

Governance

52 Chairman's Message

Chairman's Message

Fiscal 2021 was a year that caused us to think even more on what we should do to meet the expectations of our customers, shareholders, employees and other stakeholders—but particularly investors, given the current state of our stock price. It is even more important now for the Board of Directors to share with executives their thoughts on the challenges the Company faces to achieve its medium-term plan and targets. Key topics of discussion during the year revolved around the products and services required by Santen's customers, from ophthalmologists and patients to general consumers, expected future changes in the market and competition, and how to develop not only strategies but also the consequent measures and capabilities required to realize them.

Going back to our CORE PRINCIPLE of *Tenki ni sanyo suru*, we need to ensure management transparency, and to make better decisions through objective discussions from the perspectives of customers, shareholders and employees. This is the role and responsibility of the Board of Directors to pursue sustainable growth.

Following the resignation of the former CEO in September 2022, the Board of Directors approved the appointment of Mr. Takeshi Ito as the new Representative Director of the Board, President and CEO based on the proposal from the Nominating Committee. With this new management team, I will work to manage a highly effective Board of Directors to meet the expectations of both internal and external stakeholders.



Akira Kurokawa

Representative Director
Chairman



Chairman's Message

Governance

52 Chairman's Message



Expectations regarding the New Executive Team

The Board of Directors is responsible for making decisions on key business execution matters, such as the medium-term plan and targets, and monitoring management's execution of business. Members of the Board are elected and approved by the General Meeting of Shareholders, so it is incumbent on us that we discuss various management issues from the standpoint of Santen's sustainable growth and governance as representatives of shareholders. It is important that Santen's Board of Directors serves the two functions mentioned above. For the first, we must deliberate and make decisions from various points of view, including risks, on whether the management plans proposed by the executive team are appropriate for sustainable growth. For the second, we must confirm that approved management plans are being implemented properly and meeting the expectations of customers and investors, and that the Company is steadily contributing to ophthalmology. However, there are also risks in our operating environment that the Company cannot control, including changes in the economic climate due to the weak yen, the COVID-19 pandemic and interregional conflicts. The Board of Directors provides advice and support to executives to enable a flexible response even in these circumstances. Transparency and communication are essential in this

Governance

52 Chairman's Message

Chairman's Message

kind of business environment. We need to keep an eye on management issues and discuss ways to overcome them. Accordingly, executive management should make proposals to the Board of Directors after they are thoroughly discussed by the Global Executive Committee. In order to realize the medium-term plan, this type of discussion is critical, as is the need to have multifaceted discussions from various perspectives. Needless to say, achievement of the medium-term plan will depend above all on its execution, as well as the people and organizations that are integral to that execution. Today, businesses that do not have the support of customers will be forced to withdraw from the market. Many of the clues to overcoming challenges in execution also reside with customers and the market. If we can mobilize the abilities and motivation of our employees, we will be able to make progress on resolving issues. The Board of Directors has discussions on business issues, and underlying those discussions is a desire to understand customer and market needs, the competition, and employee awareness. Therefore, I expect executives to appropriately lead employees based on a thorough understanding of our business, customers and market to achieve the medium-term plan. If our growth potential as a company specialized in ophthalmology is recognized, we will regain the trust of investors, and I believe that will also be reflected in our stock price.

Progress in Enhancing the Board's Diversity and Effectiveness

The number of Outside Directors increased from three to five following approval by the General Meeting of Shareholders in June 2022. This decision was made partly in response to feedback from shareholders and investors that we had too few Directors and that we should further increase diversity, but also from our own desire to bring in as many outside views as possible. Outside Directors comprise 71% of the Board as of the end of September 2022 and this has strengthened the Board's diversity in terms of skills, experience, gender and nationality. Going forward, we also want to appoint Board members from within the Company who have experience on the front lines of Santen's business. Age and gender are irrelevant. Most of all, we prefer people who can see things objectively as they are, and who have a clear and unwavering vision.

We have taken various steps to enhance the Board of Directors' effectiveness ([▶Page 56](#)). I intend to fulfill my role and responsibility as Chairman of the Board while maintaining a firm awareness of the issues facing management and continuing to seek better governance.

Akira Kurokawa

Representative Director
Chairman

Governance

55 Messages from Newly Appointed Officers

Messages from Newly Appointed Officers



Noboru Kotani

Outside Director
Independent Officer

I supported transformation at a wide range of leading companies in my 19 years at Boston Consulting Group, and helped develop early-stage companies at Dream Incubator Inc. as well as through my later activities. In the life sciences field, I have been involved with companies in various fields. I have known Santen over 20 years, with a thorough understanding of its characteristics, strengths and weaknesses. Based on my “dual-lens” experience, I will promote a growth trajectory factoring-in a balance between its vision and the status quo.

Being in harmony across a broad range of stakeholders and ensuring that governance evolves in coherence with corporate growth are also primordial. Growth necessitates an appropriate amount of risk-taking. I will provide relevant oversight and advice to contribute to Santen’s enterprise value enhancement.



Tamie Minami

Outside Director
Independent Officer

I look forward to contributing to the growth of Santen as a member of the Board. My experience in leading organizations across various geographical areas should help support Santen’s growth globally.

Driving consistent growth while sustaining uncompromising integrity of the operations in every market around the world requires intimate understanding of local markets as well as strong local leadership teams. Alignment of global organizations with Santen’s values, common goals, clear strategies and growth mindset are essential to its accelerated growth globally. Santen’s culture which values and promotes diversity and inclusion around the world will attract and retain strong leaders and employees. As our stakeholders expect without any exceptions in every geography, driving Santen’s ESG agenda forward as one organization around the world with a clear strategy and roadmap will be a key imperative for sustainable and profitable growth.



Masahiko Ikaga

Outside Corporate Auditor
Independent Officer

Santen’s WORLD VISION “The Happiest Life for every individual, through the Best Vision Experience” resonates with me strongly. I am delighted to play a part in the process of realizing the vision through the execution of the long-term vision Santen 2030 and the medium-term plan MTP2025.

For companies pursuing global growth, developing their business alongside the organizational foundation including governance is both a condition to meet and a challenge.

As a management consultant and an executive, I have experience and knowledge from my involvement in the reform and growth of companies including global corporations at various stages of development. I look forward to leveraging my experience for Santen’s growth and development in my role as an Outside Corporate Auditor.

Aiming for an Effective Board of Directors Suited to the Business Environment

Governance

56 Aiming for an Effective Board of Directors Suited to the Business Environment



Kanoko Oishi
Outside Director

Mika Masunari
General Counsel (GC),
Chief Compliance Officer (CCO)

Since 2016, Santen has been making a particular effort to enhance both the depth of information and the quality of discussions at Board of Directors meetings through effectiveness evaluations. We will continue to maintain an environment that facilitates open and constructive discussions as we work toward the higher level of Board performance and effectiveness that Santen requires.

Previous Initiatives for Enhancing Effectiveness

Masunari: In the years since the Company started conducting evaluations of the Board of Directors' effectiveness in 2016, we have been gradually tackling essential issues. On the administrative side, I feel that steady improvements have been made. Initially, the main

focus was on measures to deepen discussions by helping Outside Directors obtain adequate information about business execution targets and issues—for example, through advance distribution of relevant documents and more thorough explanations, as well as through visits to plants and research centers around the world. Since 2019, we have focused on enhancing strategic decision-making and improving oversight, which are the core functions of

the Board of Directors. The effects of such efforts cannot be expected to show up overnight, but what are your thoughts from your position as an Outside Director?
Oishi: I think both the depth of information and the quality of discussions are improving. Also, information that provides context for agenda items has been enhanced, so I feel that discussions cover more ground than before. The Corporate Strategy Committee has also taken measures such as

Governance

56 Aiming for an Effective Board of Directors Suited to the Business Environment

Aiming for an Effective Board of Directors Suited to the Business Environment

bringing matters to the Board of Directors only after having discussed them in depth. This makes it easier for us to understand the impact of these matters on the relevant projects based on where they fit into the Company's overall strategy, and to monitor the status of priority themes over a longer period of time to ascertain what has and has not been accomplished or improved in the past, and what needs to be done now and in the future.

