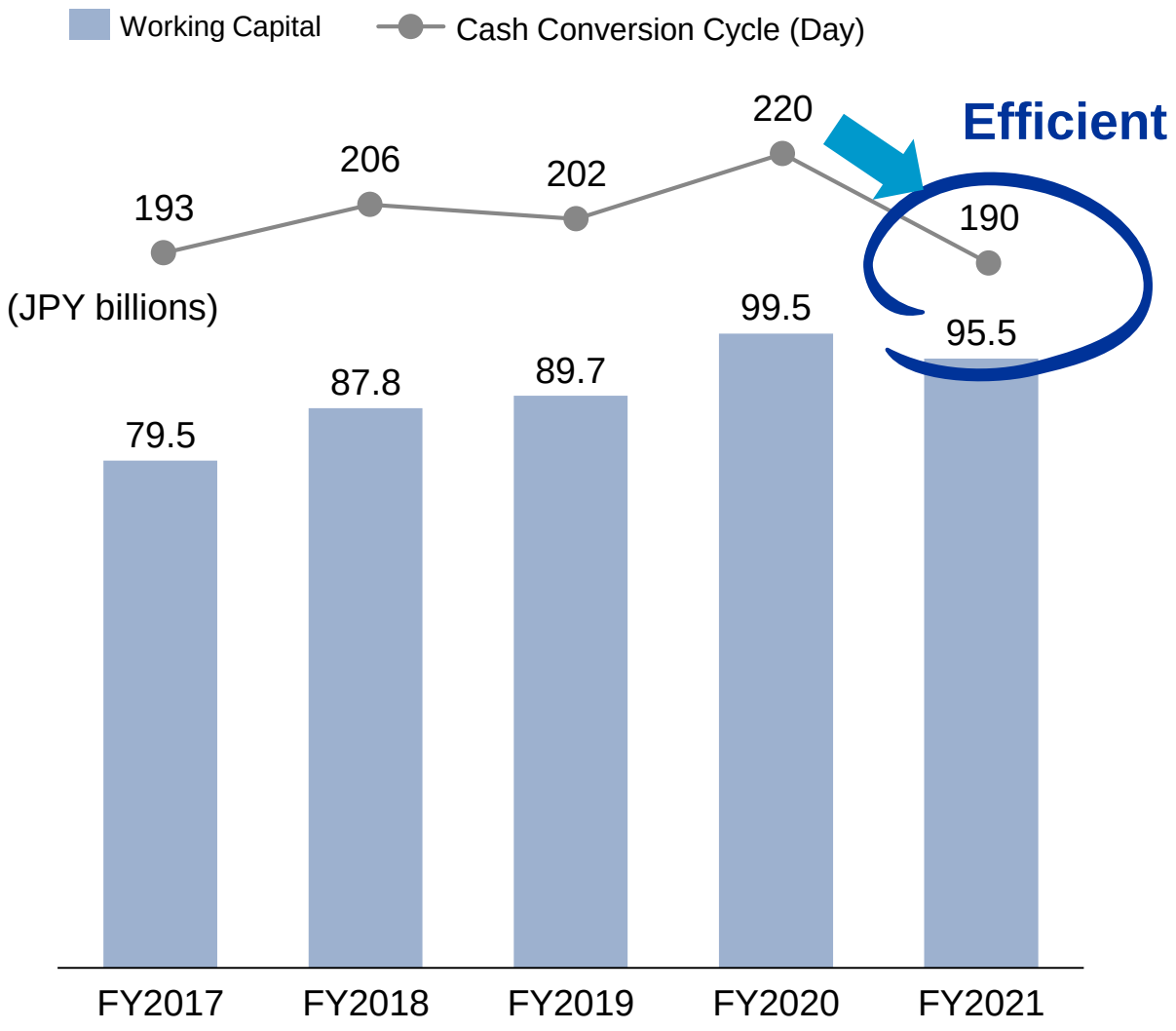


Japan	-10% YoY: Impact of NHI price reduction including market expansion re-pricing for *Alesion* (mid -4% overall, -20% for *Alesion*)
China	+29% YoY (incl. FX impact): Mainly from new products (*Tapros* and *Diquas)*
Asia	+16% YoY (incl. FX impact): Mainly from core products (*Cosopt, Diquas* and *Ikervis)*
EMEA	+6% YoY (incl. FX impact): Mainly from core products (*Tapros, Tapcom, Ikervis)* and *PRESERFLO Microshunt.* New products' (*Ducressa* etc.) contribution expected
Americas	+66% YoY (incl. FX impact): Sales growth from U.S. launch of *Verkazia* and other existing products

Cash flow

Stable cash-generating ability





EBITDA＝〔Operating Profit〕－〔Other Income〕＋〔Other expenses〕＋〔Depreciation〕

Proactive allocation to strategic investments and shareholder returns

MTP2025 policy

Optimize balance between future growth and shareholder return

Shareholder return: 1/3 or more of operating cash flow
Dividend payout ratio of 40% or more
+ flexible share buybacks

BD investment: tens of billion JPY~ (accum.)
Strategic investment for mid-/long-term growth
- Enhance Rx pipeline where strengths can be leveraged
- New business areas

Enhancement of core business

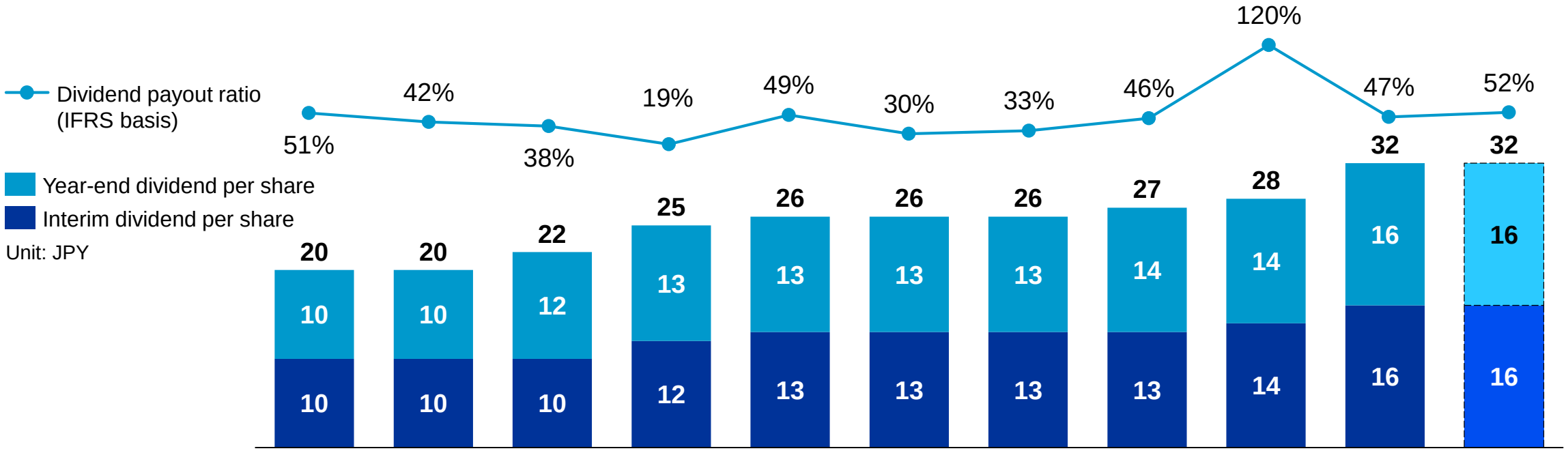
Capital investment: JPY 100.0B (cum.)
Investment to maximize existing business
- Capex for new facilities in Japan/China
- Improvement of productivity through the implementation of next-generation ERP etc.

Maintain necessary cash for business continuity
(Secure working capital)

FY2022

- Dividend maintained (annual JPY 32)
  Dividend payout: 52%
- Repurchase shares as additional shareholder return measure
  Total payout expected: approx. 150%
- R&D expenses: JPY 27.0bil
- CAPEX: JPY 25.0bil

Annual dividend of JPY32（JPY16 for interim/year-end）
Total payout ratio of approx. 150% expected for FY2022



(FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 FCST
Total return ratio (IFRS basis)	134%	42%	38%	19%	106%	30%	76%	46%	120%	47%	approx. 150%

FY2022 return ratio forecast includes the share buy-back announced on May 10. Calculations are based on J-GAAP until FY2013 and IFRS from FY2014 onwards.
Dividend payout ratio and total return ratio in FY2020 are adjusted due to the completion of the allocation of consideration for acquisition of Eyevance.
Share buy-back：Representing 2.0% of the total number of shares outstanding (excluding treasury shares) in FY2016 and FY2018

