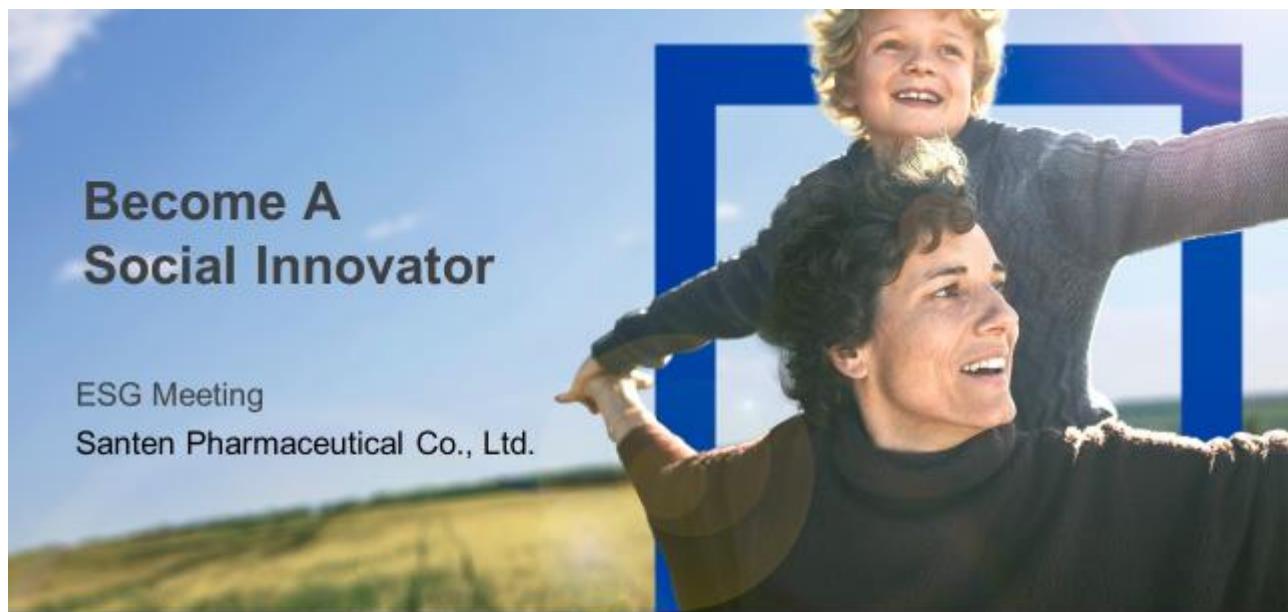


ESG Meeting



Become A Social Innovator

ESG Meeting
Santen Pharmaceutical Co., Ltd.

Presentation: March 31, 2022

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Shigeo Taniuchi
President & CEO

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2 Santen

Taniuchi: Hello, everyone, I am Taniuchi, CEO of Santen Pharmaceutical. Thank you very much for joining us for our first ESG presentation.

We are also concerned about the recent reduction of the Alesion drug price, changes in the business environment, the recent stock price, and so on. We would also like to express our sincere gratitude for your continued support.

We are always developing our business from a medium- to long-term perspective, and we are always facing social issues. ESG is a very important part of this, so how can we enhance this perspective? Since this is our first briefing on this topic, I would like to start by giving a general overview of Santen's sustainability management.

We have been and will continue to strive for sustainable corporate growth through management that integrates ESG and business. We look forward to your continued support.



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3

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Please see page three.

We have explained the importance of the eyes in the past. Vision is a prerequisite for daily communication, art, sports, and many other parts of life.

This is Santen's raison d'être as a company specializing in ophthalmology, and the source of its value to society.

Eye health contributes to achieving SDGs



¹1 The Lancet Global Health Commission on Global Eye Health: vision beyond 2020.

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4

Please turn to page four.

Our commitment to eye health, which is a vital aspect of people's lives, is also important within the SDGs set by the United Nations. Of the 17 SDGs, eye health is deeply related to eight of them, including education and poverty issues.

In other words, maintaining and improving eye health will make a significant contribution to achieving the SDGs.

In fact, eye health initiatives are being revitalized at the global level. Last May, the WHO General Assembly adopted a set of global targets for eye diseases. Then, later in July, the UN General Assembly agreed for the first time on a resolution to address eye health.

In parallel, activities to raise awareness for specific diseases are also taking place in various countries and regions around the world. For example, in China and Asia, efforts against myopia are already being actively promoted at the national level.

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 the Zhongyong (The Doctrine of the Mean) by Confucius.

WORLD VISION

Happiness with Vision

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

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5 

Page five, please.

This is our fundamental philosophy: Tenki ni sanyo suru. This is the origin of our Company name. We also present our World Vision: Happiness with Vision. This is the ideal world that we, Santen, are aiming for.

To achieve this, we aim to solve social issues relating to the eyes through our business activities.

Aim to reduce the loss of social and economic opportunities for people around the world



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6 

Next, please see page six.

Santen is committed to solving social issues for people around the world with three strategies. We have also formulated four points of ESG materiality, which you can find here, to enhance our corporate value over the medium to long term.

We are committed to management that integrates business and ESG. The combination of these two aspects is what we at Santen call sustainable management.



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7 

On page seven, we present these four points of ESG materiality.

We have established these four points with the aim of contributing to the sustainable development of society and enhancing Santen's corporate value over the medium to long term.

1. Development and stable supply of socially significant products and services

Contribute to more than 60 million patients by resolving social issues

Tackle unmet medical needs

Improve healthcare access



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8 

Please turn to page eight. The first is the development and stable supply of products and services of social significance.

Santen aims to serve 60 million patients by 2025, thus solving social issues in the field of eye care. To achieve this, we will take on the challenge of addressing unmet medical needs, such as diseases for which there is currently no cure. This includes a focus on new areas such as cell therapy and ptosis. We will take on the challenge of providing new treatment options for existing diseases.