Masunari: Now that you mention monitoring, I recall that when I was appointed to this position in 2019, I asked the Directors for their thoughts on what kind of Board of Directors we should be aiming for. The general response was that we should strengthen the oversight function, but the Board should also be more deeply involved in and devote sufficient time to strategic decision-making. I found that a bit

surprising because I had imagined they would be more oriented toward being a "monitoring board," given current trends in society.

Oishi: I think that in choosing to be a company specialized in ophthalmology, Santen has entered a turbulent world that requires it to take on many challenges, including the challenge of global markets, and the U.S. market in particular. Preparing for those challenges entails reforming its internal culture with an orientation toward globalization. To serve on the Company's Board of Directors, we should be ready not only to press executive management on how to do their best, but also to take risks and work together with them in making major decisions. I am sure the other Board members feel the same way.



Masunari: While it is important to understand Japan's Corporate Governance Code and prevailing views on how a company should function, we should not simply adopt standard practices wholesale; we need to consider the best governance system for Santen right now, and what role the Board of Directors should play.

(FY)	2016	2017	2018	2019	2020	2021	2022
Key events influencing effectiveness evaluations	Japan's Corporate Governance Code		2018 Code Revision			2021 Code Revision	
	Expansion of overseas businesses as part of Vision 2020					Santen 2030	
						MTP2025	

Improvements in operation of Board of Directors

- Distribution of meeting materials in advance
- Information sharing including advance explanations and observation of executive meetings
- Preparation and advance sharing of yearly schedule for Board meetings

Confirmation of engagement with corporate philosophy and operation of internal controls

- Visits to domestic and overseas plants and research laboratories
- Enhanced internal control reporting

Key initiatives to improve effectiveness

Enhancement of strategic decision-making

- Strengthened cooperation between Corporate Strategy Committee (discussion of medium-to-long-term strategy) and Board of Directors (discussion/approval of individual proposals)
- Revised criteria for placing items on Board agenda

Improvement of monitoring

- Set a schedule for regular progress reports on important strategic matters (decided matters to report, frequency and content of reporting, etc., and set a regular schedule)
- Set a schedule for regular progress reports on pipeline development projects at meetings of the Corporate Strategy Committee

Further enhancement of Board of Directors functions in a timely manner

- Made human resource and IT strategies topics of discussion
- Cooperation between committees and Board of Directors to perform the functions required of the Nominating Committee and Executive Compensation Committee

Governance

56 Aiming for an Effective Board of Directors Suited to the Business Environment

Aiming for an Effective Board of Directors Suited to the Business Environment

From a different angle, Santen has also strengthened the way it conducts and discloses effectiveness evaluations. The Company used to disclose the evaluation results only in the Corporate Governance Report, but in 2020 it was also posted on Santen's website, and in 2021, the Company accelerated internal processes for the effectiveness evaluation and the evaluation results were included in the convocation notice of the General Meeting of Shareholders, enabling evaluations to be considered during voting to elect the Board of Directors. In terms of our approach to effectiveness evaluations, we also enlisted a third-party institution in fiscal 2021. I would like to continue to improve effectiveness by engaging stakeholders in dialogue to get their understanding and feedback on our efforts to enhance the Board's functions.

Oishi: It is important that we Directors stay aware of outside perspectives, and the harshness of those perspectives, when considering strategies. Every autumn, we invite investors to a Board of Directors meeting to get their opinions and advice and provide an opportunity for dialogue, and this is also a good chance to recalibrate our thinking. Communication with outside stakeholders is also essential for managing with an appropriate sense of urgency even in ordinary times.

Further Enhancing Board of Directors' Functions

Masunari: In the revised 2021 Corporate Governance Code, sustainability is positioned as something to be incorporated into medium-to-long-term strategy and discussed by the Board of Directors. Until now, regular reports on compliance, implementation of digital transformation, and human resource strategy, including diversity, have been discussed in Board meetings, but I would also like to consider measures to deepen the discussion by further integrating sustainability into medium-to-long-term strategies.

Oishi: Because of time constraints, it is difficult to debate everything at a single meeting, nevertheless in the future I want to deepen our discussion of sustainability-related issues. It is important to first begin the discussion and share it with stakeholders, including the things that have yet to be addressed.

Masunari: I agree with that. You have a lot of experience as an outside director at other companies. Are there any practices you would like to see adopted at Santen?

Oishi: One thing might be the concept of "bad news first." Santen does do this to a degree, but I think it could do more. For instance, it could reinforce a corporate culture of reporting bad news faster to senior management, and thinking about ways to resolve the underlying issues. In terms of how we discuss the Company's strategic direction, I would like to have more discussion of the fundamental origin of problems, without sticking strictly to the agenda. Offsite meetings would also be good. Since the outbreak of COVID-19, I have noticed that we have had fewer opportunities to learn about what is happening on the front lines, which includes hearing the views of employees lower in the hierarchy than Directors and from people working at business sites.

Masunari: I agree with you about offsite meetings. The Corporate Strategy Committee and the Board of Directors

both have lively discussions, but their content is specific to the agenda, and the fact is that there is not enough time to talk about peripheral issues. If we had opportunities to discuss things more freely, Outside Directors could better understand the status of the Company's business execution, which would enhance the quality of discussions.

Oishi: A laudable aspect of Board meetings at Santen is that anything can be put on the agenda and discussed openly, and counterarguments are also heard, without the Chairman steering the discussion to a forced compromise. The number of Outside Directors was increased by two at the General Meeting of Shareholders in June 2022. I think having more diversity in terms of background and other aspects will lead to questions with fresh perspectives that go back to the fundamentals. If Santen aspires to be a global ophthalmology company, it will need non-Japanese and female Directors, including at the very top. As one step toward that, it is necessary to maintain a forum where members with broader backgrounds, and of different genders and nationalities, can have constructive discussions while continuing to deepen their mutual understanding.

Masunari: We have made a number of improvements with the optimal balance between the supervisory function and the strategic decision-making function in mind. Examples include revising the criteria for submitting proposals to the Board of Directors to allow for closer examination and allocation of time to proposals, and introducing regular reporting on strategic matters and pipeline development. I want to continue to be engaged in the operation of the Board of Directors with an eye on the Company's current situation and its future direction. On that basis, in a secretariat role, I will support the Board so that it can make bold management decisions and properly monitor execution, which will contribute to the enhancement of Santen's corporate value.



Governance

59 Corporate Governance

Corporate Governance

Corporate Governance Initiatives

Santen is taking initiatives based on its belief that it is essential to constantly improve and strengthen corporate governance in order to achieve and enhance corporate value, and thus returns to shareholders.

Santen has adopted a “Company with Board of Corporate Auditors” system as defined in Japan’s Companies Act. To further improve and strengthen corporate governance, Santen newly elected two Outside Directors at the General Meeting of Shareholders held on June 24, 2022. As a result, Outside Directors constitute a majority of Santen’s Board of Directors.

This structure has allowed Santen to further strengthen the Board’s supervisory function, and to also bring speed and expediency in management decision-making which

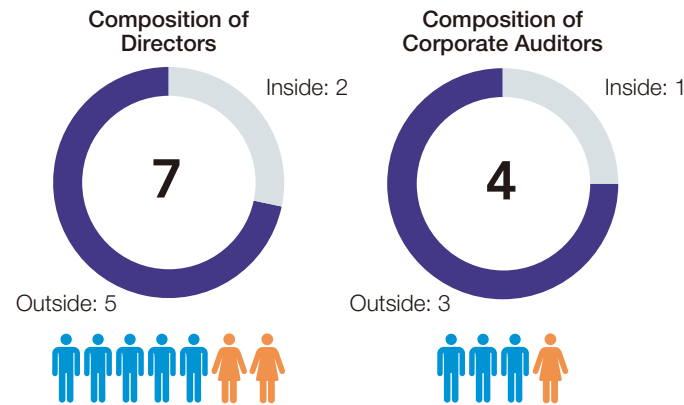
has been its priority focus. Santen’s Directors consist of five men and two women, including one foreign national, and they have diverse experience, knowledge and backgrounds, as indicated in the skill matrix (see next page). In particular, Outside Directors draw on these attributes to engage actively in decision-making on individual managerial issues and provide opinions and suggestions from the viewpoint of strengthening supervisory functions.

