

Santen Announces Medium-Term Plan (MTP2025)

May 19, Osaka, Japan - Santen Pharmaceutical Co., Ltd. (Head office in Osaka; hereinafter 'Santen') announced today that it has released medium-term management plan 'MTP2025,' covering a period up to FY2025.

Looking to how our world will be in 2030 and beyond, Santen has released the company's future vision, 'Santen's VISION.' For many years, Santen has transcended the business boundary as a pharmaceutical company to reduce the loss of social and economic opportunities for people around the world due to eye conditions. To this end, the company will work toward the vision of 'Become A Social Innovator' as it heads toward 2030.

Under the medium-term management plan to achieve 'Santen's VISION,' the company will transform itself into a true global pharmaceutical company by FY2025, maximize the value of core businesses, and leverage this to enter into new businesses and new categories. By 2030, it will achieve business consolidation in ophthalmic products, including the US, and further evolve its business model while expanding into technological innovations and out-of-pocket medical services and contributing people's happiness through vision.

1. Management themes to be addressed on the MTP2025

In order to achieve in-depth business globalization and entry into new business categories by FY2025, Santen will explore its strengths in reinforcing its global presence and profitability in the core pharma business, as detailed below:

- **Determined shift in focus from "quantity" to "quality"**
 - Steadily monetize existing assets
- **Enhancement of new pipeline + disciplined execution of LCM**
 - Regional expansion, indication expansion and LoE countermeasures
- **Transformation into a "truly" global company**
 - Global organization and process optimization
 - Investment in production facilities to establish global framework

2. FY2025 KPI targets

Santen will achieve KPIs with a balanced-focus on sales growth and profit improvements to achieve top 1/2 level of TSR amongst pharma industry.

TSR	Top 1/2 level in pharma industry
Net sales	≥ 315 billion yen (CAGR 5%)
Operating profit ratio (IFRS)	≥ 21%
ROE	≥ 13%
Overseas sales ratio	≥ 50%
Shareholder return	≥ 40% in dividend ratio + Opportunistic share buy-back(s)

3. Shareholder returns policy

We will take shareholder value-accretive capital allocation strategy with a balanced focus on BD investments and sustainable shareholder returns. Our policy is to allocate at least 1/3 of Operating CF to dividends and opportunistic share buybacks. We will secure a dividend payout ratio of 40% or more and carefully select

strategic investments that will contribute to medium- to long-term growth and increase enterprise value based on financial discipline. If surplus funds arise, we will flexibly return them to shareholders through share buybacks.

4. ESG strategy / measures

Aim to achieve continuous growth by focusing on four materialities and contributing to ongoing social innovation under our corporate vision

- ① **Development and stable supply of socially significant products and services (Happiness with Vision)**
 - Enrichment of products, information, and services along the three pillars of Ophthalmology, Wellness, and Inclusion
 - Enhancement of responsible supply chain, safety monitoring, and customer service
 - Targeting reach to over 60 million patients*1
- ② **Nurturing a corporate culture promoting value creation**
 - DE&I*2 - Promote diversity with a focus on gender, nationality, and the visually impaired
- ③ **Contribute to the strengthening of governance and achieving social fairness and equity**
 - Management effectiveness, diversity, compliance and respect for human rights aimed at ensuring medium and long-term growth
- ④ **Global environment protection**
 - Countermeasures against climate change, reduction of environmental impact
 - Scope 1&2 : CO₂ emissions
 - FY2025 : 25% reduction
 - FY2030 : 50% reduction
 - Shift to bioplastic eye-drop containers
 - FY2030 : 60% of plastic eye drop containers being produced from bioplastic

*1. Estimated total no. of patients contributed to (disease areas: inflammation/allergies, cornea, glaucoma, cataracts) in FY2019 is approx. 43 million, calculated based on JMDC's estimated total no. of patients for Santen's Rx products and Santen's supply data

*2. Diversity, Equity & Inclusion

About Santen

As a specialized company dedicated to ophthalmology, Santen carries out research, development, marketing, and sales of pharmaceuticals, over-the-counter products, and medical devices, and its products now reach patients in over 60 countries.

Toward realizing "WORLD VISION" (Happiness with Vision), the world Santen ultimately aspires to achieve, as a "Social Innovator", we aim to reduce the social and economic opportunity loss of people around the world caused by eye diseases and defects by orchestrating and mobilizing key technologies and players around the world.

With scientific knowledge and organizational capabilities nurtured over a 130-year history, Santen provides products and services to contribute to the well-being of patients, their loved ones and consequently to society. For more information, please visit Santen's website (www.santen.com).

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