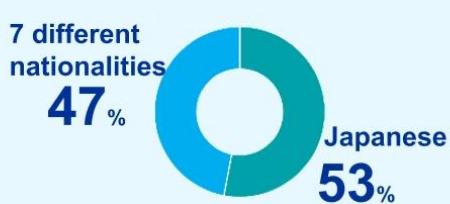
At the same time, we are working to develop access to ophthalmic care. In China and other parts of Asia in particular, there is a lack of both quality and quantity of ophthalmic care. We are working to build an ecosystem in the ophthalmology field by supporting the training of medical professionals, expanding capabilities, and working both independently and with our partners to raise awareness of eye disease.

At the same time, we will establish a supply system to provide safe, high-quality products to meet the increasing latent demand.

2. Encouragement of an organizational culture that promotes value creation

Promote diversification to improve strategic execution

Management team diversity^{*1}



*1: New management structure as of April 1, 2022 (Executive Management Team)

Opportunities for visually impaired employees



Work from Anywhere



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9

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On page nine, we look at the second point, fostering an organizational climate that promotes value creation.

We operate in 60 countries and regions around the world to serve our customers and patients. We recognize that building a diverse organization that can better understand the needs of each country is an essential theme for our corporate activities.

As just one example, I would like to present the new executive structure that we have just announced. Of course, the main focus is to strengthen our ability to execute the strategies for our long-term vision and mid-term plan. The group consists of 16 highly diverse executive members, including approximately half Japanese nationals and half from other countries. Of those, 24% are women. Of those who are not Japanese, five nationalities are represented. .

We have also been working to create an environment where diverse employees, regardless of nationality, region, or visual impairment, can work vigorously while mutually enhancing productivity. Currently, four visually impaired persons (post-script by Santen: 5 visually impaired, including 4 blind) are working in Japan, performing various tasks together with members who are not visually impaired.

Mr. Morita will present these inclusion efforts later.

In terms of the working environment, COVID has brought about a major change, as most of the in-house workers are now teleworking. We have already decided that we will not return to the original state even after COVID has settled down.

As stated above, we have established a system that allows each member to choose how and where to work, and to work with high motivation and productivity. This has also been a cycle that has led to increased diversity in the organization.

3. Strengthening governance, contributing to the realization of fair and equal society

Continuous efforts to improve governance and strengthen internal controls

Strengthen IT security



Enhance the effectiveness of Board of Directors



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10 

Page 10 shows the third point, namely contribution to strengthening governance and realizing a fair and equitable society.

In line with digitalization, diversification of work styles, and global expansion, we are actively working to strengthen internal controls, including information security.

In order to strengthen our ESG initiatives, we are also analyzing and responding to external assessments such as the DJSI. We recognize that in the area of information security, for example, we are in a position to compete with the World assessment. This will be covered in detail later.

As we have just announced, Mr. Ito, Director and Senior Managing Executive Officer, will assume a position as Representative Director and Executive Vice President, effective tomorrow, April 1. In this way, we will work to improve the effectiveness in terms of governance of the Board of Directors.

4. Conservation of the global environment

Steady progress toward measures against climate change and environmental load reduction

- Environmental targets for 2030 -

Switching to biomass plastic	Reduction of plastic in packaging materials	Reduction of travel	Switching to electrified vehicles
			

Plan to declare support for TCFD recommendations: June 2022

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11 

Page 11, please. This slide covers global environmental conservation.

Last year, we formulated our Environmental Vision for 2050 and Environmental Targets for 2030. As you are aware, we are making steady progress in our efforts to combat climate change and reduce our environmental impact.

In addition, as we announced last week, we completed the switchover to renewable energy for our plants and laboratories in Japan ahead of schedule.

We also plan to endorse the Task Force on Climate-related Financial Information, the so-called TCFD, in June.

Due to time constraints, we are unable to provide a detailed explanation of these environmental initiatives today, but we plan to do so at a future date.

Now, we would like to get into a few specifics of each issue here. First, Mr. Hara will explain our digital transformation efforts, and then Mr. Morita will explain Santen's inclusivity policies.

Afterwards, Dr. Masayo Takahashi of Vision Care Inc. and Kobe Eye Center Hospital will give a lecture on the social value of disability, in order to deepen your understanding of social contribution through ophthalmology from a slightly different angle. We hope you will stay with us to the end.

Over to you, Mr. Hara.

Digital Transformation to Support Business



Minori Hara

Corporate Officer,
Chief Information Officer,
Head of Digital & Information
Technology Division



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12

Digital transformation (Dx) contributes to ESG materiality

Drive process innovation in ophthalmology leveraging digital technologies

- Social -

Promote DE&I and employee engagement with digital

- Social -

Corporate transformation according to digital governance

- Governance -

Environmental protection through Dx

- Environment -

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13

Hara: I am Hara, Corporate Officer, CIO, Head of Digital & IT Division, with Santen Pharmaceutical. I will talk about DX initiatives that support management, from an ESG perspective.

Now, let's go to the first page.

The contribution of DX to ESG materiality is multifaceted and covers all areas of ESG: E, Environment, S, Social, G, and Governance. Today I will focus on three key points regarding the contribution of DX.

The first is corporate transformation in accordance with digital governance. The core of ESG is integrated with business in the digital IT field, with special emphasis on the contribution to governance.

Second, as part of the S, or Social initiative part of ESG, I will discuss the contribution of digital technology to the stable supply of socially meaningful products, which is a company-wide goal, through the promotion of process innovation in ophthalmology using digital technology. We would like to discuss how DX supports the company-wide goal of fostering an organizational culture that promotes value creation from the perspective of promoting and improving employee engagement.

Finally, as part of the E, or environmental, part of ESG, we will also introduce our contribution to global environmental conservation by reducing our environmental impact through DX.

Digital Governance for corporate management



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14

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The Ministry of Economy, Trade and Industry, or METI, is taking the lead in developing various measures to promote the transformation of private companies' business models and the improvement of their global competitiveness through digital technology.

As part of this, METI has established a Digital Governance Code, a set of guidelines that outlines the actions required of management to promote DX-related initiatives, and a DX certification system, an objective evaluation system for the level of DX readiness of Japanese companies. Santen has already made use of both of these schemes.

First, in line with the Digital Governance Code, we have defined areas of focus for business impact creation. We are accelerating Santen's DX promotion in a systematic and efficient manner. In addition, our approach to DX promotion and the status of our promotion system were recognized through an assessment. This year we received DX certification from METI. For reference, the total number of listed companies with DX certification as of March 1 is 301.