Santen has established the Corporate Strategy Committee, Nominating Committee and Executive Compensation Committee, which are all voluntary committees made up of Inside and Outside Directors. Outside Directors comprise a majority of each committee,

and the Nominating Committee and Executive Compensation Committee are chaired by Outside Directors to improve management transparency and objectivity. Furthermore, Santen has adopted a corporate officer system centered on the Executive Management Team (EMT) to strengthen management and improve the speed of business execution

For the Board of Corporate Auditors, Santen has maintained the conventional structure with Outside Corporate Auditors as a majority. The Corporate Auditors fulfill their audit function by collaborating with the Internal Auditing Group to audit the Board of Directors and executive departments, bringing into perspective appropriateness and effectiveness in addition to legality.

Composition of Directors and Corporate Auditors
(As of September 30, 2022)



For more detailed information on Corporate Governance, please see the Company’s website.

Milestones in Strengthening Corporate Governance

Strengthening supervisory functions	Outside Directors	From 2003: 1	From 2005: 3	From 2022: 5 (majority)
	Corporate Officer system	Introduced in 1999		EMT launched in 2022
Strengthening decision-making and business execution functions	Corporate Strategy Committee	Management Advisory Committee established in 1999	Reorganized as Corporate Strategy Committee in 2005	
	Nominating Committee		Established in 2005	
Strengthening management transparency and soundness	Executive Compensation Committee	Compensation Committee established in 1999	Reorganized as Executive Compensation Committee in 2003	
				Outside Director appointed as chairperson in 2019

Corporate Governance

Skill Matrix of Directors and Corporate Auditors

Santen believes that, in addition to planning and carrying out corporate strategies as well as appropriate business administration, the knowledge, experience and abilities described in the chart below are particularly important from the viewpoint of Santen's principles and the future direction of its business. In addition to the life science business and a global perspective, Santen will continue to emphasize aspects such as ESG and service to society. In appointing Directors and Corporate Auditors, Santen shall ensure balance and diversity by appointing individuals from various backgrounds, including areas of expertise and experience, to allow

them to provide advice to and supervision of management from multiple perspectives. Santen shall also place importance on valuing individuals without making distinctions based on characteristics such as gender, age, nationality, race or ethnicity. Moreover, Santen takes into consideration the balance between Inside and Outside Directors to allow for objective discussions. Outside Directors and Outside Corporate Auditors shall respectively constitute a majority of the Board of Directors and the Board of Corporate Auditors, to satisfy the criteria of independence and enhance independence and neutrality.

Position	Composition of Corporate Governance Organizations (Chairpersons of voluntary committees) (As of Sep. 30, 2022)						Skill Matrix ¹						
	Name	Board of Directors	Board of Corporate Auditors	Corporate Strategy Committee	Nominating Committee	Executive Compensation Committee	Corporate management	Life science business	Understanding medical field and patients	Global leadership	Finance and accounting	Legal affairs and risk control	ESG and service to society
Director	Akira Kurokawa (Representative Director)	○ (Chair)		○	○	○	●	●	●				
	Takeshi Ito (Representative Director)	○		◎	○	○		●	●				
	Kanoko Oishi (Outside Director)	○		○	○	◎	●		●				●
	Yutaro Shintaku (Outside Director)	○		○	◎	○	●	●		●			
	Kunihito Minakawa (Outside Director)	○		○	○	○				●	●	●	
	Noboru Kotani (Outside Director)	○		○	○		●	●					
	Tamie Minami (Outside Director) ²	○		○				●		●			
Corporate Auditor	Hiroshi Isaka (Standing Corporate Auditor)	○	○ (Chair)					●	●				
	Hirofumi Yasuhara (Outside Corporate Auditor)	○	○				●		●	●			
	Yumiko Ito (Outside Corporate Auditor)	○	○						●		●		●
	Masahiko Ikaga (Outside Corporate Auditor)	○	○				●			●	●		
Meetings (April 2021 – March 2022) ³		14	10	4	9	8							

¹ Among the skills of each person, only two or three skills that are particular strengths or have strong relevance to Santen's businesses are listed. / ² Australian nationality / ³ In fiscal 2021, there were four written resolutions, in addition to the 14 meetings of the Board of Directors. The average attendance rate of Outside Directors and Outside Corporate Auditors at meetings of the Board of Directors was 100% and 98%, respectively (the rate was 100% for both Inside Directors and the Inside Corporate Auditor). The average attendance rate for Outside Corporate Auditors at meetings of the Board of Corporate Auditors was 100%.

Reasons for Appointment of New Directors and Corporate Auditors

Noboru Kotani (Outside Director)

Having served as an Outside Director of the Company for ten years from 2005 to 2015, Mr. Kotani has in-depth understanding of the Company's ophthalmic business, strategy, governance, and decision-making, and has extensive knowledge and experience concerning corporate management as a management consultant.

Tamie Minami (Outside Director)

Ms. Minami has abundant overseas business experience, including experience as a head of businesses in multiple regions at companies with global operations.

Masahiko Ikaga (Outside Corporate Auditor)

Mr. Ikaga is knowledgeable about finance and accounting as a certified public accountant, and has extensive international experience and knowledge in areas such as promoting globalization as a corporate executive.

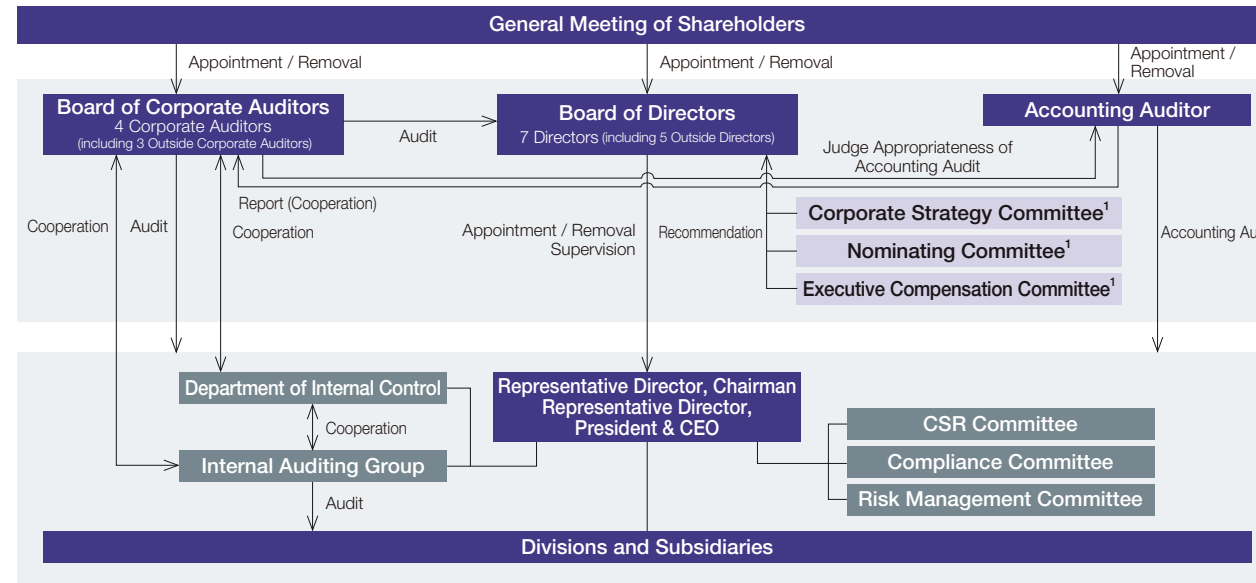
Governance

59 Corporate Governance

 Governance

Corporate Governance

Management System (As of September 30, 2022)



¹ These committees are voluntary and not part of the statutory "Company with a Nominating Committee, etc.," system under Japan's Companies Act.