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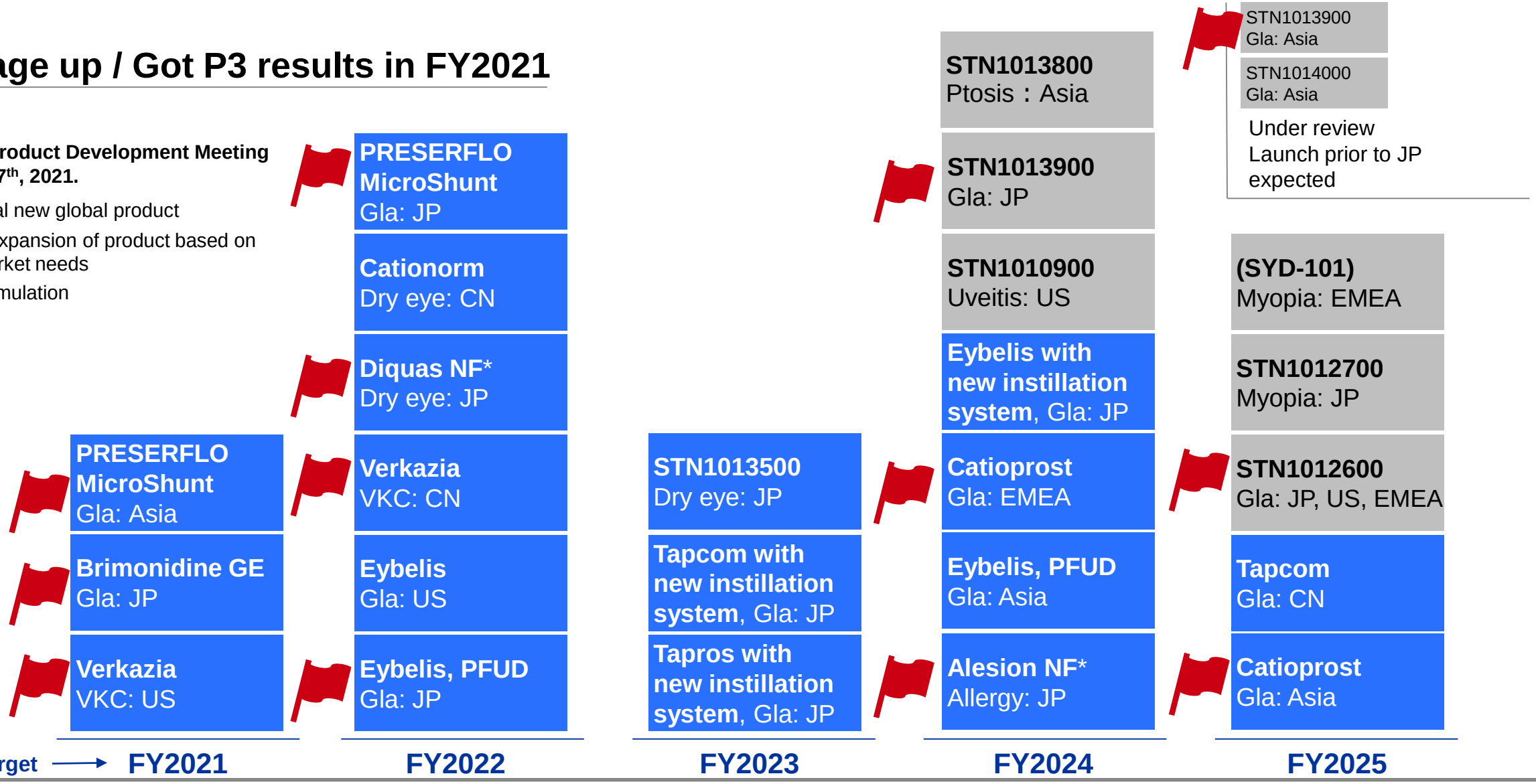
Progress in 12 of 24 projects with launch plans by FY2025

Stage up / Got P3 results in FY2021

Reposted Product Development Meeting on October 7th, 2021.

- Potential new global product
- Value expansion of product based on real market needs

*NF: new formulation



This is not an exhaustive list of all the pipeline items through 2025. The list is limited to items with disclosure agreements with partner companies. Schedules are based on the assumed best possible case as of September 30, 2021

Pipeline progress in core-business & new areas

Glaucoma	STN10**11**702 *EYBELIS* PFUD	**Approved** as *EYBELIS Mini ophthalmic solution 0.002%* in Japan
	STN10**12**600 Sepetaprost	**Started preparations for P3** trial in Japan
	STN**2000**100 *PRESERFLO MicroShunt*	**Approved** in Japan
	STN10**13**900 *Rhopressa®/Rhokiinsa®*	**Filed** in Asia
	STN10**13**001 Catioprost	**Met primary endpoint** in P3 trial in Europe and Asia
Myopia	STN10**12**700 Atropine sulfate	**Confirmed safety and tolerability** in P1 trial in China **Started preparations for P3 trial** in China
Presbyopia	STN10**13**600 Ursodeoxycholic acid	**Confirmed safety and tolerability** in P1 trial in Japan **Started preparations for P2a trial** in US
Ptosis	STN10**13**800 Oxymetazoline hydrochloride	**Started preparations for P3 trial** in Japan Expanded licensed territories including additional EMEA countries and Canada
Allergic conjunctivitis	STN10**11**402 Epinastine ophthalmic cream	Achieved **FPI**[*1] in P3 trial in Japan
VKC[*2]	STN10**07**603 *Verkazia*	**Launched** in US. **Approved** in China
Uveitis	STN10**10**900 Sirolimus ivtravitreal injection	**Discontinued development upon reassessment of business feasibility**

*1 FPI; First Patient In. *2 VKC; Vernal keratoconjunctivitis.

Aim to provide new treatment option for glaucoma in Europe / Asia

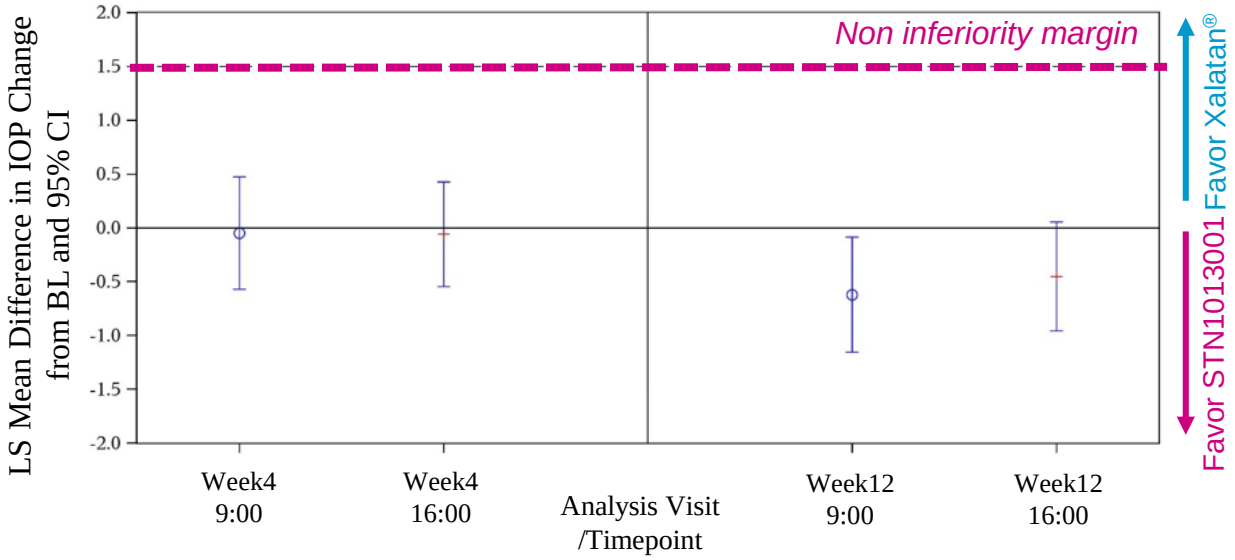
Item	Notes
Product	Latanoprost 50μg/mL eye drops emulsion in single-dose container (**cationic emulsion**) • The vehicle of STN1013001 is **similar to *Cationorm*®**, which is a product approved as artificial tears in many countries
Background	Ocular Surface Disease (OSD) is an emerging problem in the management of glaucoma • Glaucoma is a leading common cause of blindness worldwide • It is reported that up to 60% of glaucoma patients have ocular surface disease (OSD)*1 which manifest as signs and symptoms of dry eye disease • OSD negatively influences QoL, compromises compliance and can jeopardize the efficacy of anti-glaucoma therapy*2 • Santen developed STN1013001 as a glaucoma treatment that **reduces intraocular pressure** and also improves OSD
Plan	Market Authorization Application (MAA) in FY2022 in Europe

*1 Erb et al. *Graefes Arch Clin Exp Ophthalmol* 2008;246:1593–160; Fechtner, et al. *Cornea* 2010;29:618–621; Leung et al. *J Glaucoma* 2008;17:350–355; Pai et al. *Asian J Ophthalmol* 2018;16:101-109 .
*2 Rossi et al. *Eur J Ophthalmol* 2009;9:572-9; Zhang et al. *Eye Contact Lens* 2019;45(1):11–18.

Achieved primary endpoint on IOP (non-inferiority vs *Xalatan*®) , Superiority vs *Xalatan*® on key secondary endpoint (CFS)

Primary endpoint

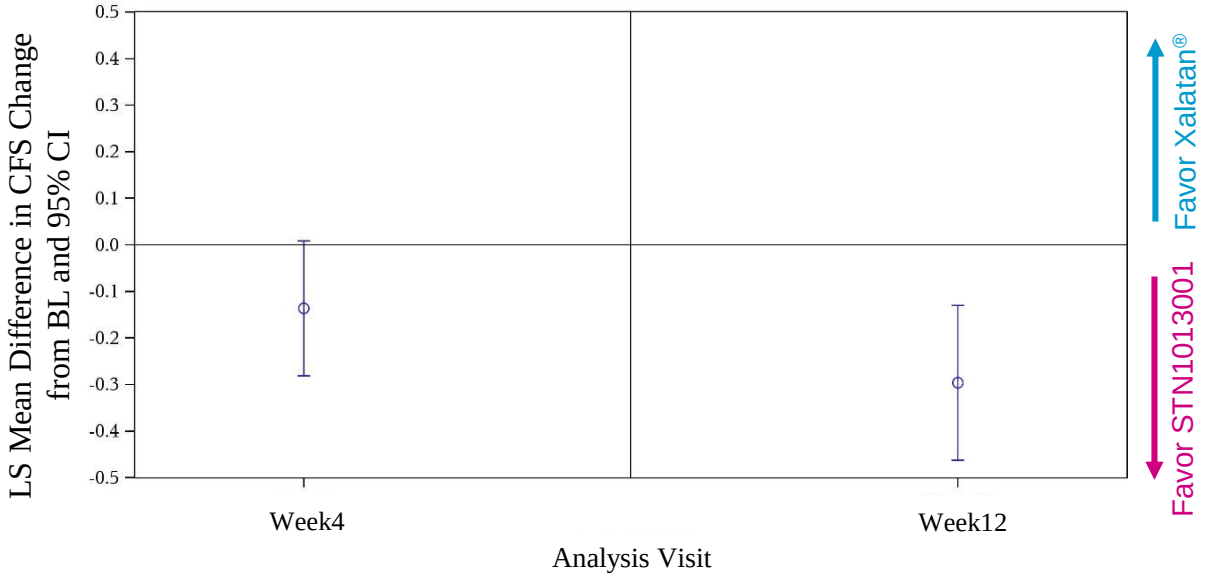
IOP LS mean treatment difference of STN1013001 vs *Xalatan*®



- **STN1013001 statistically non-inferior to *Xalatan*® at all time points**
- Superiority of STN1013001 showed at 9am (peak) at W12 vs *Xalatan*®

Key efficacy secondary endpoint

CFS (corneal fluorescein staining) LS Mean treatment difference of STN1013001 vs *Xalatan*®



- **Superiority of STN1013001 was demonstrated vs *Xalatan*® at W12with a 0.3 CFS difference on modified Oxford Scale**

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Foreign exchange rate assumptions and sensitivities