In addition, in order to further strengthen the digital governance of the Company as a whole, we have created the position of Chief Digital & Information Officer, or CDIO. This position has not existed at Santen until now, and I will be taking on this role starting in April. By upgrading the capability of the organization with the power of digital and IT, the intention is to limit business continuity risks from an IT perspective as the business domain expands while digital drives the Company's growth.

By clarifying the role of an integrated CDIO to drive these efforts, we will further promote digital in earnest from an organizational perspective.

World class information security to protect stakeholders

Business continuity

based on ISO-compliant
InfoSec framework

Globalization and Top talent

in InfoSec and Dx governance



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15

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Next, as another angle on strengthening governance, we will discuss Santen's business approach to information security to protect its stakeholders.

We have an information security policy that conforms to ISO standards. Various measures necessary to ensure business continuity are implemented through this.

For example, the company has advanced cybersecurity processes that utilize digital technologies such as big data, and security training for employees that utilizes online gamification. In the ESG evaluation, the company has achieved a level higher than the World Index in the information security category.

We aim for a cross-regional, global, lean and agile organization to support the governance of the security and DX areas needed to execute these initiatives. "Agile" refers to an organization that is capable of turning a cycle quickly and nimbly. We have been improving our organizational capability over the past few years by organizing ourselves in this way, assigning top personnel with high expertise in each of the global regions.

Internal control for effective business execution



Next-gen ERP

Standardized operating process and improved transparency

Data utilization

faster corporate decision-making

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16

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I will then discuss measures to enhance internal control.

In order to improve internal control, which is necessary to enhance the effectiveness of execution, the Company is implementing a next-generation ERP system. The project is being carried out on a global level under the leadership of the core team in Europe, where I am currently based. This is being done in order to accelerate the transformation of the business model through the global standardization and transparency of internal processes.

At the same time, we aim to promote data utilization and further improve the speed of management decision-making by building an integrated and standardized data infrastructure.

The three themes of digital governance, information security, and ERP-based internal control introduced above are important themes that contribute to the improvement of corporate governance. The Company is proceeding with the execution of the plan.

Process innovation in ophthalmology

Provider



Online medical platform

SEE
 SANTEN EYECARE EDUCATION

People



Mobile App



**BE
HEALTHY
BE
MOBILE**
MOBILE TECHNOLOGY FOR A HEALTHY LIFE

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17



Now, on to the next theme. Here is an example of process innovation in ophthalmology, forming one of the S or social ESG initiatives.

To evolve key processes in the ophthalmology ecosystem, for example, we are enhancing our online medical platform for healthcare providers and institutions. Examples include SantenMD in Asia, Santen Eyecare Education in Europe, and the SEE platform. The company's Asian business, SantenMD, a mobile app that provides up-to-date information for ophthalmologists, is already used by approximately 6,500 ophthalmologists, or 60% of the company's target physicians in Asia.

Launched in France and the Netherlands in February, Santen Eyecare Education provides ophthalmologists with easy access to best practice recommendations from European ophthalmology experts. It also allows them to access the content at their own pace, and incorporates gamification elements. We have developed this into a platform. Future expansion to Germany, Austria, and Switzerland is also planned.

We are also developing mobile applications for patients and the general public that enable them to self-check the degree of eye moisture using our proprietary AI image recognition technology.

In addition, as a contribution to the international community, we have been a partner in the Be He@lthy Be Mobile public-private partnership framework. This is a public-private partnership jointly implemented by the International Telecommunication Union (ITU), a United Nations agency, and the World Health Organization (WHO) for the past two years. As introduced by Mr. Taniuchi, this initiative is coming just at the right time to coincide with the focus on eye health globally, with the adoption of resolutions on eye health at the WHO and the United Nations last year.

As part of this effort, digital health programs are being developed to raise awareness about myopia and its prevention in developing countries and to improve health literacy.

As a specialty company specializing in ophthalmology, we will continue to participate in this type of sustainable development and SDG promotion.

Social

Promote DE&I and employee engagement leveraged by Dx

Diverse talents contribute to digital transformation



Dx accelerates new ways of working and DE&I



Introduction of Metaverse environment using Meta (Facebook) "Horizon Workrooms"
Source: Horizon Workrooms screen capture

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18



Another example of social initiatives will be the use of digital to promote DE&I and improve employee engagement.

As globalization accelerates and people with diverse backgrounds and lifestyles from all parts of the globe seek new ways of working, Santen is promoting DX in the area of work styles by making full use of the digital workplace environment that has evolved during the coronavirus pandemic.

Recently, some have begun to utilize VR, virtual reality technology, and the metaverse. In addition, consideration is being given to improving the accessibility of digital tools for employees with visual impairments.

Through the process of promoting digitalization in this way, we are creating a positive cycle that will lead to the development of a new way of working within the Company. We are aiming for a Work from Anywhere system, and the establishment of DE&I, which in turn will lead to increased employee engagement.

We plan to further develop Santen's unique digital workplace in order to attract talented people who share Santen's corporate culture and to raise the level of the Company's capability.

Environmental protection through Dx

Digital workplace

Cloud computing
Energy savings /
e-Waste reduction

Smart factory

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19



Finally, I would like to talk about the E part of ESG, that is, the contribution of digital activities to global environmental protection.

Santen's digital workplace has reduced employee travel, reduced the amount of office space required, and dramatically reduced use of paper in the work environment.

In addition, the accelerated shift to cloud computing has led to a dramatic reduction in power consumption across the Company, and a reduction in e-waste. Cloud computing is used extensively in our IT environment, contributing not only to the environment but also to the assurance of business continuity.

In addition, we are promoting smart factories at our production sites, and we expect to reduce the environmental impact of our factories through digitalization in the future.

Contributing to ESG and business by optimizing corporate digital strategy

Enhance governance in complex environment

Accelerate innovation in ophthalmology

Deploy digital tech for environment protection

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20



These are the three points of focus with respect to DX.

First, we are strengthening governance in an increasingly complex environment by optimizing our digital strategy from a company-wide perspective and promoting DX. Second, we are accelerating innovation in ophthalmology. Third, we are introducing digital technologies that reduce our environmental impact.

We will continue to accelerate our activities to make further contributions.