Corporate Strategy Committee	Deliberates with focus on key strategic issues such as business strategies.
Nominating Committee	Deliberates and makes recommendations on the selection of candidates for the positions of Director and Corporate Auditor, and provides advice in response to requests concerning the selection of candidates for the position of Corporate Officer.
Executive Compensation Committee	Deliberates on the compensation of Directors and Corporate Officers and submits recommendations therefor to the Board of Directors, as well as provides advice to the Board of Corporate Auditors with respect to the compensation of Corporate Auditors with reference to market levels.

Shareholdings of Shares Other Than Unlisted Shares

	FY2019	FY2020 ²	FY2021
Number of securities (at end of fiscal year)	14	14	11
Number of securities with a decrease in shares held during the year	1 (sold all shares)	2 (sold all shares of 1 security)	4 (sold all shares of 3 securities)
Amount on balance sheet (Total sale value for number of shares decreased)	JPY 26,840 million (JPY 3,498 million)	JPY 26,098 million (JPY 3,044 million)	JPY 20,866 million (JPY 3,870 million)

² In fiscal 2020, one unlisted security was listed, and was transferred to shares other than unlisted shares

Succession Plan for the CEO and Other Top Executives

Our Representative Director recognizes that nurturing succession candidates for the position of Chief Executive Officer (CEO) and other top executives is one of the Representative Director's most important responsibilities, and systematically promotes discovery, selection and cultivation of candidates. The Nominating Committee advises on and oversees the planning and implementation of the succession plan. The Nominating Committee determines the evaluation criteria and methods for the selection of successors, deliberates on whether or not any successor (including those for Outside Officers) holds the appropriate credentials, achievements and other qualifications, and confirms whether or not the plan for the development of succession candidates is appropriately progressing. This is followed by further discussions at the Board of Directors based on the recommendation and advice of the Nominating Committee. In determining the final candidates after this evaluation process, the Nominating Committee makes a recommendation to the Board of Directors, which deliberates on the succession plan and determines successors.

Strategic-Shareholdings

Santen shall hold shares as strategic-shareholdings only when it determines that doing so will lead to stronger business relationships with the Company over the medium to long term and contribute to enhancing its corporate value. Santen sets a maximum threshold amount for its overall holdings of investment securities, and within that scope, holds only the shares of business partners that are imperative for its business development as strategic-shareholdings. At least once a year, the Board of Directors verifies whether or not such shareholdings are within the threshold based on these criteria, and for each individual security, evaluates the priority placed on the benefit of holding the shares to strengthen business relationships with the Company, taking into account the investment amount and investment risk involved therein. Santen will liquidate securities held as strategic-shareholdings if the rationale of keeping these is deemed to be insufficient.

Governance

59 Corporate Governance

 Governance

Corporate Governance

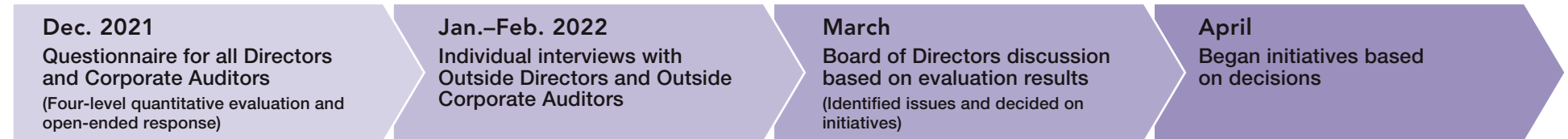
Analysis and Evaluation of the Board of Directors' Effectiveness

The Company's Board of Directors evaluated its effectiveness in fiscal 2021 with the aim of further enhancing the role and function of the Board of Directors. Based on the amendments to Japan's Corporate Governance Code in the previous year, the Board revised the questionnaire items to conduct an evaluation that contributes to the enhancement of governance. The perspective concerning the selection and evaluation of the CEO and other executives who are the main subjects of supervision by the Board of Directors was added, and the questionnaire constituted of viewpoints on the structure of the Board of Directors; decision-making on and supervision of management strategies and business strategies; corporate ethics and risk management; and relationships with shareholders and other stakeholders to

allow for a more comprehensive evaluation. In addition, the Company has taken steps to make qualitative improvements in the evaluation by obtaining the support of third-party organizations in the implementation and analysis of the effectiveness evaluation, including the aforementioned revisions.

The Company's Board of Directors assessed that the effectiveness of the Board of Directors was secured for fiscal 2021. The overall average evaluation mark was "mostly effective," and a high percentage (approximately 90%) of responses for each questionnaire item indicated "effective" and "mostly effective." The Company recognizes that, in addition to continued undertakings, implementations to improve the issues recognized in the evaluation of the

effectiveness of the Board of Directors in the preceding fiscal year contributed to these evaluations. Specifically, in meetings of the Board of Directors, the Company expanded opportunities for reporting on the status of development and the formulation and implementation of human resource, IT, and other strategies, in addition to the progress of material matters, which led to enhancement of opportunities for and the quality of monitoring. Furthermore, the Board of Directors focused on promptly and steadily sharing opinions and recommendations provided by institutional investors and other stakeholders with Outside Directors and Corporate Auditors, and made efforts to ensure that the Board shares a common perception with stakeholders.



Results of the Fiscal 2021 Evaluation	Issues and Future Initiatives
<p>Evaluated as Positive</p> <ul style="list-style-type: none"> • Outside Directors are engaging in discussions from multifaceted viewpoints based on sufficient provision of information, and appropriately fulfill their duties. • Delegation of authority to executive bodies is made in an appropriate manner, and thus the Board of Directors is able to concentrate on its primary role. • Systems necessary for compliance with corporate ethics have been established, and the whistle-blowing system is effectively functioning as a means for that purpose. 	<p>Securing the certainty of implementation when decisions are made on material strategic matters</p> <ul style="list-style-type: none"> • Increase opportunities to regularly share the progress, issues and capabilities concerning each business • Increase opportunities to comprehend conditions at sites where business is conducted as well as the subjects of post-merger integration • Expand and enhance quantitative metrics for decision-making on strategic matters <p>Strengthening monitoring of planning and implementation of strategies</p> <ul style="list-style-type: none"> • Verify the progress of strategic investments and development projects, and the situation, causes and countermeasures when an issue arises in their progress • Verify the progress of important managerial measures, including human resources, sustainability and digital transformation <p>Strengthening of cooperation between the Board of Directors and activities of voluntary committees</p> <ul style="list-style-type: none"> • Appropriately share the details of initiatives in the Board of Directors and the Nominating Committee and Executive Compensation Committee • Further enhance the functions of committees by increasing cooperation of the secretariat functions of both committees
<p>Evaluated as Improved</p> <ul style="list-style-type: none"> • The progress of projects and other internal strategies the Company is executing is being appropriately monitored. • The opinions of external stakeholders and other information is appropriately shared with Outside Directors and Corporate Auditors. 	

Governance

59 Corporate Governance

 Governance

Corporate Governance

Executive Compensation

Santen has established the following basic policy for determining the compensation paid to its Directors, Corporate Auditors and Corporate Officers.

Directors (excluding Outside Directors) and Corporate Officers

- Ensure effectiveness in motivating Directors (excluding Outside Directors) and Corporate Officers to work to achieve Santen’s long-term vision “Santen 2030,” medium-term plan “MTP2025,” and to strengthen ESG management, thereby contributing to Santen’s sustainable growth and enhancement of medium-to-long-term corporate value.
- Deepen the alignment of value with a broad range of stakeholders
- Secure objectivity through a highly transparent process for making decisions on compensation to ensure high accountability to stakeholders
- Provide a competitive level of compensation that enables Santen to attract outstanding talent including global talent in various countries and regions
- Under a globally unified system of evaluation and compensation, further foster a highly disciplined performance culture, and share the results with all Executive Management Team (EMT) members including the CEO