FX rate

	FY2020 Actual	FY2021 Actual	FY2022 Forecast
USD	105.95	112.57	125.00
EUR	123.73	130.75	135.00
CNY	15.61	17.55	19.00

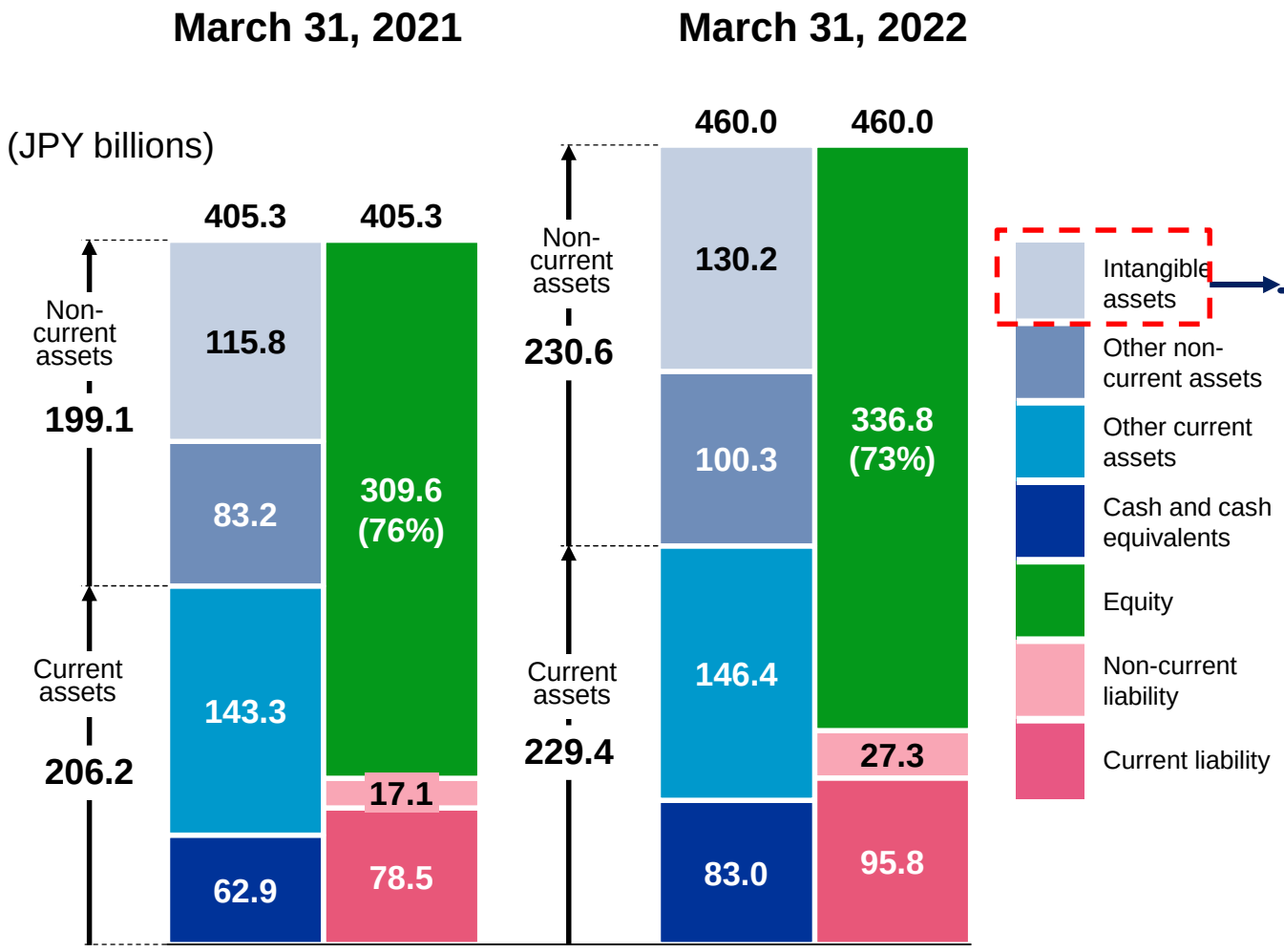
Sensitivities

（JPY billions）

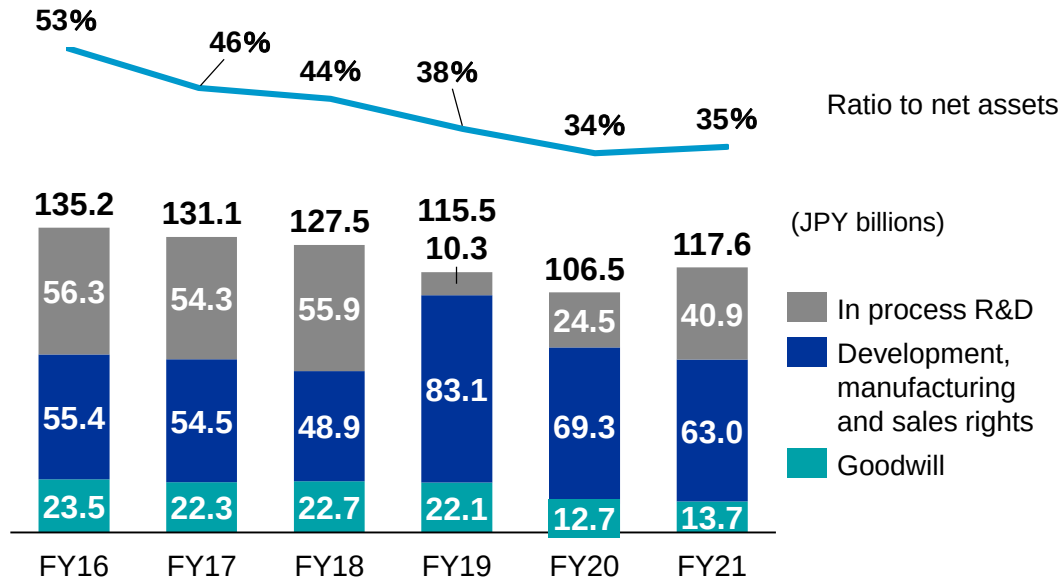
	USD	EUR	CNY
Revenue	+0.05	+0.45	+0.35
Core OP	-0.16	+0.05	+0.11

*Impact of a 1% depreciation of the yen on revenue and core operating profit
(vs FY2022 forecast rate)

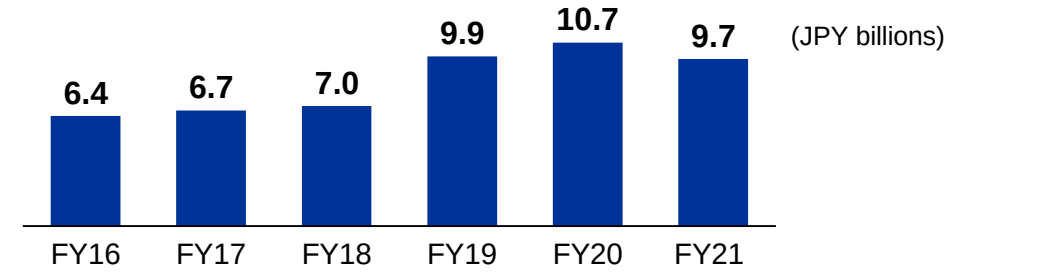
Appropriate balance between financial health & assets increase from investments. Aim for ROE improvement through capital turnover



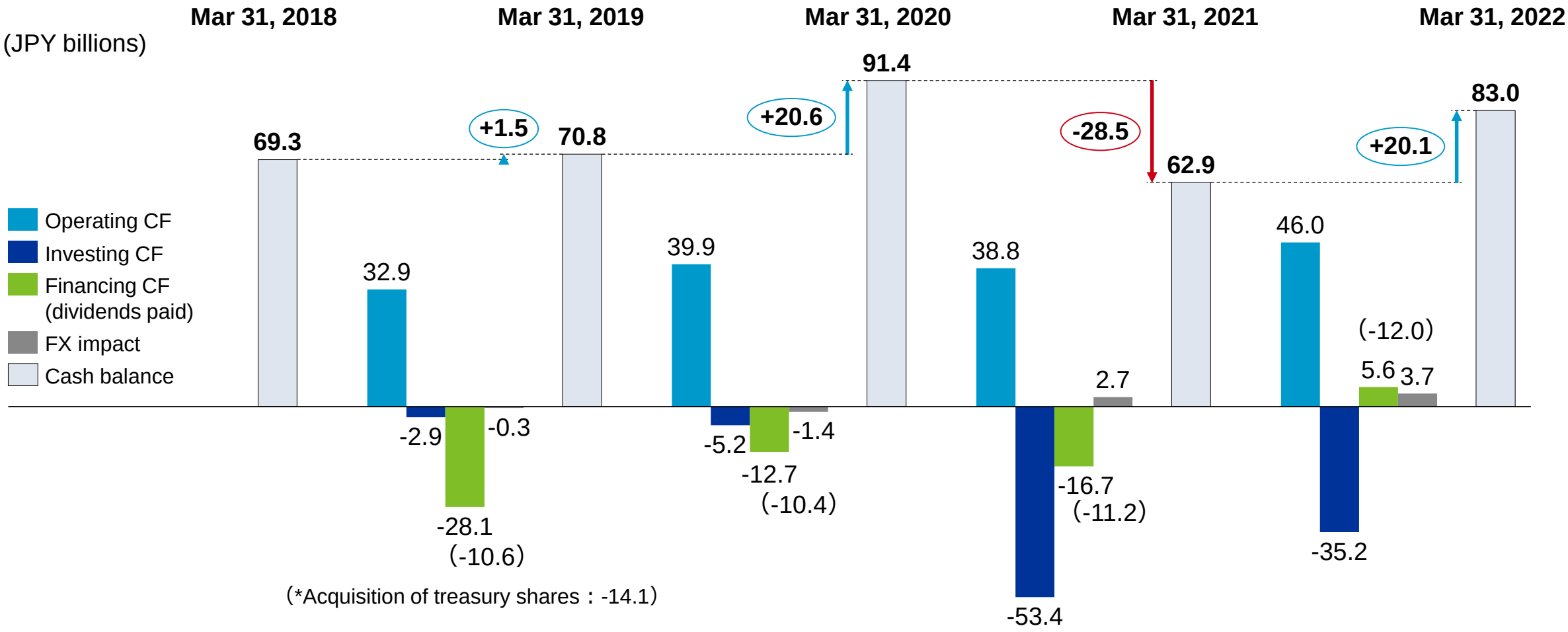
Status of intangible assets related to products and goodwill