That is all from me regarding DX. Next, Mr. Morita will explain our inclusion efforts.

Santen's Initiatives for Inclusion



Takahiro Morita
Corporate Officer,
Core Principle and
CSR Promotion
Corporate Development Division



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21



Important values and conduct guidelines are “VALUES”

Aiming to realize the happy life for every individual through vision



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22

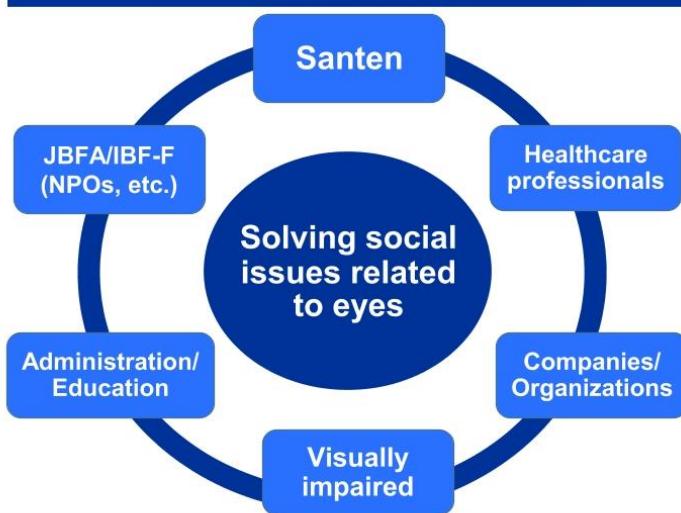
Santen

Morita: My name is Morita, and I am in charge of Core Principle and CSR Promotion. I would like to talk about Santen's commitment to inclusion.

For the creation of a world in which each and every person realizes their happiest life through the Best Vision Experience, we always think in a people-centered way, and act in accordance with our six action guidelines. We have these values and guidelines for action.

Inclusion society we aim to create

Build a society that is inclusive regardless of visual impairment



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23

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Santen's vision of an inclusive society is one in which people can live in harmony with others regardless of whether or not they are visually impaired. To achieve this, we are working with the WHO, other global organizations, and many partners to resolve social issues related to eye health.

Initiatives for inclusion society

Blind Experience



1. Fostering the mindset of society as a whole
2. Linking Healthcare-Welfare
3. Support for economic independence
4. Dissemination of solutions

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24



Now, let me explain the major ideas for realizing an inclusive society.

Santen values the idea of blind experience. This approach improves people's awareness and understanding of blindness and visual impairment through the experience of not being able to see. As a result, it eliminates unconscious bias and dissolves the barriers between visually able and visually impaired people.

We have fun and share values together. We will continue to search for new solutions to improve quality of life. This invisible experience is being led by senior management, including the Chairman, Mr. Kurokawa, Mr. Taniuchi, and Mr. Ito. It is being extended to all employees, not only in Japan.

Through blind experience, we are challenging ourselves to achieve four major goals.

The first is to foster the mindset of society as a whole. We believe that the basis of our activities is to change society's overall perception of the visually impaired and the ideas of the visually impaired themselves.

Second, we are attempting to bridge the gap from eye care to welfare for the visually impaired, many of whom visit us.

The third is support that encourages independence for the visually impaired, who often have difficulty achieving financial independence.

Fourth and last is to promote solutions that will bring happiness to the visually impaired and those around them.

1. Fostering the mindset of society as a whole

Organizational culture and environmental reforms by employee ambassadors



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25



Let me now introduce some specific initiatives.

First, I would like to discuss our internal initiatives.

Experiences by ambassador employees, including those who are visually impaired, are being rolled out to all employees globally. We are also working to create a comfortable work environment and developing job opportunities for the visually impaired.

The employees who have implemented this experience have changed awareness and behavior, which has had a significant impact on improving employee engagement. It has stressed the importance of eye health, the significance of working for a company that contributes to eye health, and deepens empathy for the Company's philosophy.

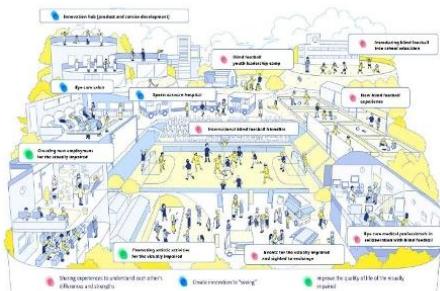
We believe that improving the work environment improves the productivity not only of the visually impaired, but also of those who are visually able. In the area of job development, we currently employ four to five visually impaired people who serve in a variety of roles, including human resources, planning, in-house instructors, and in training roles.

1. Fostering the mindset of society as a whole

Global initiatives starting from blind football

JBFA / IBF-Foundation

Creation of enjoyable opportunities which aid understanding of visual impairment



Partner Vision



Japan: Experiences in educational settings



Thailand: Blind football experience

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26

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Next, I would like to introduce some of our external initiatives.

We have entered into a long-term 10-year partnership with the Japan Blind Football Association and the International Blind Football Foundation, until 2030. We are promoting global initiatives with blind soccer as the starting point, based on a common vision.

We offer various initiatives, such as blind soccer experiences for children at schools, blind soccer experiences for visually impaired children in Japan and abroad, and employee volunteer participation in camps for kids that include visually impaired children and their parents.

We believe that creating opportunities for the visually impaired and sighted to interact with each other is the first step to deepening mutual understanding and creating an inclusive society.

These efforts have led to a better understanding of Santen, which, combined with the change in corporate orientation in recent years, has led to good feedback from students.

2. Linking Healthcare-Welfare

Approach to the medical field

Regional ophthalmic communities



Ophthalmic academia exhibition
and experiencing vision impairments



Lectures by people with
visual impairments



Medical facilities and
experiencing vision impairments

Providing opportunities to recognize anew social issues related to the eyes

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27



We are also committed to approaching the medical field. For example, we have devised a plan to make the ophthalmology community aware of social issues through exhibits at ophthalmology conferences, experiences there, and lectures by visually impaired people at events for teachers.

Through these activities, we feel that communication with ophthalmologists and healthcare professionals has been further developed and that we are building stronger connections than ever before.