Outside Directors and Corporate Auditors

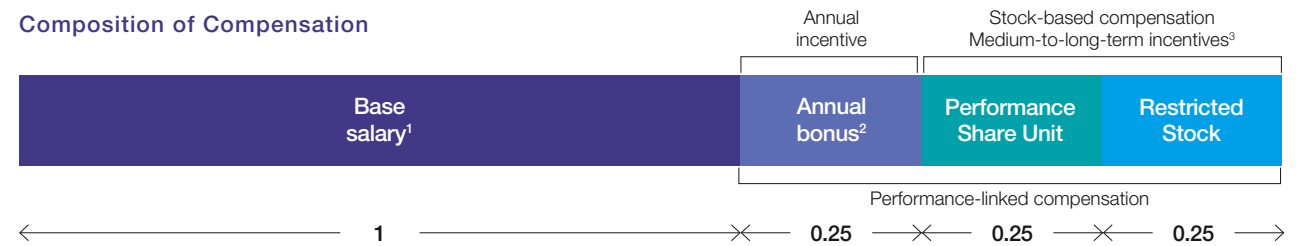
- With the aim of supporting Santen’s sustainable growth from independent perspectives from those of Directors (excluding Outside Directors) and Corporate Officers, set compensation levels for Outside Directors and Corporate Auditors that are commensurate with the size of their roles, and, through a system that is not dependent on performance results (as opposed to that of Directors [excluding Outside Directors] and Corporate Officers), promote effective supervision of executive management

Composition of Executive Compensation

Compensation for Directors (excluding Outside Directors) has three components: base salary, annual bonus, and stock-based compensation. Outside Directors and Corporate Auditors receive fixed monthly compensation only, and do not receive performance-linked compensation, so as to promote the appropriate performance of supervisory duties. In addition, allowances are paid to Outside Directors who chair voluntary committees, including the Executive Compensation Committee.

With the introduction of the new leadership structure and a common global HR platform, the basic policy for determining executive compensation and the criteria for determining payout ratio have been revised.

Composition of Compensation



¹ **Base salary:** Fixed monthly salary based on grade and job

² **Annual bonus (annual incentive):** Performance-linked compensation that motivates the steady achievement of business performance targets each year.

³ **Stock-based compensation (medium-to-long-term incentives):** Santen has two stock-based compensation plans (the Performance Share Unit and the Restricted Stock), both of which are designed to encourage executives to proactively work to achieve the Company’s vision and strategy, and to promote alignment of value with shareholders.

- ▶ **Performance Share Unit:** Shares are issued at range of 0% to 200% determined according to the achievement of the performance metrics set for a certain Performance Evaluation Period, such as the period of the medium-term plan. Shares are issued at one time after the Performance Evaluation Period ends, subject to conditions including that the participant remains as an eligible Director at vesting.
- ▶ **Restricted Stock:** A stock-based compensation plan in which restricted shares are granted each fiscal year. Selling restrictions are lifted three years after the grant, subject to conditions including that the participant remains as an eligible Director at vesting.

Governance

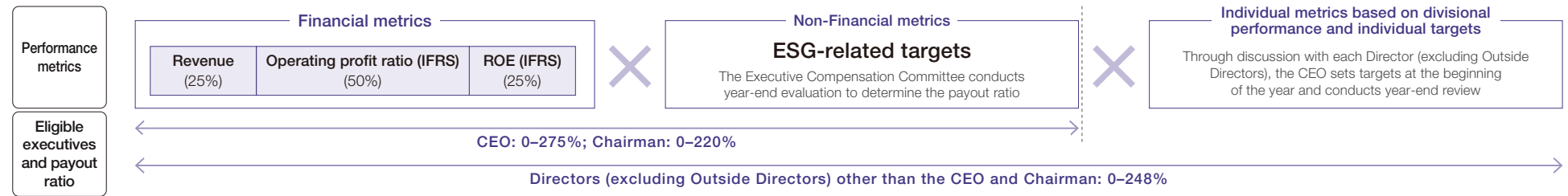
Corporate Governance

Annual Bonus Performance Metrics and Evaluation Criteria

Three evaluation factors: Single-year consolidated Financial performance metrics, Non-Financial performance metrics, and Individual metrics based on divisional performance and individual targets. Performance metrics for CEO and Chairman consist of only two evaluation factors: Financial

and Non-Financial. The final payout is calculated by multiplying the target amount for each position by the payout ratio for each evaluation factor; bonuses are paid after the end of each fiscal year. Non-financial performance metrics (ESG-related targets) for fiscal 2022 include strengthening

the system for stable supply, promoting DE&I through wider participation in the Blind Experience program, conducting initiatives to enhance employee engagement, reinforcing global risk management, and reducing environmental impact through measures such as switching to electrified vehicles.



* Corporate Officers operate under a similar system, with the payout ratio set in the range of 0-248%

59 Corporate Governance

Performance Metrics and Evaluation Criteria of Performance Share Unit

Performance metrics	Weighting	Evaluation criteria and payout ratio
Relative total shareholder return (TSR) Comparison and ranking against 21 global healthcare peer companies (seven companies headquartered in each of Japan, Europe and the United States)	80%	Upper 1/4 (75th percentile): 200% Upper 1/2 (50th percentile): 100% Upper 3/4 (25th percentile): 50% Lowest 1/4: 0%
ESG-related metrics Improvement of score on Dow Jones Sustainability Indices	20%	Inclusion in "World Index" or equivalent score: 200% Inclusion in "Asia Pacific Index" or equivalent score: 150% Increase in score of 10 points or more: 100% Increase in score of 5-9 points: 50% Increase in score of 4 points or less: 0%

* Performance Share Unit performance period: 3 years from fiscal 2021 through fiscal 2023

Executive Compensation (Fiscal 2021)

Type of compensation	Targets	Actual results	Payout ratio
Annual bonus (Company performance portion)	Revenue: JPY 260,000 million Operating profit ratio (IFRS): 16.0% ROE (IFRS): 10.0%	Revenue: JPY 266,257 million Operating profit ratio (IFRS): 13.5% ROE (IFRS): 8.4%	86.9%

Targets related to individual performance (ESG-related metrics) of the CEO for fiscal 2021 included promotion of the transition to biomass plastic eye drop containers, promotion of DE&I with a focus on increasing the diversity of senior management, and enhancing of internal control functions. The evaluation conducted by the Executive Compensation Committee in May 2022 determined performance as "Highly Achieved" (i.e., 150% of target amount).

* In fiscal 2021, there was no vesting of Performance Share Unit.

Total Compensation and Eligible Executives (Fiscal 2021)

Position	Total compensation (JPY millions)	Total by type (JPY millions)					Number of individuals
		Base salary	Annual bonus	Performance Share Unit	Restricted Stock	Non-monetary compensation included at left	
Directors (excluding Outside Directors)	333	218	48	16	51	59	3
Corporate Auditors (excluding Outside Corporate Auditors)	25	25	—	—	—	—	1
Outside Directors	54	54	—	—	—	—	3
Outside Corporate Auditors	38	38	—	—	—	—	3

Governance

59 Corporate Governance

Governance

Corporate Governance

Development of the Internal Control System

In accordance with Japan's Companies Act and the Ordinance of Enforcement of the Companies Act, Santen has passed a resolution regarding the development of a system to ensure appropriate operations (Basic Policy on Internal Control). The operating divisions regularly report on the status of the development and implementation of the system to the Board of Directors, while the Board of Directors gives instructions and makes modifications as deemed necessary, in order to qualitatively enhance the development and implementation of the internal control system and expand its scope. In addition, Santen develops and uses internal controls related to financial reporting in accordance with assessment and auditing standards and implementation standards for internal controls related to financial reporting based on the Financial Instruments and Exchange Act.

Santen is introducing governance, risk and compliance (GRC) tools in its next-generation enterprise resource planning (ERP) software, which is currently being developed for the purpose of strengthening internal control functions in core systems to respond to the expansion and changes in Santen's global business environment.

Compliance Initiatives

The Company has established a Global Compliance Policy that provides a foundation for business activities based on Santen's CORE PRINCIPLE. In addition to enhancing the structure to promote compliance globally under the Chief Compliance Officer, the Santen Group is devoted to reinforcing compliance awareness and ensuring compliance with laws and regulations. For example, the Group has introduced and is implementing globally organized educational programs for all its employees in the healthcare industry where laws and regulations are becoming more stringent, as well as designates Awareness Month for Santen's Code of Practice, supported by messages from the CEO and regional senior management.