Status of intangible asset amortization related to products



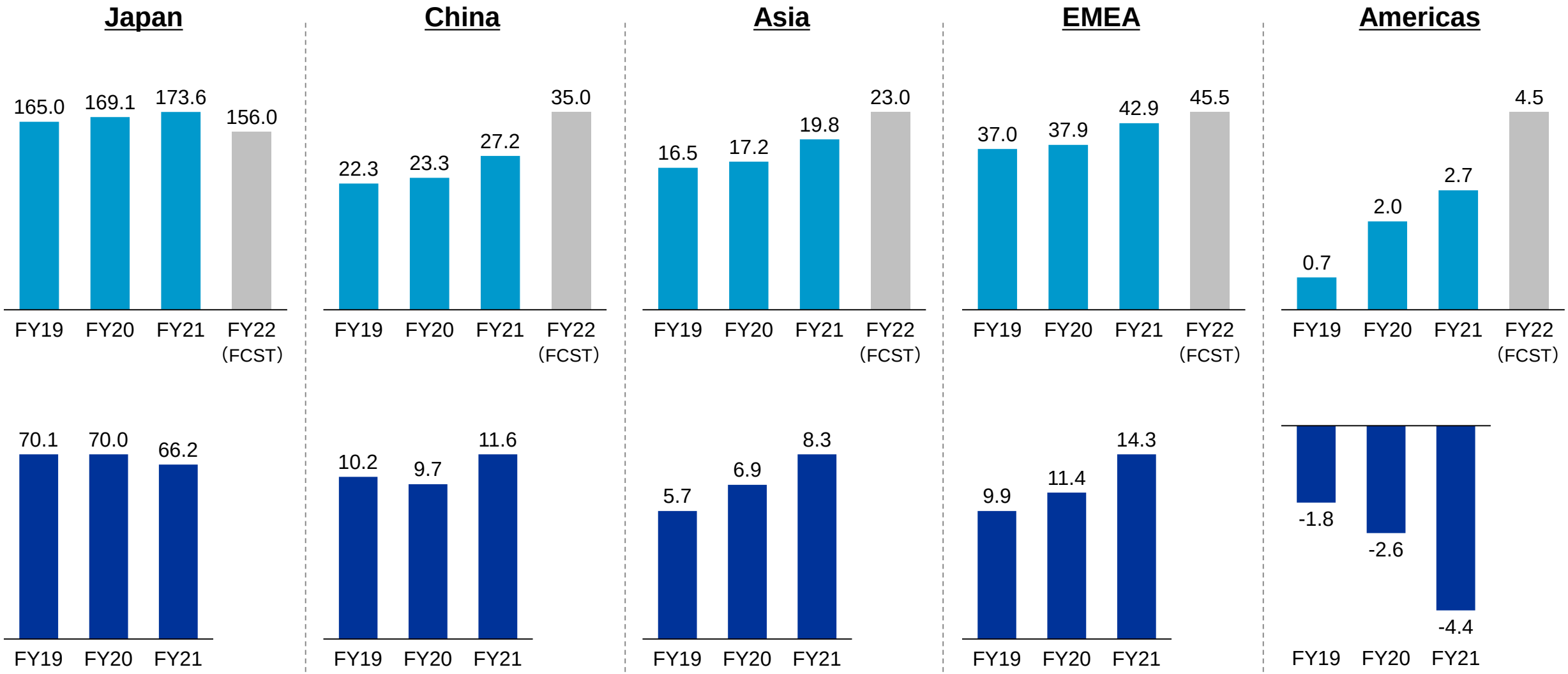
Cash flow



Revenue and contribution profit by region

Upper: Revenue　Lower: Contribution profit

(JPY billions)

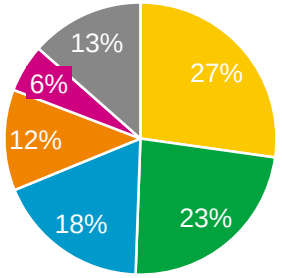


*Classify sales into countries or regions based on customer's location

FY2021 revenue by region

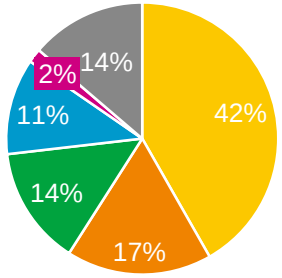
Consolidated

(JPY billions)	FY2020 (Ref.)	FY2021
EYLEA*1	64.5	72.5
Alesion*2 (Incl. Alesion LX)	32.8	29.4
Cosopt	20.9	21.8
Other	131.5	142.6
Total	249.6	266.3



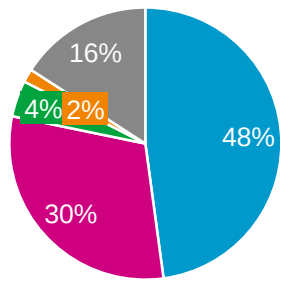
Japan

(JPY billions)	FY2020 (Ref.)	FY2021
EYLEA*1	64.5	72.5
Alesion*2 (Incl. Alesion LX)	32.7	29.3
Diquas	12.3	13.3
Other	59.7	58.5
Total	169.1	173.6



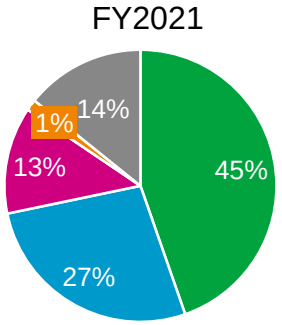
China

(JPY billions)	FY2020 (Ref.)	FY2021
Hyalein	9.3	8.9
Cravit	7.9	7.0
Diquas	0.7	4.1
Other	5.4	7.2
Total	23.3	27.2



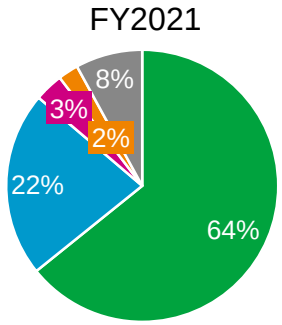
Asia

(JPY billions)	FY2020 (Ref.)	FY2021
Cosopt	4.5	5.2
Hyalein	2.2	2.4
Tapros	1.9	2.1
Other	8.7	10.2
Total	17.2	19.8

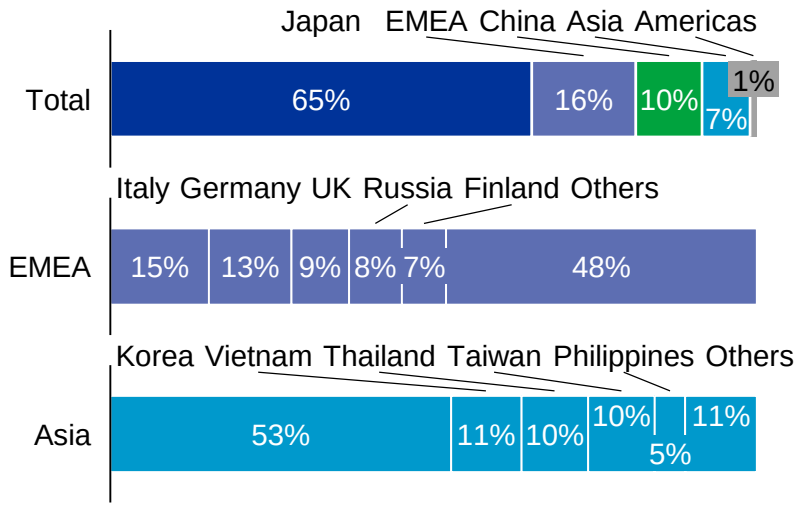


EMEA

(JPY billions)	FY2020 (Ref.)	FY2021
Cosopt	9.5	10.9
Tapros	6.7	6.8
Ikervis	3.6	4.7
Other	18.1	20.4
Total	37.9	42.9



Revenue in each region (FY2021)



Intravitreal VEGF inhibitor | Glaucoma/Device | Dry eye | Allergy | Bacterial conjunctivitis | Others

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

*2 Alesion: Trademark of alliance partner, Nippon Boehringer Ingelheim

Quarterly consolidated statements of income

(JPY millions)	FY2020					FY2021					FY2022
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	Full	Full Forecast
Revenue	57,563	61,342	62,881	67,819	249,605	64,986	63,773	67,042	70,456	266,257	264,000
YoY	-2.7%	2.9%	-1.1%	14.5%	3.3%	12.9%	4.0%	6.6%	3.9%	6.7%	-0.8%
Cost of sales	-24,741	-24,964	-26,192	-22,324	-98,221	-26,924	-25,943	-29,837	-26,967	-109,671	-103,000
YoY	2.6%	3.2%	0.5%	9.0%	3.6%	8.8%	3.9%	13.9%	20.8%	11.7%	-6.1%
(Percent of revenue)	43.0%	40.7%	41.7%	32.9%	39.4%	41.4%	40.7%	44.5%	38.3%	41.2%	39.0%
Gross profit	32,822	36,377	36,690	45,495	151,384	38,062	37,829	37,205	43,489	156,586	161,000
YoY	-6.3%	2.6%	-2.1%	17.4%	3.2%	16.0%	4.0%	1.4%	-4.4%	3.4%	2.8%
(Percent of revenue)	57.0%	59.3%	58.3%	67.1%	60.6%	58.6%	59.3%	55.5%	61.7%	58.8%	61.0%
SG&A expenses	-15,551	-17,691	-19,579	-26,732	-79,554	-20,447	-19,205	-20,671	-24,176	-84,499	-88,500
YoY	-3.1%	1.8%	0.9%	30.2%	8.4%	31.5%	8.6%	5.6%	-9.6%	6.2%	5.5%
(Percent of revenue)	27.0%	28.8%	31.1%	39.4%	31.9%	31.5%	30.1%	30.8%	34.3%	31.7%	33.5%
R&D expenses	-5,616	-5,507	-6,530	-6,459	-24,112	-6,121	-6,218	-6,464	-7,574	-26,377	-27,000
YoY	-9.0%	5.1%	13.8%	4.4%	3.3%	9.0%	12.9%	-1.0%	17.3%	9.4%	2.4%
(Percent of revenue)	9.8%	9.0%	10.4%	9.5%	9.7%	9.4%	9.7%	9.6%	10.8%	9.9%	10.2%
Amortization on intangible assets associated with products	-2,448	-2,430	-2,866	-2,907	-10,650	-2,421	-2,366	-2,468	-2,479	-9,734	-10,300
YoY	-1.2%	-1.2%	15.7%	16.7%	7.6%	-1.1%	-2.6%	-13.9%	-14.7%	-8.6%	5.8%
(Percent of revenue)	4.3%	4.0%	4.6%	4.3%	4.3%	3.7%	3.7%	3.7%	3.5%	3.7%	3.9%
Other income	176	174	174	15,483	16,007	120	82	116	724	1,043	500
Other expenses	-1,367	-253	330	-39,599	-40,889	-39	-473	-143	-478	-1,133	-1,500
Operating profit	8,016	10,670	8,219	-14,718	12,187	9,156	9,650	7,575	9,505	35,886	34,200
YoY	-13.3%	9.3%	-17.2%	—	-63.7%	14.2%	-9.6%	-7.8%	—	194.5%	-4.7%
(Percent of revenue)	13.9%	17.4%	13.1%	—	4.9%	14.1%	15.1%	11.3%	13.5%	13.5%	13.0%