3. Support for economic independence

Initiatives for students with visual disabilities

Job search support workshop

- ✓ Opportunities to understand themselves
- ✓ Transforming visual impairment into a strength

For visually impaired students Notice of online workshop

こんな方にお勧めします

・一般企業で就職を考えている視覚障がい学生（大学2年生から4年生対象）

参考後はこんな理解が深まります

・労働市場における自分自身にとっての機会を分析することができます。
・自己分析を通して、労働市場に対しての自分の強み・弱みを発見し、キャリア形成に活用することができます。

労働市場における立ち位置を確認したうえでキャリア戦略を作ることは、視覚障がいの有無にかかわらず、キャリア形成における重要な要素のひとつです。
私たち参天製薬では、視覚障がい者が生き生きと活躍できる社会の実現を目指しています。
視覚障がい学生にとってアクセシブルなキャリア形成ワークショップが少ないとから、
今回の実施を決めました。就職活動中あるいはこれから就職活動を始める視覚障がいのある
学生のみなさまに参加いただき、自身のキャリア形成に役立てていただければ幸いです。



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28



Next, I would like to discuss financial independence support.

We have begun offering job placement workshops for visually impaired students. Workshops provide an opportunity to understand oneself and think about career development.

Participating students commented that it was a good opportunity to get to know themselves, that they learned a lot through dialogue with people of the same generation in the same environment whom they had not known before, and that they understood that they could use their visual impairment as a strength. This was our first attempt to do this in a social context, and we feel that we were able to provide a very meaningful opportunity.

This will lead to our goal of reducing the social and economic opportunity loss for people around the world due to eye diseases and defects.

4. Dissemination of solutions

Bringing down "Walls" in the Accelerator Program to support for creation of new businesses

- 1. Online wall**
- 2. Offline wall**
- 3. Capacity wall**
- 4. Working style wall**
- 5. Linkage wall**
- 6. Unexpected wall**



Collaboration with people with visual disabilities,
academic advisors, companies, and NPOs

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29

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Finally, I would like to talk about the spread of solutions.

We have initiated an accelerator program as part of our efforts to improve quality of life. This program invites commercialization ideas from companies and organizations seeking to create new businesses in six areas that dissolve barriers related to the visually impaired. The program supports them not only financially but also with the involvement of visually impaired people. We work with mentors and advisors who are active on the front lines of business despite being visually impaired.

We are very much looking forward to the participation of many companies and people to improve the quality of life through new products and services, and also to new business opportunities.



Happiness with Vision



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30

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As described above, we will contribute to society by solving eye-related issues together with our many stakeholders. And through this initiative, we hope to increase employee engagement and realize our Happiness with Vision worldview.

This is the end of my presentation.

Next, we will hear from Dr. Takahashi. Dr. Takahashi, thank you very much for joining us.



Masayo Takahashi, M.D., Ph. D.
Vision Care Inc.
Kobe City Eye Hospital

Nation Eye Institute @NIH new director

His work in **biomedical informatics and telehealth research** is particularly important for the future of vision research

July 2020

National Institutes of Health Director Francis S. Collins, M.D., Ph.D., has chosen Michael F. Chiang, M.D., as director of NIH's National Eye Institute (NEI). Dr. Chiang is currently the OHSU Chair of Biostatistics, Professor of Ophthalmology & Medical Informatics and Clinical Epidemiology at Oregon Health & Science University (OHSU). He is associate director of the OHSU Casey Eye Institute. Dr. Chiang begins his new role as the NEI director in late July. His research interests include the development of mathematical models to predict the mechanisms of visual function, preservation, problems and requirements of the visually impaired.

"Dr. Chiang brings extensive experience as a clinician-scientist and educator to NIH. His work in biomedical informatics and telehealth research are particularly important for the future of vision research," said Dr. Collins. "I look forward to having him join the NEI team later this year. I also want to recognize Santa J. Hammrin, I... for her dedicated leadership in science as the acting director of NEI since February."

NIH HP : <https://www.nei.nih.gov/about/news-and-events/news/nih-selects-dr-michael-chiang-director-national-eye-institute>

2

Takahashi: My name is Takahashi from Vision Care Inc. First of all, let me explain why I am here today.

We have been developing regenerative medicine for the eyes for a long time. This has great potential to improve the wellbeing of the visually impaired. It is important not just to create products, but to create therapies. We are trying to solve issues that cannot be solved by medical care alone.

I think it is partly because this objective, solving the challenges of the visually impaired, is totally in line with Santen's goals, but I always felt that when I talked about true inclusion with Mr. Taniuchi, he really got it, and we were on the same page.

I think that is why I was asked to join you today. Santen is a company that has been working within the field of ophthalmology for a long time, and has made great contributions to the field.

Take the example of cataract surgery. I myself had the opportunity to practice cataract surgery with Santen in a mock operation. By practicing surgery in that way, I think you can imagine that we gain a deep understanding.

This article is about changes in ophthalmology. Medical care will be changing rapidly in the future. In the US and other countries, ophthalmology is the most cutting edge and is the department where the top 3% of doctors go.