Santen is also introducing integrated Group-wide tools such as a global whistleblowing platform (Santen Speak Up Portal), aiming to accurately grasp Group-wide risks as well as the status of compliance, and to identify issues and ensure to address them appropriately.



FOCUS: Launch of Speak Up Portal

The Speak Up Portal, a whistleblowing platform partnered with an independent third party organization, was launched globally in November 2021. Its purpose is twofold: to support early detection of concerns about actual or potential violations of laws and regulations, or internal rules and policies including the Santen Code of Practice, and to promote an open and transparent workplace environment in which employees and other parties can speak up in good faith and without fear of retaliation when they are confronted with questionable behavior or violations. This portal enables the reporter to raise concerns with the option of using their name or even remaining anonymously via the web (or via the phone) that are available 24/7/365. It safeguards the safety and confidentiality of reporting based on the Company's zero-tolerance principle toward any acts of retaliation.

By fostering a culture of speaking up, Santen is committed not only to creating work environments in which all employees are treated fairly with respect and dignity, but also to promoting business with the highest level of integrity and ethical behavior.



Governance

Corporate Governance

Risk Management

For Santen to respond appropriately to foreseeable major risks of loss related to its business activities, in accordance with the rules on risk management, each of its operating companies and organizations shall endeavor to comprehend and manage major risks of loss during normal times, construct systems for formulating policies and countermeasures and for gathering information, and endeavor to avoid or minimize major risks of loss.

Santen is expanding its business globally, and the

pharmaceutical industry requires a high level of compliance with various regulations as well as stable product supply. Moreover, Santen must deal with various risks. Santen is strengthening risk management activities under the Chief Risk Officer, clarifying risks that could have serious impact on its businesses, and carrying out ongoing risk management activities toward planning and discussing countermeasures.

When an event that could potentially develop into a

material risk occurs or is reported, the Crisis Management Committee, chaired by Santen's Representative Director, President & CEO, shall be convened, and will endeavor to address and resolve the situation, as well as institute measures to prevent a recurrence.

In addition, the Internal Auditing Group shall conduct internal audits of risk management within the Santen Group from an independent standpoint.

Principal Business Risks

Assessment points	Risk scenario	Impacts on corporate value	Relevant issue(s) of ESG materiality ¹	Santen's countermeasures and current progress
Global compliance	<ul style="list-style-type: none"> Violations of social norms, laws, regulations, etc. 	<ul style="list-style-type: none"> Decline in public trust and brand image Damage to corporate value due to a stock price decrease Decline in Santen's business performance or difficulty in business continuity due to decreased revenue or payment of compensation for damages, etc. 	3	<ul style="list-style-type: none"> Established the Global Compliance Policy; systemically enhance the structure for global compliance Introduced an organized global education program for all employees; implement the program Reinforce compliance awareness and ensure compliance with laws and regulations by designating Awareness Month for Santen's Code of Practice, supported by messages from the CEO and regional senior management Introduced integrate Group-wide tools (global whistleblowing platform etc.) to identify issues and ensure to address them appropriately
Production and Supply	<ul style="list-style-type: none"> Suspension of operations at a specific plant (the Noto, Shiga or Suzhou Plants, in particular) or at external contractors, or the suspension of raw material supply from a supplier due to a pandemic, natural disaster, fire or other factors 	<ul style="list-style-type: none"> Adverse impacts of disruption or suspension, etc. of production activities on stable product supply, and on Santen's business performance and financial condition 	1	<ul style="list-style-type: none"> Create processes, systems and other mechanisms to ensure stable supply Having continuously a full understanding of actual conditions and respond to issues by planning, monitoring execution, and assessing risk Structure product manufacturing and supply for compatibility with rigorous logistics regulations in Europe Visualize and centralize global inventory management and production planning Establish and strengthen the contract manufacturer management system and backup supplier system
Investment	<ul style="list-style-type: none"> Failure to realize expectations or profits from proactive investments with the aim of sustainable global growth in the ophthalmic field, due to changes in the external environment or other unfavorable circumstances 	<ul style="list-style-type: none"> Impairment loss on tangible or intangible assets and adverse impacts on Santen's business performance 	1,3	<ul style="list-style-type: none"> Implement investment decisions in line with internal evaluation criteria based on cost of capital Established the Corporate Strategy Committee to discuss key strategic issues; organically coordinate discussions of medium-to-long-term strategy, businesses and development portfolio with individual projects for submission to the Board of Directors; clarify the position of individual projects in overall strategy and lay out issues for discussion Introduced a framework of regular, continuous monitoring of Board of Directors' resolved items to obtain steady results

¹ 1: Development and Stable Supply of Socially Significant Products and Services ("Happiness with Vision")

2: Encouragement of an Organizational Culture that Promotes Value Creation

3: Strengthening Governance, Contributing to the Realization of Fair and Equal Society

4: Conservation of the Global Environment

For details on risks affecting each business, please see Strategies by Region.

59 Corporate Governance

Governance

Governance

59 Corporate Governance

Corporate Governance

Assessment points	Risk scenario	Impacts on corporate value	Relevant issue(s) of ESG materiality ¹	Santen's countermeasures and current progress
IT Security and Information Management	<ul style="list-style-type: none"> Malfunction of IT systems used in business activities Cyberattacks, computer virus infection, etc. Leakage of personal or other kinds of information 	<ul style="list-style-type: none"> Adverse impacts of suspension of or delays in business activities, decline in public trust, etc. on Santen's business performance 	3	<ul style="list-style-type: none"> Operate and maintain an information security management system that meets the ISO/IEC 27001 standard Established the Global Data Privacy Policy, the Global Information Security Policy, the Document Management Policy, and other policies to address cyber security risks Enhance security governance through personnel and organizational measures centered around security training and drills and through technical measures (provide global anti-phishing training as one measure to enhance cyber security) Ensure appropriate risk management not only within the Santen Group but also throughout its supply chain and at its business partners Established a system by which the Chief Digital & Information Officer (CDIO) serves as the Chief Information Security Officer (CISO), who is in charge of formulating and implementing global information security strategies and reports directly to the CEO and the Board of Directors
Pharmaceutical Regulatory Trends	<ul style="list-style-type: none"> Drug price revisions beyond the scope of those predicted, mainly in the Japanese market Other revisions to healthcare insurance systems Measures by governments or revisions to pharmaceutical insurance systems to encourage the use of generic drugs, such as volume-based purchasing in China, and other companies' launch of generic drugs 	<ul style="list-style-type: none"> Adverse impacts on Santen's business performance and financial condition 	1	<ul style="list-style-type: none"> Accelerate the development of new drugs with high added value Pivot from long-listed products to a portfolio centered on new drugs Expand sales channels to include markets for treatments that are not listed under healthcare insurance systems, etc. Help ensure drug approval and fair pricing by strengthening global regulatory and market access capabilities
Research and Development	<ul style="list-style-type: none"> Suspension of or delays in development, refusal of submitted drug approval applications, failure to obtain expected efficacy, etc. Unexpected side effects, leakage of personal information, etc. during clinical trials 	<ul style="list-style-type: none"> Difficulty in achieving revenue commensurate with research and development investment costs Decline in public trust and adverse impacts on Santen's business performance 	1,3	<ul style="list-style-type: none"> Enhance development functions, mainly in the U.S. and China Prioritize and optimize the development pipeline Consult closely with authorities to refine clinical trial design and improve the process for selecting institutions where clinical trials are conducted Establish and hold meetings of the Research Ethics Committee as a deliberating body to ensure scientifically and ethically appropriate research and development Implement necessary measures to ensure patients' participation in clinical trials of their free will, with their fully informed consent, and with the protection of their personal information ensured
Global Operation	<ul style="list-style-type: none"> Revisions to laws or regulations in the countries where Santen operates Political instability and/or economic uncertainties Cultural differences in business practices 	<ul style="list-style-type: none"> Difficulty in achieving initially expected effects and/or profits 	1,2,3,4	<ul style="list-style-type: none"> Strengthen the crisis management system through global collaboration Established global policies and operational rules Ensure continued monitoring
Environment	<ul style="list-style-type: none"> Occurrence of environmental issues, such as environmental pollution Legal measures or obligations to pay damages due to revisions to environmental laws or regulations, or other circumstances Accelerated shift to low-carbon energy Mandatory or regulatory shift to bioplastic or biomass plastic in materials for eye drop bottles and other packages Decline in the supply of plant-based materials Floods or drought at major production sites due to changes in rainfall patterns, and resulting delays in or suspension of product supply 	<ul style="list-style-type: none"> Adverse impacts on Santen's business performance Incurrence of countermeasure costs Increase in capital investment, procurement costs, etc. 	4	<ul style="list-style-type: none"> Operate an environmental management system that not only complies with environmental laws and regulations but also meets higher in-house standards Formulated the Environmental Vision and set environmental targets; implement the action plan based thereon (including promoting the use of biomass plastic as a material for eye drop bottles) Plan capital investments necessary to realize a low-carbon society, including investments in installing hydrogen boilers and hydrogen fuel storage facilities