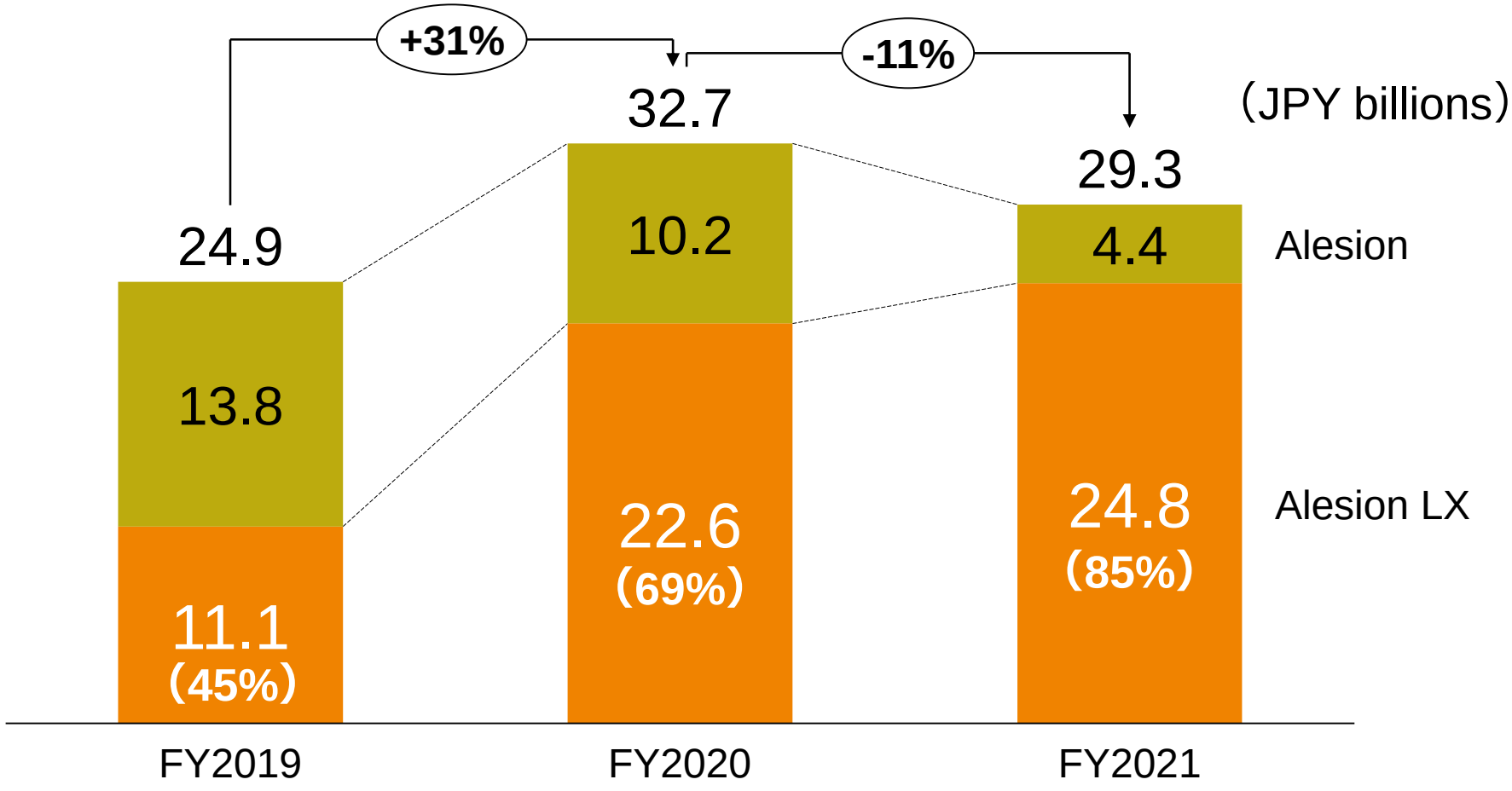
Reprinted from FY2021 Fact book

Quarterly consolidated statements of income

(JPY millions)	FY2020					FY2021					FY2022
	Q1	Q2	Q3	Q4	Full	Q1	Q2	Q3	Q4	Full	Full Forecast
Revenue	57,563	61,342	62,881	67,819	249,605	64,986	63,773	67,042	70,456	266,257	264,000
YoY	-2.7%	2.9%	-1.1%	14.5%	3.3%	12.9%	4.0%	6.6%	3.9%	6.7%	-0.8%
Cost of sales	-24,741	-24,964	-26,192	-22,324	-98,221	-26,924	-25,943	-29,837	-26,967	-109,671	103,000
YoY	2.6%	3.2%	0.5%	9.0%	3.6%	8.8%	3.9%	13.9%	20.8%	11.7%	-6.1%
(Percent of revenue)	43.0%	40.7%	41.7%	32.9%	39.4%	41.4%	40.7%	44.5%	38.3%	41.2%	39.0%
Gross profit	32,822	36,377	36,690	45,495	151,384	38,062	37,829	37,205	43,489	156,586	161,000
YoY	-6.3%	2.6%	-2.1%	17.4%	3.2%	16.0%	4.0%	1.4%	-4.4%	3.4%	2.8%
(Percent of revenue)	57.0%	59.3%	58.3%	67.1%	60.6%	58.6%	59.3%	55.5%	61.7%	58.8%	61.0%
Operating profit	11,655	14,035	10,738	13,673	50,101	11,713	12,593	10,247	11,794	46,348	45,500
YoY	-8.9%	9.3%	-13.0%	13.5%	0.2%	0.5%	-10.3%	-4.6%	-13.7%	-7.5%	-1.8%
(Percent of revenue)	20.2%	22.9%	17.1%	20.2%	20.1%	18.0%	19.7%	15.3%	16.7%	17.4%	17.2%

Reprinted from FY2021 Fact book

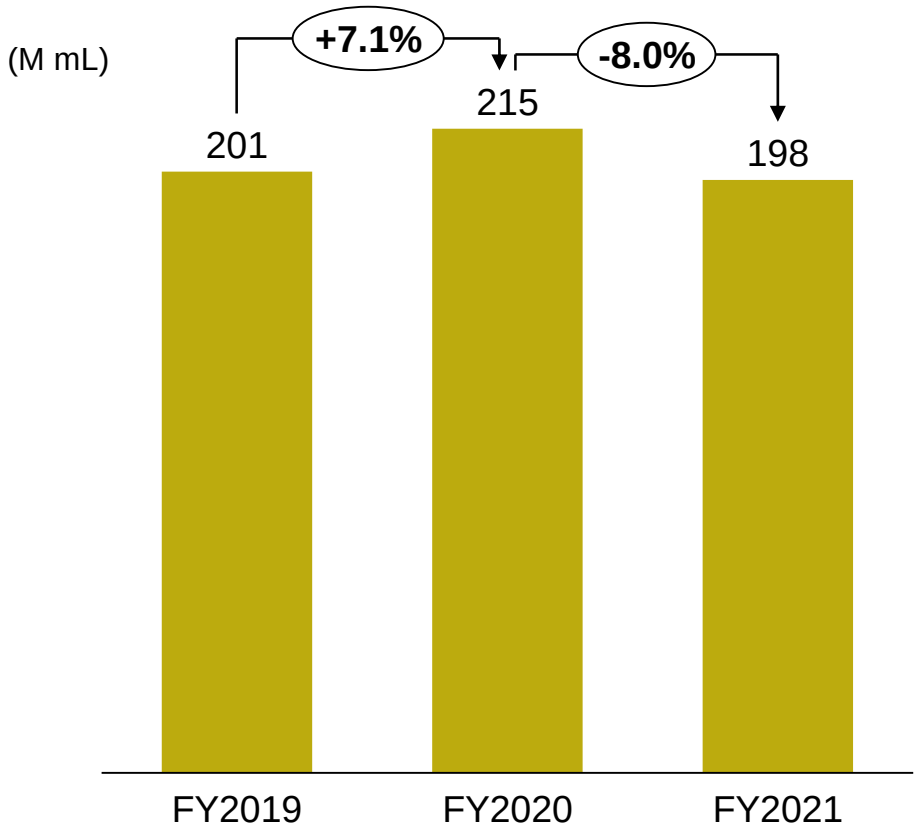
Alesion revenue



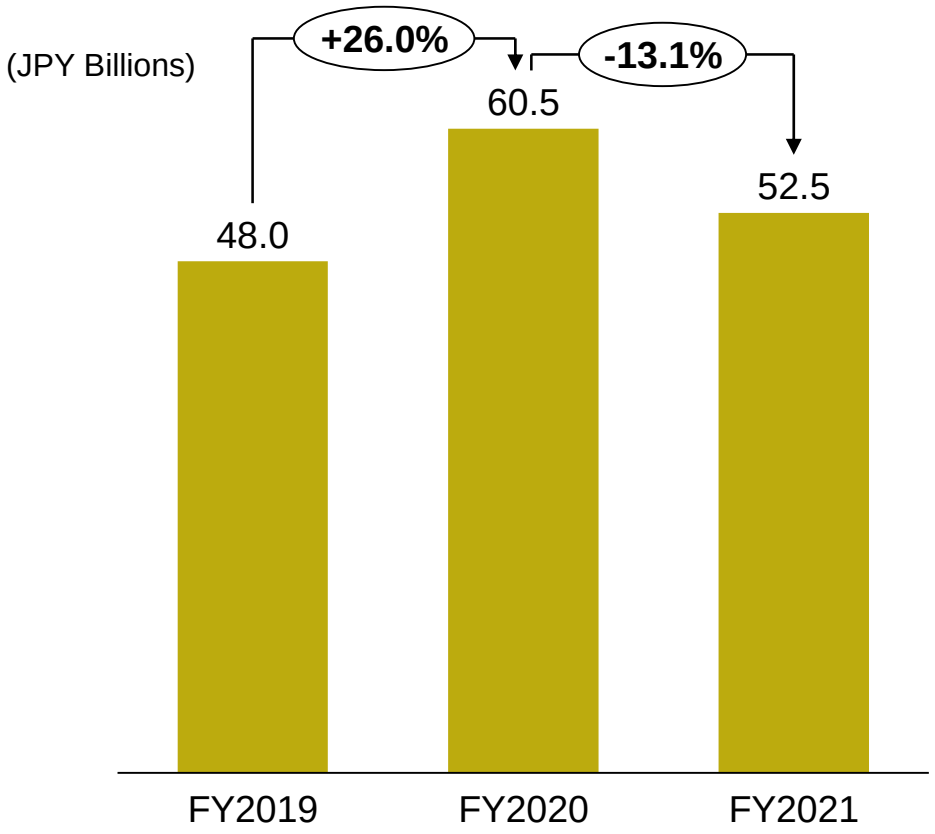
Allergy market

- Market size shrank on lower than normal airborne pollen level
- GE launch of major products such as *Alesion* also impacted the market growth on a value basis