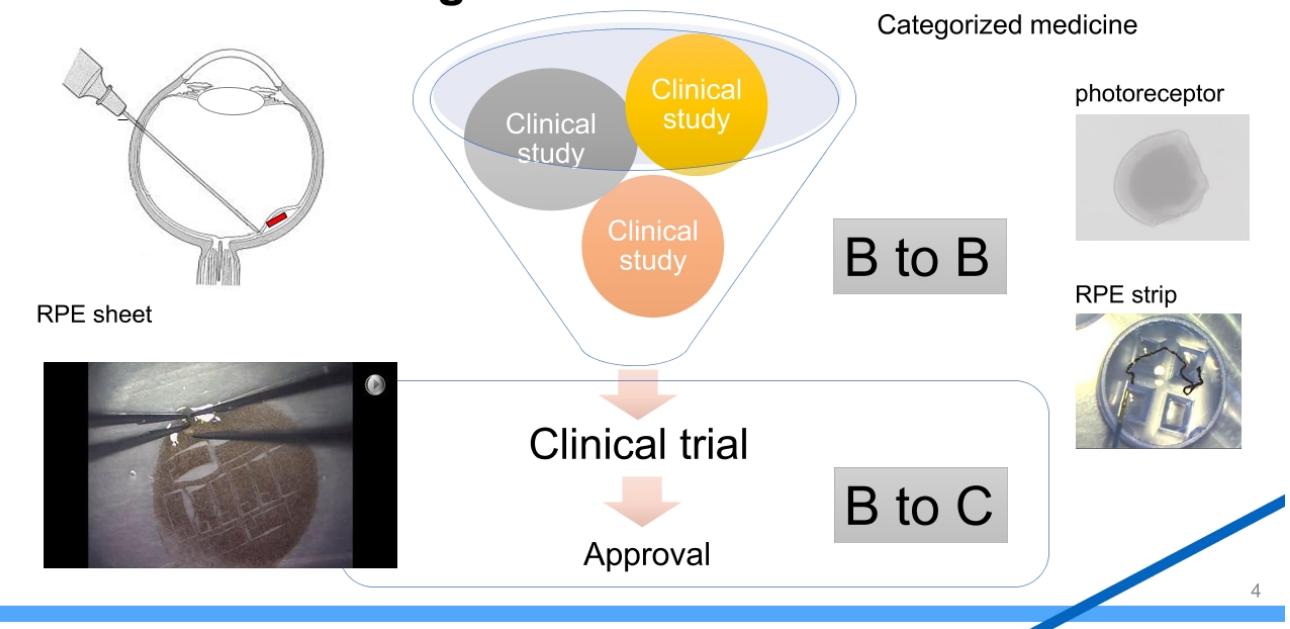
In fact, the world's top position in ophthalmology, the director of the world's best eye center, has changed for the first time in 20 years. The person is a young Asian, but he is a telehealth specialist, not a medicine man. This is exactly what I think is happening, along with Google and Apple entering healthcare, and ophthalmology being the fastest to show the direction of healthcare.



In this way, much of ophthalmology including diagnosis of diseases can be done by AI. What does a human doctor do? The answer to this question has been said in Asia for a long time. The inferior doctor treats the illness. The mediocre doctor treats the people. The superior doctor treats the country.

I learned this phrase when I was a first-year medical student at Kyoto University. Therefore, even more so, we should not just make products using regenerative medicine. We have to make therapies. I believe that we can play a role in the future of medicine not only by diagnosing diseases although AI is likely to play a role in this area in the future, but also by providing holistic medical care.

Regenerative medicine



From this point of view, we need to find out things, such as, how we can establish medical treatment, not just prepare the medical product, which treatments really work, and which treatments are suitable for which patients.

Now we have entered the business, since we reached the stage where we could conduct the clinical trial and/or we could make it real treatment, by improving the approach through lots of try and error as a global leader, using the Japanese unique system of clinical investigation including reverse translational research

Recently, we have developed a method to safely operate on retinal pigment epithelium made from iPS in addition to the sheets of retinal pigment epithelium, which can be made into a stripe and operated through a small hole. It was a long-cherished dream, the transplantation of photoreceptor cells. We have reached the point of regenerating the central nervous system or even implanting organoids.

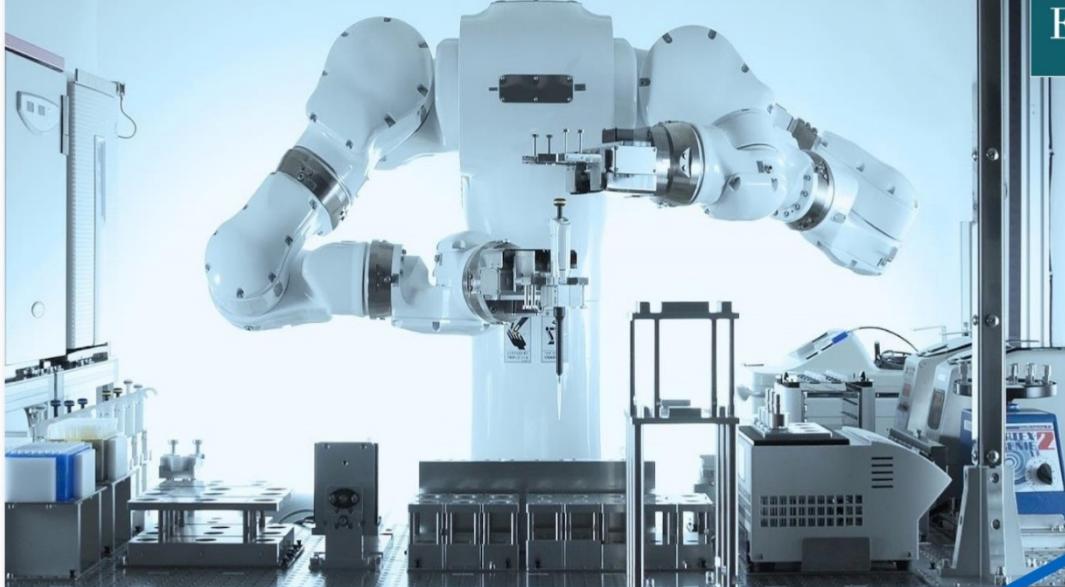
Robotic Biology LabDroid - Mahoro



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7

The cell in the area of regenerative medicine is the third category which is composed of raw materials and medical device used in conjunction with surgery. Currently, cell production is performed by humans, in which the surrounding instruments have been validated, on the other hand, the cell manufacturer's procedures have not.

We are focusing on this point, and are now in the process of making a change to making it possible by using robot that can validate the work procedures.

Form of corporation

	Corporation field	Outcome
2D	Cell production sales corporation Pharmaceutical model	Cell
3D	Retinal cell treatment (Medical device model?)	Healthcare
4D	Retinal treatment general trading company Unknown model	Society

Aiming to become 4D corporation

6

As I said at the beginning, we consider the production of cells and products to be two-dimensional, and that is not how regenerative medicine works. Therefore, I believe that we have already become

a 3-dimensional Company that creates medical care, including patient selection, methods for determining efficacy, and rejection testing. We are aiming to become 4D corporation to resolve issues related to not only medicine but others.



