

# Global Product Supply Strategy: Building a Network and Expanding Production Capacity



**Aiming to Optimize the Product Supply Network for Growth through 2025 and Beyond**

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## Building a Product Supply Network as a Source of Competitiveness

For a healthcare company, stable and reliable product supply underpins trust from patients and others. In order to ensure stable delivery of products to patients worldwide, we have been strengthening our global product supply network through various measures. These measures include reorganizing our production bases, shortening lead time for supply by conducting final packaging at destinations, and reducing costs by changing manufacturing site from CMOs to in-house. As we look ahead to our further globalization and product

diversification, we have started to increase production capacity with the aim of building a flexible product supply network.

Santen made large-scale capital investments in the mid-1990s, including the construction of new plants. Since then, we have responded to increases in demand by raising productivity, namely by stepping up operation of existing equipment and making ongoing improvements at manufacturing sites. This enabled us to steadily increase annual production volume to the present level of about 400 million units.<sup>1</sup> Demand for our existing products is emerging globally. Furthermore, our solutions are diversifying as we expand our operations into new disease areas. Given this backdrop and in anticipation of medium-to-long-term changes in our business environment, we are working to strengthen our production bases. This includes commencing construction of a new plant in Suzhou, China and expanding the Shiga Product Supply Center (PSC). The new Suzhou Plant, scheduled to start operations in 2025, will have an annual production capacity of 840 million units.<sup>1</sup> We expect the plant to serve as a production base for the Chinese market, for which we anticipate further growth.

Santen has established a long-term strategic framework for product supply, identified future issues in production and supply from eight perspectives, and formulated a product supply strategy under MTP2025 from the perspective of overall optimization, unconstrained by past methods and frameworks. In addition to building a strong business infrastructure by acquiring, maintaining and optimizing management resources, we will aim for global excellence through prompt product launches, technological innovations for improved productivity, and compliance with laws and regulations, in order to distinguish ourselves by increasing customer satisfaction.

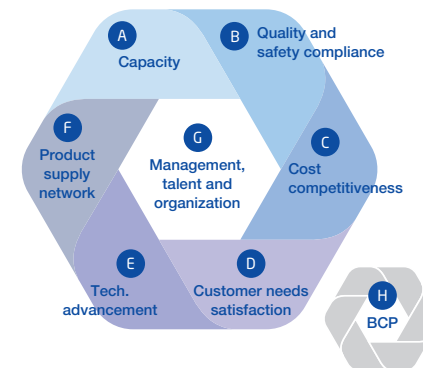
## Proactively Responding to Change to Increase Our Advantages

Enhancing our competitiveness amid the coming dynamic changes in the business environment will require a proactive approach. We must not only provide a stable supply of high-quality products, but also accurately forecast demand by

gaining an in-depth understanding of patient needs and the market environment in each country or region. Given the amount of time and investment entailed in the construction of new facilities and production lines, we are called on to make predictions several years hence with extremely high accuracy. I am committed to creating an organizational culture that strongly supports employee growth by promoting collaboration between employees across regions and departments and establishing a structure that enables access to the latest information on the business environment. Improving productivity and providing a stable supply of products globally will lead to Santen making an even greater contribution to patients and society.

<sup>1</sup> 5mL unit equivalent

## Long-Term Strategic Framework for Product Supply



Rendering of planned third wing (building at back of image) in Shiga, Japan



Rendering of new plant in Suzhou, China