Volume (mL) basis



Value basis



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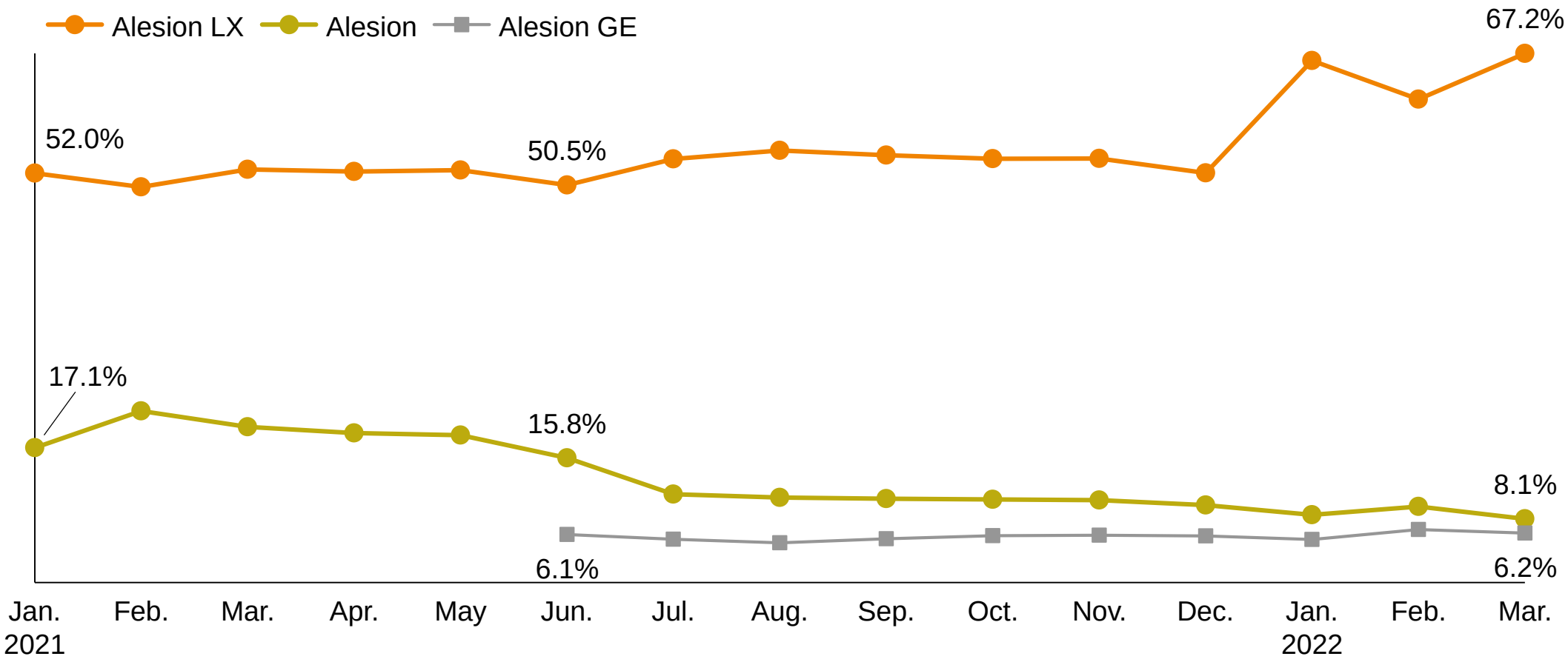
Alesion market share in allergy market (value basis)



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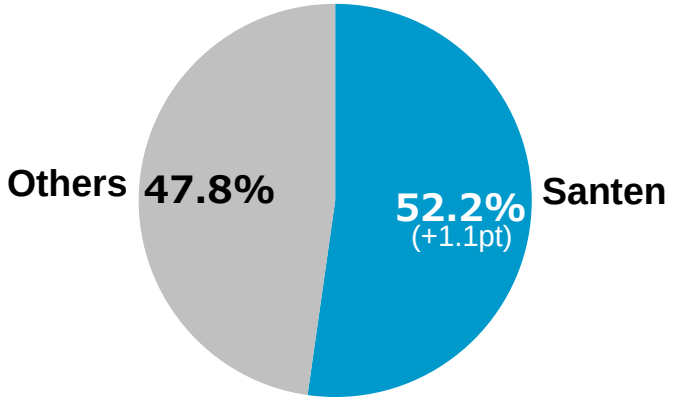
Prescription ophthalmic market in Japan (Apr. 2021 - Mar. 2022)

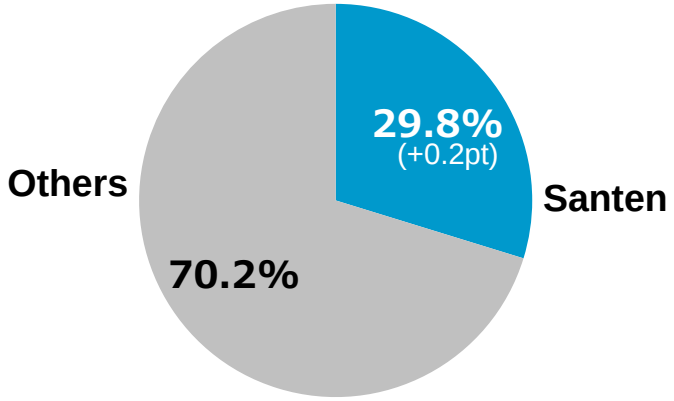
Remain No.1 for overall market and all segments

Segment: Market size
Graph: Market share (change from last year)

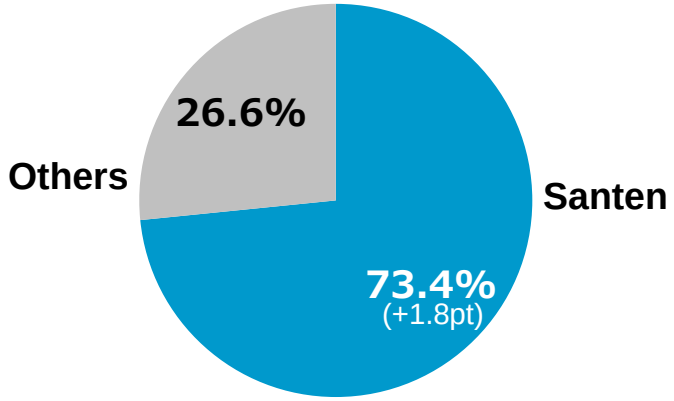
Total: JPY371.9bil



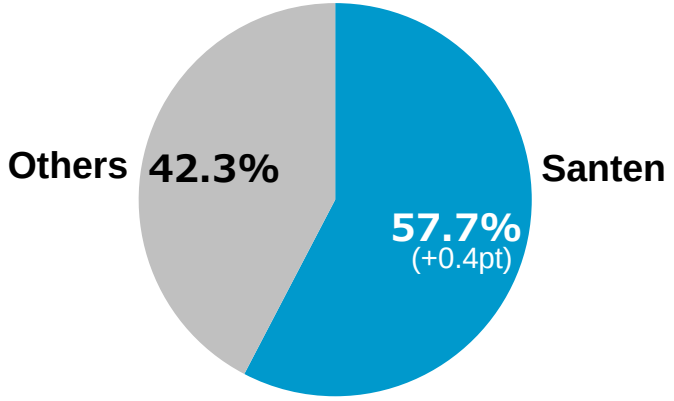
Glaucoma: JPY100.6bil



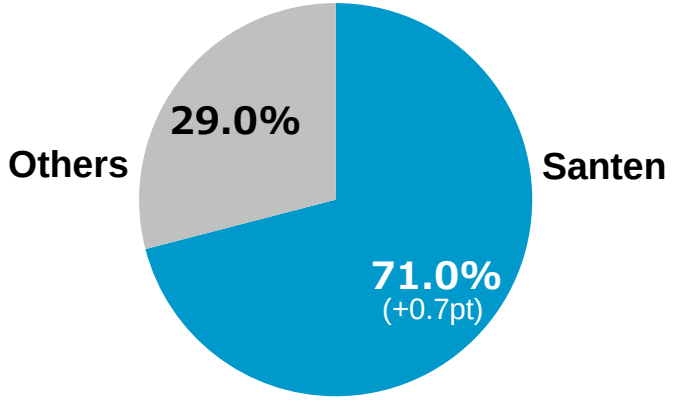
Retinal disorders*: JPY118.1bil



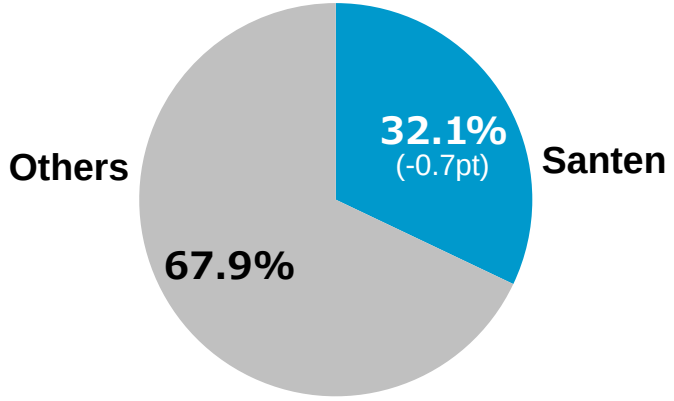
Corneal / dry eye: JPY42.3bil



Allergy: JPY52.5bil



Anti-infection: JPY7.9bil



*Including co-promoted product (Anti-VEGF *EYLEA*) of Bayer Yakuhin, Ltd. (MAH)