Kobe City Eye Hospital



Architect Mr. Kentaro Yamazaki
Book Director Mr. Yoshitaka Haba

Park: Anyone can come enjoy!
Entrance floor Vision Park



IDEA / GOOD DESIGN AWARD

8

The Kobe Eye Center was created for this purpose. We have created a space with many steps, which does not feel like a typical hospital. We have created a very stylish place that everyone can enjoy.

This is characterized by setting the main entrance floor where patients seen in the outpatient clinic above it can obtain a variety of equipment and information, as well as patient care and mental care.

VISION PARK

Kobe City Eye Hospital entrance NEXT VISION floor



Linking medical care and welfare. Aiming for true inclusivity



- Gap between medical and welfare
Referrals 10% → almost 100%
- Doctors appreciate VISION PARK
- Disabled individuals unrecognized from welfare perspective. There are gradations to disability
- Risk of narrowing treatment options unless care provided
- Breaking down silos, building horizontal relationships.
Patient-centric
- Learn the value of disability
- From providing welfare to true inclusivity

mental relief / satisfaction = medical goal

9

The entrance floor is stylish. The main goal here was to bridge the gap between health care and welfare.

We aim for true inclusiveness. Welfare is not only for people with disabilities, but also for the variety of people who come to this kind of place. People with disabilities can exercise on these steps while being watched over safely, and we have welfare people come to this floor to consult with us every day.

It is difficult to refer patients from medical care to welfare, and they do not go there. Our goal was to provide a one-stop shop for welfare and information to improve people's lives, rather than giving up when treatment is no longer effective.

The bridging between medical care and welfare has already been a great success, with the welfare side no longer being divided vertically. The education side has also expanded its circle with people from schools for the blind and other institutions coming to the center.

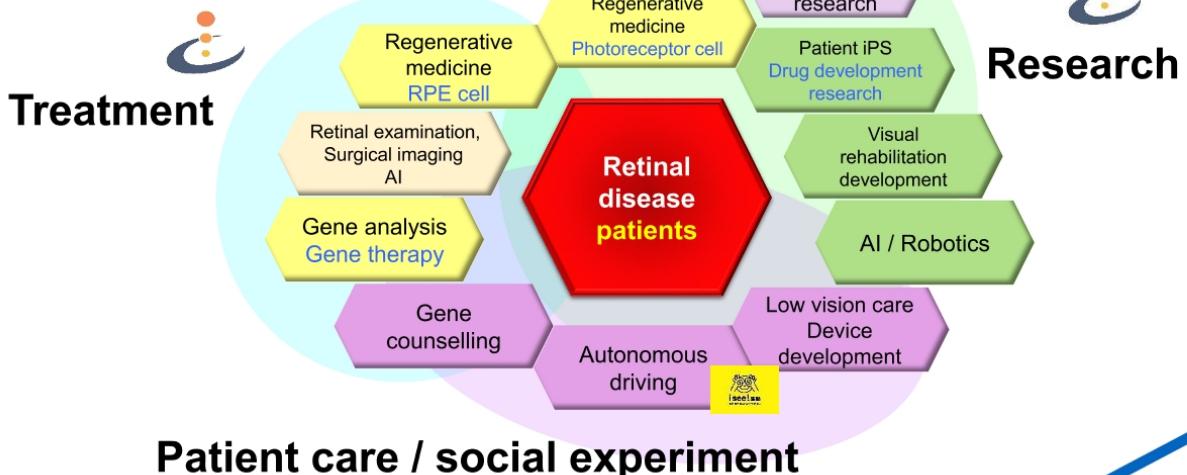
The people who were most gratified were the doctors. The facility is a place where doctors may have been the most successful in improving the wellbeing of the residents who were not able to get medical care. They are able to make a connection by simply asking for advice on the second floor.

In welfare, disabilities are actually a gradation, but we often focus only on those with severe disabilities or those who cannot see at all. If care is not provided quickly, it will be like a disease, and if it is too late, it will not work. In that sense, I think that a hospital where people with all gradations of disabilities can come is a very good place to be.

In the process, we have become increasingly convinced of the worth of disability. I will talk about this later, but also because of this, patient satisfaction has increased enormously. This makes me realize more and more that even if there is no cure, the purpose of medical treatment is still very important to provide emotional safety and satisfaction.

Kobe City Eye Hospital Plan

Resolve the issues related to visual impairment by all means possible



This connecting with welfare or patient care is not about volunteering for anything or doing charity welfare. We have been doing a lot of research, mainly on retinal therapy, and have focused on patients and their issues and needs. At some point the two lines intersect. Or at some point, a plane is formed.

Where there was nothing in the past, we build up new systems and forms of treatment. This is, above all, addressing the needs posed by the challenge of disability. We are really feeling the value of being the driving force behind these new things and innovations.

Transforming the image of visual impairment



I am really grateful that Santen shares this vision. People's idea of what it means to be visually impaired is changing and welfare practices should also change. Times are changing.

There used to be a time when people with disabilities were ignored, confined to their homes, and told not to go outside. That is not the way it should be. The welfare system was established to protect them. But I think those times lasted for a long time, when we had to help them because they were poor people.

In 2016, NHK's *Baribara* program often featured people with disabilities doing very great work or trying amazing things. In response, there was a scene where a disabled person told them to stop with the soppy, tear-jerking segments.

I was surprised when I saw the response on the Internet. A lot of people agreed with that person, and it made me realize that times have changed. I believe that the program played a very important role in bringing about an era of protection for those who had been neglected until then. I am very happy to have been able to be a part of this event.

Similarly, the 2021 drama *It's Love!* had a tremendous response in our field. It was very interesting and received good ratings. What was groundbreaking was that it featured a visually impaired person, a lovely woman, who truly lived an everyday, normal life. We know about it, but the general public does not. This kind of life was depicted.

Her life wasn't portrayed as some Herculean struggle, but rather, she laughs, cries, and lives a normal life. We thought it was a ground-breaking drama, featuring a person who is enjoying life. I believe this is an important message for a truly inclusive era of living together.

NEXT VISION



Immediate eliminating vision loss is difficult,
but can eliminate despair

12

The "I see!" movement came about with the hope of creating just such an era. Next Vision, the public benefit corporation that operates the entrance floor of the hospital, is exactly what we set out to do.

We cannot yet completely eliminate blindness, but we believe that we can eliminate despair.