¹ 1: Development and Stable Supply of Socially Significant Products and Services ("Happiness with Vision")
² 2: Encouragement of an Organizational Culture that Promotes Value Creation
³ 3: Strengthening Governance, Contributing to the Realization of Fair and Equal Society
⁴ 4: Conservation of the Global Environment

For details on risks affecting each business, please see Strategies by Region.

Governance

68 Stakeholder Engagement

Governance

Stakeholder Engagement

Santen aims to create value shared with its stakeholders by building a relationship based on mutual trust and communication.

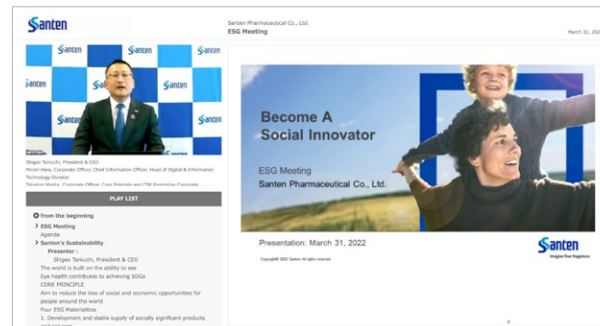


Shareholders and Investors

In fiscal 2021, although COVID-related difficulties in holding face-to-face meetings and presentations continued from the previous fiscal year, we were able to maintain or improve the quality and quantity of opportunities for communication by proactively conducting these events online.

We also held a briefing session on our medium-term plan MTP2025 in May 2021, a product development meeting in October 2021, and our first ESG meeting in March 2022.

Investors have suggested the need for more detailed numbers in our explanations and target setting, and so in this report we have made particular effort to disclose non-financial KPIs.



For presentation materials and videos, please see the Company's website.



Suppliers

To maintain a stable supply of pharmaceuticals and fulfill our responsibility to society throughout the supply chain, we strive for dialogue with our suppliers through a CSR survey and other means. In fiscal 2021, we expanded the scope of the survey beyond primary suppliers to include secondary suppliers. We also started obtaining declarations of intent to comply with our CSR Procurement Policy and Guidelines in our indirect procurement.



Employees

In 2020, we held the VISION Meeting as an online event for employees worldwide to understand and share in our long-term vision. This was followed by ongoing VISION Talk sessions that provide regular opportunities for dialogue with management. Each session covers different content, with, for example the president sharing the status of initiatives to achieve the long-term vision and his expectations for employees, or regional heads and others introducing initiatives in their particular regions.

For more about communication with stakeholders, please see the Company's website.



Partners in Building an Inclusive Society

In February 2022, we launched the VISI-ONE Accelerator Program, which aims to create innovation in “seeing” by providing support to companies and organizations that are trying to create new businesses.

We began by soliciting ideas for commercialization from companies and organizations with the aim of creating new businesses that bring down the walls between those who can see and those who cannot. In working with the applicants we select to create and implement products and services with business potential, we will provide support that is not only financial but also includes cooperation with people with visual impairments, and other companies that agree with the project's aims.




For more about creating innovation in “seeing,” please see the Company's website.

Stakeholder Engagement

Dialogue with Shareholders and Investors

We proactively exchange opinions with institutional investors and analysts in Japan and overseas at occasions such as financial results presentations, one-on-one meetings and conferences. Our aim is to help them deepen their understanding of our management, business and ESG initiatives.

In fiscal 2021, the more than 200 occasions that arose for dialogue included IR meetings with top management and IR staff, and ESG-related meetings also attended by the members from sustainability or legal departments, all of which have led to improvements in the quality of our management. Below are some of the questions and opinions we receive most frequently during these exchanges. Click on the page links for content relating to these questions and opinions in this report.

Category	Question/Opinion	 Corresponding Pages in <i>Santen Report 2022</i>
Management	Q1 Santen's business execution capabilities will be key to achieving the medium-term plan. What issues do you think lie ahead?	➔ CEO's Message (Page 17) ➔ Initiatives for Medium-to-Long-Term Value Creation (Page 10)
	Q2 What do you consider Santen's path to improved profitability and profit growth?	➔ CEO's Message (Page 17) ➔ CFO's Message (Pages 19–22)
	Q3 Impairment loss and delays related to its pipeline in the United States seem to indicate that Santen is experiencing challenges. What is your approach to risk management and how will those factors impact financial soundness? (Examples include impairment loss on glaucoma device STN2000100 and a complete response letter from the FDA for STN1011700.)	➔ CEO's Message (Page 16) ➔ CFO's Message (Pages 19–22) ➔ Corporate Governance (Pages 66–67)
	Q4 Will Santen further enhance its shareholder returns policy? Will you conduct a share buyback?	➔ CEO's Message (Page 18) ➔ CFO's Message (Pages 19–22)
Business /R&D	Q5 What is Santen's outlook and response regarding the upcoming NHI drug price revisions and patent expirations in its Japan business?	➔ Feature 1: Strengths in Japan (Pages 23–25) ➔ Strategies by Region, Japan Business (Page 26)
	Q6 Although Santen's China business responded promptly to the impact of volume-based purchasing, the delay in ramping up business in the United States is an issue. What is the status of your overseas businesses and what is your strategy going forward?	➔ EMEA: Continuing Its Steady Growth Trajectory (Pages 31–32) ➔ Strategies by Region, Overseas Businesses (Pages 27–30) ➔ Product Development (Page 34)
	Q7 Please explain Santen's progress in its pipeline and initiatives to enhance R&D functions mainly overseas.	➔ Product Development (Pages 33–36)
	Q8 Can you describe the current status of initiatives and the outlook in new areas such as myopia, ptosis and cell therapy?	➔ Product Development (Pages 33–36)
ESG	Q9 What kind of discussions have taken place about increasing the diversity and effectiveness of the Board of Directors?	➔ Chairman's Message (Page 54) ➔ Aiming for an Effective Board of Directors Suited to the Business Environment (Pages 56–58) ➔ Corporate Governance (Pages 59–67)
	Q10 Please disclose specifics on calculating executive compensation. Although adding ESG-related targets to compensation is a step forward, there is a need for greater detail in your disclosure.	➔ Corporate Governance (Pages 63–64)
	Q11 Santen's initiatives for ESG are clearly conveyed but it seems that much of the disclosure is qualitative. Please disclose specific KPIs.	➔ ESG Materiality (Page 13)
	Q12 What do you expect from your new Executive Management Team?	➔ Chairman's Message (Page 53)
	Q13 What risks are you aware of and what actions are you taking with regard to environmental measures, including support for the TCFD recommendations?	➔ CEO's Message (Page 17) ➔ Disclosures Based on the TCFD Recommendations (Pages 49–51)
	Q14 As concerns about human resources grow, have you been focusing on human resource development? Do you conduct an employee engagement survey?	➔ Talent Strategy (Pages 44–48) ➔ ESG Materiality (Page 13)

Governance

70 Corporate Executives

 Governance

Corporate Executives (As of September 30, 2022)