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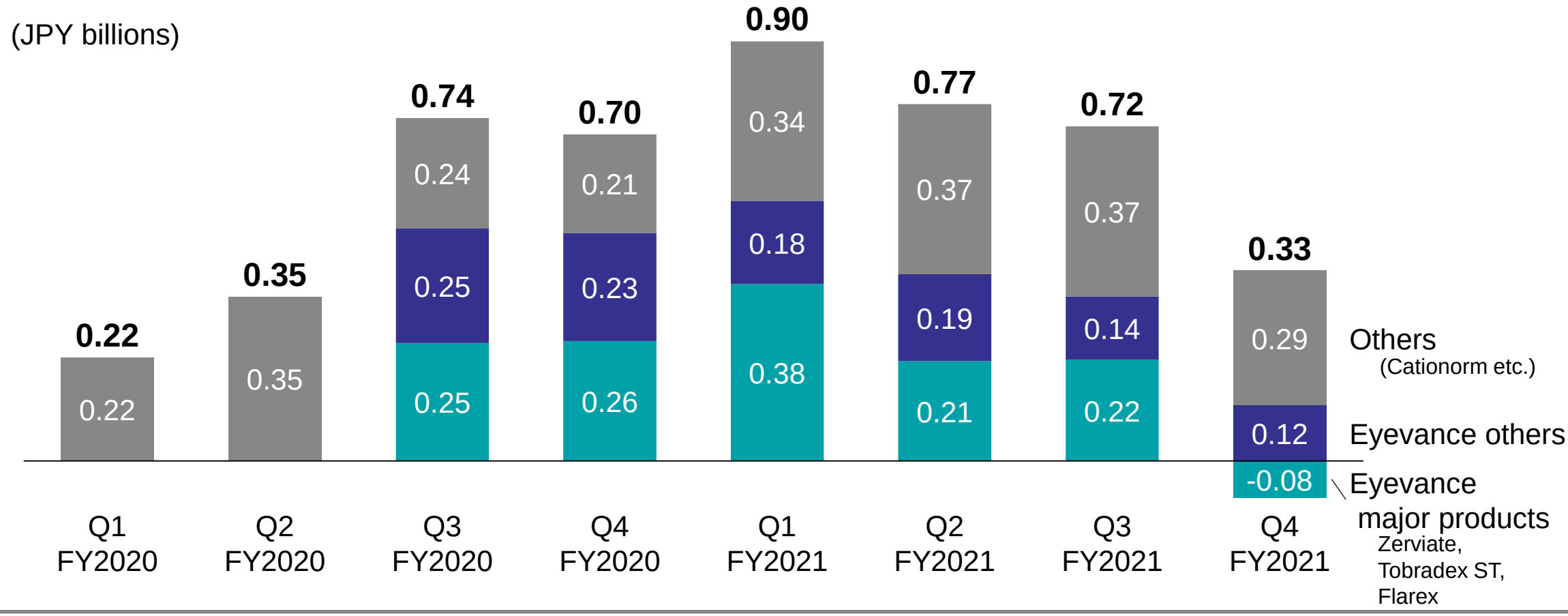
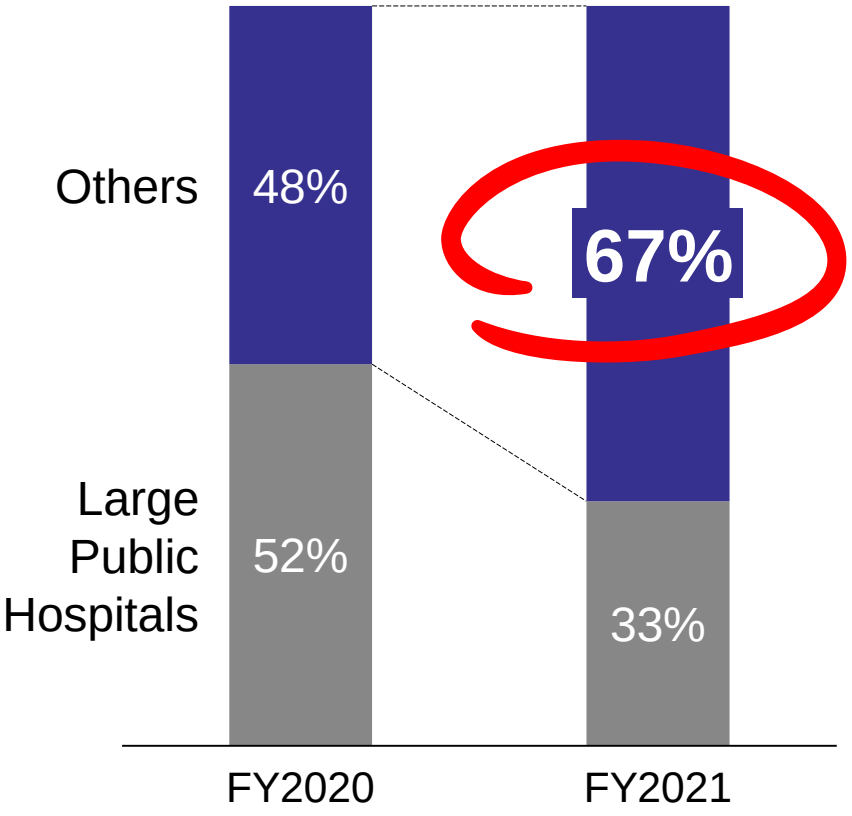
Americas business revenue trend

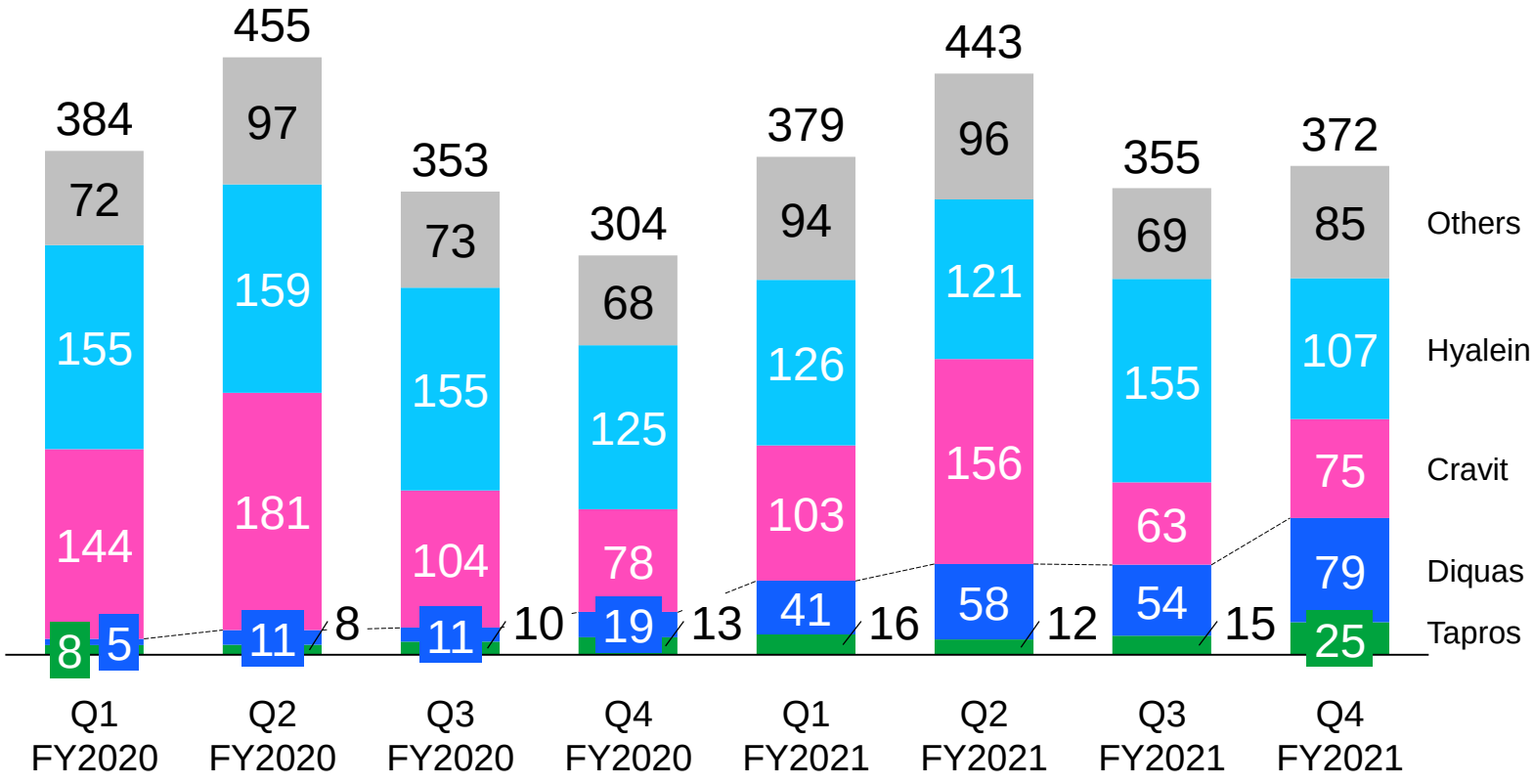


Maintaining growth trend in channel shift and new products

Revenue by channel



Revenue by product（RMB millions）



Current status of global development (1)

As of April 2022
Updated information is in blue

Indication	Generic Name	Contractual territory	Dev. Code	Development Status[*1]	
Glaucoma	Omidenepag isopropyl *EYBELIS*	WW[*2]	**STN1011700** DE-117	US	Received CRL from FDA in November 2021 *Plan: May 2022, re-filing*
				Japan	Launched
				Asia	Launched
	Sepetaprost	WW	**STN1012600** DE-126	US	P2 (met primary endpoint)
				Japan	P2b (dose finding study completed) *Plan: FY2022 P3 start*
				Europe	P2 (exploratory study) *Plan: FY2022 P2 (exploratory study) completion*
	Implant device *PRESERFLO MicroShunt*	WW (In-house) *Excl. Americas, Australia, New Zealand	**STN2000100** DE-128	Japan	Approved in February 2022 *Plan: FY2022 soft launch*
				Europe	Launched
				Asia	Approved *Plan: FY2022 launch*

License-out to Glaukos in Americas, Australia and New Zealand in May 2021.
US: Received a not approvable letter of PMA from FDA
Canada: Approved.
Australia: Approved.