Digital low vision care



Research Center for Advanced Science and Technology, the University of Tokyo /
Department of Ophthalmology, Tokyo Medical University / Occupational physician / Studio Gift Hands CEO
Taku Miyake, M.D., Ph.D.



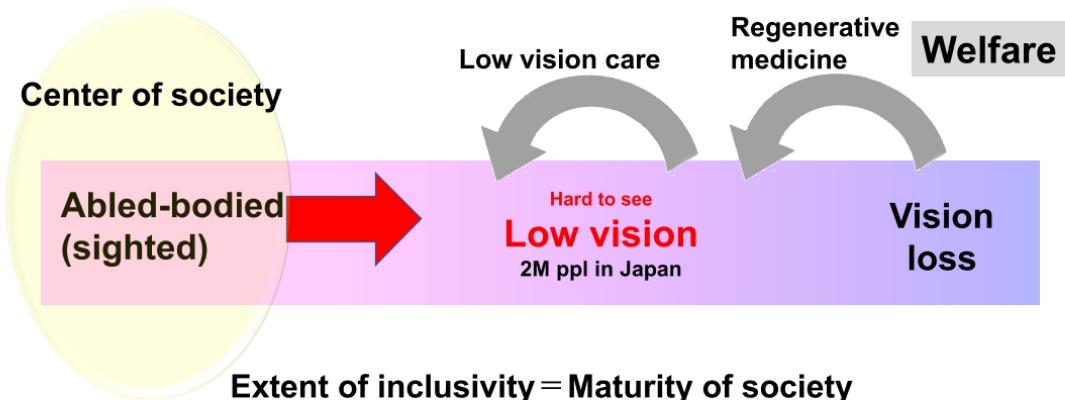
13

Its major weapon is not medicine but digital and other technologies. Dr. Taku Miyake, who is working with us on Next Vision, was one of the first to recognize the potential of the iPad and other devices to promote digital low vision care.

There are many of these technologies that can be used even by people with total visual loss. Nowadays, glasses that can read text if you point to it, glasses with AI, or glasses that can see in the dark, and so on are coming out every year, much faster than the development of medicine.

It is very unfortunate that visitors to the hospital are unaware of such information, so we gather this kind of new information and pass it on to them. Some such patients come for regenerative medicine, but find it doesn't restore their sight to the level they expected. I believe that we pursue wellbeing by providing patients who are disappointed in this way with additional information.

Disability gradation



True inclusivity: Also friendly to the abled-bodied

14

When you think about it this way, some degree of disability is entirely solvable. The word "visually impaired" has an image of being unable to do anything and being helpless, but the mildly visually impaired are able to work normally with such technology. History has proven that by solving this problem, the technology will surely spread to other ordinary people and become more convenient.

In the past, there used to be an illusion of health, or that there was no way out of it even if medical care was not available, but nowadays, many things can be cured. Some may think that the only goal is "normal", or "healthy". There is a part of us that is obsessed with the illusion that we need to be healthy, and that is making us suffer.

In truth, our society is made up not only of so-called normal people, but rather a gradation of people with slight disabilities. Everyone has a disability. Not being able to use IT is a disability, and many people have it. If we consider not being able to speak English as a form of disability, we can be truly inclusive.

Serenity Prayer

SERENITY to accept the things I cannot change

Regenerative medicine does not completely restore.

Must Give up on the ability to see well

COURAGE to change the things I can

Low vision care allows you to read and write.

Do not give up on literacy

WISDOM to know the difference

Regenerative medicine is an initiative to address heretofore unchangeable natural providence,
by courage of human wisdom.

When Society widely accepts the fact that there are destinies we cannot change despite all
efforts, it will play out beautifully

15

Last slide.

I often say this to my patients. They come to us for regenerative medicine. They tell me they want to drive, but it's a little difficult to improve vision to that level. What I would say then is that even if regenerative medicine is very successful, it will not restore things to the way they were. I will say that there is a level of function that we have to give up.

However, even if your vision doesn't return to normal, it's still possible to read. I tell them that it is possible to change their situation. However, a great many people mistake the two. We see that for people to change the way they think can profoundly alter their lives.

Regenerative medicine is a great modality that may be able to cure diseases that have been said to be completely incurable, including diseases of the central nervous system. However, even so, society and the general public must widely understand that some things cannot be changed. I believe that the most beautiful development will occur when society understands that it is okay to have a disability, that it is natural.

In some sense, the word actually applies to everyone. We all have some form of disability. Some things, however, do take time to change. By not confusing the two, all people can move forward and projects will be successful. This is the kind of thinking that I and the Company would like to pursue.

That is all. Thank you very much.

Solve social issues through ESG management integrated with our businesses

- ✓ **Sustained efforts to tackle Eye Health problems**
- ✓ **Realization of DE&I including people with visual disabilities**
- ✓ **Continuous improvement of governance**

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31 

Taniuchi: Thank you very much, Dr. Takahashi.

Listening to your speech, I feel humbled to think of the role we can play in contributing to visual health, and to society as a whole. Thank you very much.

I would like to wrap up with a summary.

We at Santen believe that in solving social issues, business and ESG are one and the same.

As we have heard today, the first is the challenge of entering new areas. Next, supply of quality products and services. This includes long-term support for the development of the ophthalmic medical environment.

Second, in addition to improving our internal environment and culture, we will work with healthcare professionals and our partners to realize a society of inclusion.

And third, we will utilize DX to promote sustainable management while working to continuously improve governance.

Although we could not expand on this today, I would like to share other ESG-related themes, such as environmental and human resource initiatives, in the Integrated Report and at future briefings.

Before we move on to the Q&A session, I would like to give an update on one point outside the scope of today's ESG session.

We have been talking about STN1011700 for the US market for some time. At the last financial results briefing, we initially said that we would aim to file an application for this product at the end of March. There has been a slight delay in the FDA response to our contract manufacturer, and as of today, we have not yet been able to resubmit the application. However, we are making steady progress in the overall preparations.

Here, of course, we will continue to make preparations to reapply as soon as possible, in coordination with the relevant authorities. We will be in a better position to discuss the situation at the May financial results meeting.

I will end my presentation here.

Once again, I would like to ask for your frank opinions and questions from an ESG perspective, and I look forward to hearing from you.