Directors

1 Akira Kurokawa
Representative Director
Chairman

2 Takeshi Ito
Representative Director
President and Chief Executive
Officer

3 Kanoko Oishi
Outside Director
Independent Officer

4 Yutaro Shintaku
Outside Director
Independent Officer

5 Kunihiro Minakawa
Outside Director
Independent Officer

6 Noboru Kotani
Outside Director
Independent Officer

7 Tamie Minami
Outside Director
Independent Officer

Corporate Auditors

8 Hiroshi Isaka
Standing Corporate Auditor

9 Hirofumi Yasuhara
Outside Corporate Auditor
Independent Officer

10 Yumiko Ito
Outside Corporate Auditor
Independent Officer

11 Masahiko Ikaga
Outside Corporate Auditor
Independent Officer

Corporate Executives

Directors and Corporate Auditors, Executive Officers (As of September 30, 2022)

Directors



Akira Kurokawa
Representative Director
Chairman

1977 Joined the Company
1997 Director, General Manager, Head of the Office of Sales and Marketing Division, Prescription Pharmaceuticals
2001 Corporate Officer, Head of Sales and Marketing Division, Prescription Pharmaceuticals
2004 Senior Corporate Officer, Head of Sales and Marketing Division, Prescription Pharmaceuticals
2006 Representative Director, President & COO
2008 Representative Director, President & CEO
2018 Representative Director, Chairman & CEO
2020 Representative Director, Chairman (incumbent)



Takeshi Ito
Representative Director
President and Chief Executive Officer

1982 Joined the Company
2012 Corporate Officer, Head of Prescription Pharmaceuticals Sales Department, Sales & Marketing Division, Prescription Pharmaceuticals
2014 Senior Corporate Officer, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals
2016 Executive Corporate Officer, Japan Business, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals
2017 Director, Executive Corporate Officer, Japan Business, Head of Japan Sales and Marketing, Prescription Pharmaceuticals
2019 Director, Executive Corporate Officer, Head of Japan Business, Head of Japan Sales & Marketing Division
2022 Representative Director, Executive Vice President, Head of Japan Business, Head of Japan Sales & Marketing Division
Representative Director, President & CEO (incumbent)



Kanoko Oishi
Outside Director
Independent Officer

1993 Partner, McKinsey & Company, Inc.
2000 Established Mediva, Inc. Representative Director (incumbent)
Established Seinan Mediva Co., Ltd. (currently Seeds 1 Co., Ltd.); Representative Director (incumbent)
2004 Established Platanus Medical Corporation; COO (incumbent)
2010 Outside Director of Astellas Pharma Inc.
2015 Outside Director of the Company (incumbent)
External Board Member of Ezaki Glico Co., Ltd. (incumbent)
Outside Director of Suruga Bank Ltd.
2016 External Director of Shiseido Company, Limited (incumbent)



Yutaro Shintaku
Outside Director
Independent Officer

2010 Representative Director, President and CEO of Terumo Corporation
2017 Corporate Advisor of Terumo Corporation
External Director of J-Oil Mills Inc. (incumbent)
Outside Director of the Company (incumbent)
2018 Outside Director of Kubota Corporation (incumbent)
Visiting Professor, Business Administration, Hitotsubashi University Business School
2019 Project Professor, Business Administration, Hitotsubashi University Business School (incumbent)
Outside Director of KOZO KEIKAKU ENGINEERING Inc. (incumbent)



Kunihiro Minakawa
Outside Director
Independent Officer

2010 Corporate Vice President, and General Manager of Finance and Accounting Division, Ricoh Company, Ltd.
Outside Audit & Supervisory Board Member, Ricoh Leasing Company, Ltd.
2012 Corporate Senior Vice President, and General Manager of Finance and Accounting Division, Ricoh Company, Ltd.
2013 Audit & Supervisory Board Member, Ricoh Company, Ltd.
2017 Outside Director of Sony Corporation
2018 Outside Director of the Company (incumbent)
2019 Commissioner of the Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (incumbent)
2020 External Director of Nippon Sheet Glass Co., Ltd. (incumbent)



Noboru Kotani
Outside Director
Independent Officer

1991 Vice President of Boston Consulting Group
2000 Representative Director of Dream Incubator Inc.
2005 Representative Director of Vehicle Inc. (incumbent)
Outside Director of the Company
2006 Outside Director of JINS HOLDINGS Inc. (incumbent)
2013 External Director of SanBio Company Limited (incumbent)
2018 External Director of Medley, Inc. (incumbent)
2022 Outside Director of the Company (incumbent)



Tamie Minami
Outside Director
Independent Officer

2008 Vice President and General Manager, Home Care Division, 3M Company
2013 Vice President, Southeast Asia Region, 3M Company
2015 Vice President, Latin America, 3M Company
2017 Vice President, Asia, 3M Company
2019 Senior Vice President, Safety & Industrial Business Group, Asia, 3M Company
2022 Outside Director of the Company (incumbent)



Hiroshi Isaka
Standing Corporate Auditor

2010 Joined the Company
2012 Head of Corporate Development Division
2013 Deputy Head of Human Resources Development and CSR Division
2015 Head of Surgical Division
2019 General Manager, IOL Business Planning Group
2020 Standing Corporate Auditor (incumbent)



Hirofumi Yasuhara
Outside Corporate Auditor
Independent Officer

2008 Director, PanaHome Corporation (currently Panasonic Homes Co., Ltd.)
2012 Representative Director, PanaHome Corporation (currently Panasonic Homes Co., Ltd.)
2014 Senior Audit & Supervisory Officer, Automotive & Industrial Systems Company, Panasonic Corporation
2015 Senior Audit & Supervisory Board Member, Panasonic Corporation
2019 Outside Corporate Auditor of the Company (incumbent)
2020 Outside Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd. (incumbent)
Outside Corporate Auditor, Hitachi Zosen Corporation (incumbent)



Yumiko Ito
Outside Corporate Auditor
Independent Officer

2007 Executive Officer, Legal & Corporate Affairs, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)
2013 Director, Executive Officer and General Counsel, Sharp Corporation
2014 Director, Executive Managing Officer and General Counsel, Sharp Corporation
2019 Established Ito Law Office; Representative (incumbent)
Independent Director, Kobe Steel, Ltd. (incumbent)
Outside Corporate Auditor of the Company (incumbent)



Masahiko Ikaga
Outside Corporate Auditor
Independent Officer

2000 Representative Director and President of Tohmatsu Consulting Co., Ltd. (currently Deloitte Tohmatsu Consulting LLC)
2010 Director and Chairman of Deloitte Tohmatsu Consulting LLC
2016 Representative Accountant, Masahiko Ikaga Certified Public Accountant Office (incumbent)
Representative Director of Prajnalink Co., Ltd. (incumbent)
External Audit & Supervisory Board Member of Morinaga Milk Industry Co., Ltd. (incumbent)
2017 Outside Audit & Supervisory Board Member of Yamaha Motor Co., Ltd.
Outside Director of RYOBI LIMITED (incumbent)
2022 Outside Corporate Auditor of the Company (incumbent)

Executive Management Team

(Not including Directors who also serve as executives)

Jozica Grenz	Head of Asia Business
Luis Iglesias	Head of EMEA Business, Head of North America Business
Ippei Kurihara	Head of Japan Business, Head of Japan Sales and Marketing Division, Head of Marketing Department
Takayuki Yamada	Head of China Business
Marianthi Psacha	Global Head, Cell & Gene Business Segment
Robert Wagner	Global Head, Medical Tech Solutions Business Segment
Reza Haque	Head of Ophthalmology Innovation Center
Peter Sallstig	Chief Medical Officer
Akio Kimura	Chief Product Supply Officer
Minori Hara	Chief Digital & Information Officer
Nobuko Kato	Chief Communications Officer
Kazuo Koshiji	Chief Financial Officer & Chief Risk Officer
Mika Masunari	General Counsel & Chief Compliance Officer
Chris Reindel	Chief Business Officer
Nikolaos Tripodis	Chief Strategy Officer, Chief HR, Sustainability & Administration Officer

Corporate Officers

Shinichi Teramachi	Head of Sales Department, Japan Sales and Marketing Division
Frank Binder	Head of Supply Chain Division
Ken Araki	Global Head of Business Development, Strategy
Takahiro Morita	Global Head of Core Principle & People Centricity, HR, Sustainability & Administration

For more about the corporate executives
please see the Company's website.