*1 Only projects where the study protocols were approved in-house are shown, *2 World wide

Current status of global development (2)

As of April 2022
Updated information is in blue

Indication	Generic Name	Contractual territory	Dev. Code	Development Status	
Glaucoma	Netarsudil mesylate *Rhopressa®/Rhokiinsa®*	Japan, China Asia, Europe	**STN1013900** AR-13324	Japan	P3 *Plan: FY2023 P3 completion*
				Asia	Filed in March 2022 *Plan: FY2023 approval*
	Netarsudil mesylate /latanoprost (combination) *Rocklatan®/Roclanda®*	Japan, China Asia, Europe	**STN1014000** PG-324	Asia	*Plan: FY2022 filing*
Myopia	Atropine sulfate	Japan, China Asia	**STN1012700** DE-127	Japan	P2/3 *Plan: FY2023 P2/3 completion*
				China	P1 (confirmed safety and tolerability) *Plan: FY2022 P3 start*
				Asia	P2 (met primary endpoint)
		EMEA	**STN1012701** SYD-101	Europe	P3 (conducted by Sydnexis Inc.) *Plan: FY2024 P3 completion*
	AFDX0250BS	WW	**STN1013400**	Japan	P1 (confirmed safety and tolerability)
Presbyopia	Ursodeoxycholic acid	WW (In-house)	**STN1013600**	US	*Plan: FY2022 P2a start*
				Japan	P1 (confirmed safety and tolerability)

Current status of global development (3)

As of April 2022
Updated information is in blue

Indication	Generic Name	Contractual territory	Dev. Code	Development Status	
Ptosis	Oxymetazoline hydrochloride	Japan, China Asia, EMEA Canada	**STN1013800** RVL-1201	Japan	*Plan: FY2022 P3 start*
				Asia	*Plan: FY2022 Filing*
Retinitis pigmentosa	jCell	Japan, China Asia, Europe	**STN6000100**	-	P2 safety study (US, conducted by jCyte, Plan to complete in FY2022). Considering P3 plan
Allergic conjunctivitis	Epinastine HCl (Ophthalmic cream)	Japan	**STN1011402**	Japan	Started P3 in February 2022 *Plan: FY2022 P3 completion*
Vernal keratoconjunc-tivitis	Ciclosporin *Verkazia*	WW (In-house)	**STN1007603** DE-076C	US	Launched in May 2022
				China	Approved in April 2022 *Plan: FY2022 launch*
Dry eye	Diquafosol sodium (long-lasting) *Diquas*	Japan, China Asia, Europe	**STN1008903** DE-089C	Japan	Filed *Plan: FY2022 Approval*
Fuchs endothelial corneal dystrophy	Sirolimus (eye drop)	—*1	**STN1010904***1	US France India	P1 completion (Japan) *Plan: FY2022 P2a start*
Meibomian gland dysfunction	Sirolimus (eye drop)	WW (In-house)	**STN1010905**	Japan	P2a *Plan: FY2022 P2a completion*

*1 Santen retains the option right for exclusive license of this program. Santen development code to be formally assigned to the product when Santen obtains exclusive license upon the completion of Phase II trial.

Current status of global development (4)

As of April 2022
Updated information is in blue

Indication	Generic Name	Contractual territory	Dev. Code	Development Status	
Glaucoma	Tafluprost / timolol maleate (combination) *TAPCOM / TAPTIQOM*	Japan, China Asia, Europe	**STN1011101** DE-111A	China	P3 *Plan: FY2023 P3 completion*
	Latanoprost	WW (In-house)	**STN1013001** DE-130A Catioprost	Europe	P3 (met primary endpoint) *Plan: FY2022 filing*
				Asia	P3 (met primary endpoint)

STN1010900 (sirolimus invtravitreal injection): the Company has discontinued development upon reassessment of business feasibility.

FY2021 Results: Progress of main pipelines

		~ Phase 2	Phase 3/Filing	Approval/Launch
Pipeline for core business	New pipeline	STN10**126**00 Additional P2 completion (US) Exploratory P2 start (Europe)	STN10**139**00 NDA (Asia)	STN2000100 Approval (Japan, Asia)
		STN10**109**05 P2a start（Japan）	STN10**130**01 P3 completion (Europe, Asia)	STN10**076**03 Launch (US), Approval (China)
	LCM		STN10**089**03 NDA (Japan)	STN10**117**02 Approval (Japan)
			STN10**114**02 P3 start (Japan)	
New growth potential		STN10**134**00 P1 completion (Japan)		
		STN10**136**00 P1 start (Japan)		
		STN10**127**00 P1 completion (China)		

Total 10 products launched in Asia
Total 22 products launched in EMEA

Glaucoma
Anterior Chamber Disease
Other ophthalmic Disease

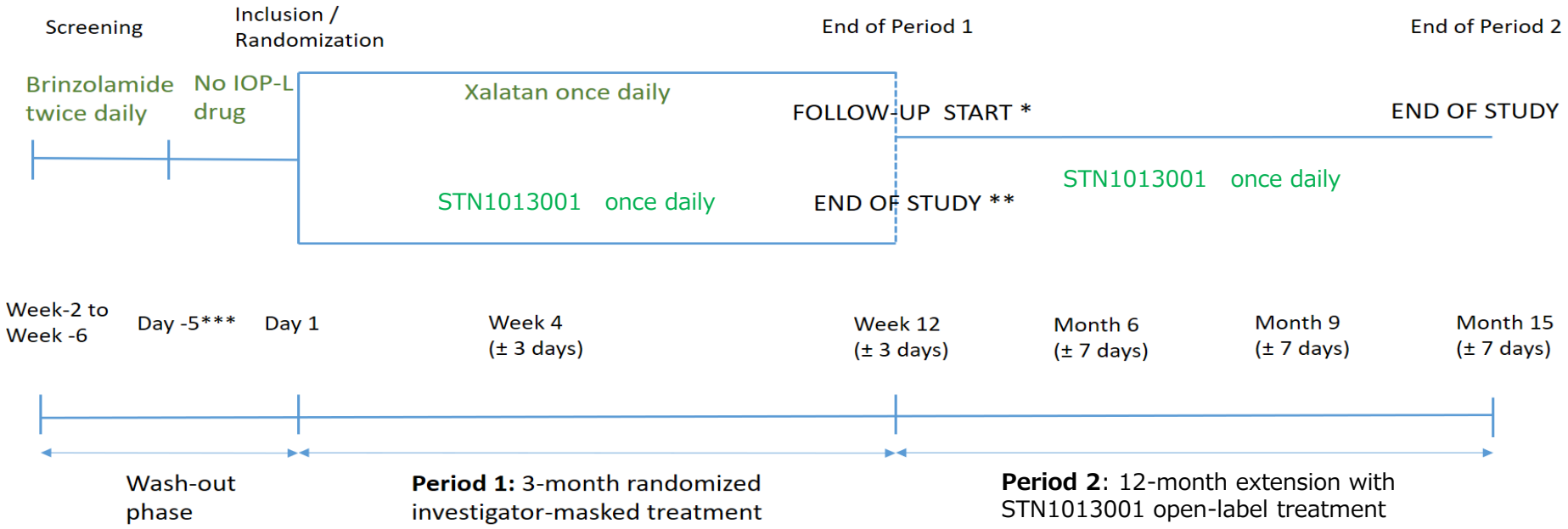
Plan for FY2022 and beyond: Progress in main pipelines

		~ Phase 2	Phase 3/Filing	Approval/Launch
Pipeline for core business	New pipeline	STN10**126**00 Exploratory completion (Europe) P2（US)	STN10**130**01 NDA (Europe), P3 (Asia)	STN10**117**00 NDA, Approval（US）
		STN10**109**04 P2a start（US etc.）	STN10**139**00 NDA (Asia) P3（Japan）	STN10**117**02 Launch (Japan)
		STN10**109**05 P2a completion（Japan）	STN10**140**00 NDA (Asia)	STN2000100 Launch (Japan, Asia)
			STN10**111**03 P3（China）	STN10**076**03 Launch（China）
			STN10**126**00 P3 start (Japan)	
	LCM		STN10**114**02 P3 completion (Japan)	STN10**089**03 Approval (Japan)
New growth potential		STN10**134**00 P1(Japan)	STN10**138**00 P3 start (Japan), NDA (Asia)	
		STN10**136**00 P1 (Japan)	STN10**127**00 P3 (Japan), P3 start (China)	
			STN10**127**01 P3 (Europe)	
			STN10**136**00 P2a (US)	
			STN6000100 Considering pivotal study plan	

- Glaucoma
- Anterior Chamber Disease
- Retinal Diseases
- Other ophthalmic Disease
- Milestone in FY2022

STN1013001: P3 study design

3-month phase III study, prospective, interventional, multinational, multicenter investigator-masked, randomized, active-controlled trial to demonstrate the non-inferior IOP reducing effect of STN1013001 (latanoprost 50 µg/mL preservative-free eye drops emulsion) compared to *Xalatan*® (latanoprost 50 µg/mL BAK-preserved eye drops) over a 12 weeks treatment period (Period 1) in patients with OAG or OHT.
In addition, after Week 12, a 12-month follow-up with open-label STN1013001 in a subgroup of subjects (n=130) and some Belgium subjects will estimate the long-term safety and tolerance and explore the long-term efficacy of STN1013001 (Period 2).



** Start of the open-label DE-130A 12-month safety follow-up for the first 130 patients who complete their Week 12 visit and agree to participate in the open-label period of the study. ** End of study for patients who do not participate in the open-label period of the study. *** Brinzolamide will be stopped 5 days before randomisation (6 to 7 days if over the weekend). At Day 1, if IOP is <22 mmHg, the wash-out period can be extended and the IOP should be re-assessed two to three days after the first measurement. If the IOP is still < 22 mmHg at the second measurement, a third assessment should be performed two to three days after the second measurement. If the IOP is still < 22 mmHg at the third measurement, the patient cannot be randomized in the study.*