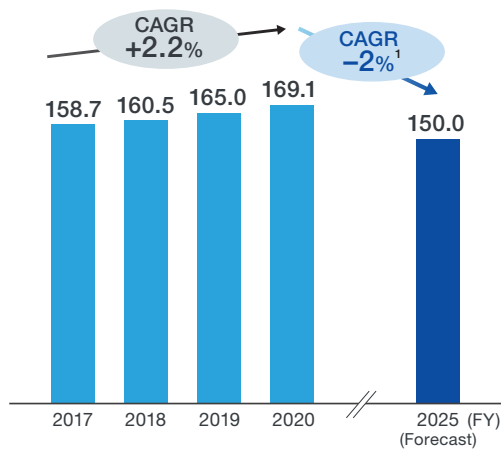


# Strategies by Region

## Japan

### Contributing to Ophthalmology as a Solutions Provider

Net Sales (JPY billions)



Contribution profit ratio



Santen has leveraged its experience and expertise spanning approximately 130 years to establish a dominant presence in Japan. During our previous medium-term plan, we aimed for “Transformation into an Ophthalmic Solutions Provider” and created and led the market by providing total solutions for ophthalmology that encompass prevention, diagnosis, treatment and follow-up. For glaucoma, which requires ongoing treatment, we provide approximately 2,000 medical institutions<sup>2</sup> with the ACT Pack, a program to support continuing outpatient glaucoma treatment. According to one report, introduction of the ACT Pack increased the adherence rate at six months after the start of treatment from approximately 42% before introduction of the program to approximately 94%.<sup>3</sup> In addition, products that drove sales included *Alesion LX*, which has longer-lasting effectiveness than the former *Alesion*, and *EYLEA*,<sup>4</sup> which was launched in a prefilled syringe formulation (intravitreal injection kit). Fiscal 2020 revenue in Japan was JPY 169.1 billion, and our share of the prescription ophthalmic market reached a record high of 51.1% on a value basis<sup>5</sup>.

Under MTP2025, we plan to achieve JPY 150 billion in revenue in Japan in fiscal 2025. Even in a severe business environment that will include patent expiration for existing products and National Health Insurance (NHI) drug price revisions, we aim to improve the contribution profit ratio through a reorientation of our product portfolio, which will

include continuously launching new products and providing solutions, among other measures.

In the dry eye area, in fiscal 2022 we intend to launch a new formulation of *Diquas* that is applied three times per day, which will help reduce the burden on patients.

One issue with treatment using ophthalmic solutions is that some patients have difficulty facing upward to properly apply eye drops. This is especially true for glaucoma patients, of which many are elderly, so in fiscal 2023 we plan to add lineup extensions for *Tapros* and *Tapcom* with a new instillation system that does not require the user to face upward.

In the area of allergies, we are focusing on promoting sales of *Alesion LX* while following it up with the development of new formulations. We aim to improve patient quality of life by further reducing eye itchiness caused by allergies.

We will continue to contribute to ophthalmology by providing products that meet the needs of patients and medical professionals.

<sup>1</sup> CAGR of 2% for only products developed in-house (products for which Santen holds drug production and sales rights; includes other revenue)

<sup>2</sup> As of March 31, 2021

<sup>3</sup> Tanaka, Toshihiro (2020), *Ganka*, 62(8): 801-807

<sup>4</sup> Co-promoted product of Bayer Yakuhin, Ltd. (MAH)

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ACT Pack materials



*Alesion LX*

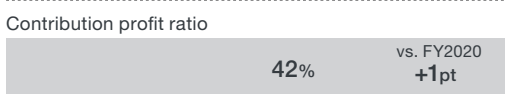
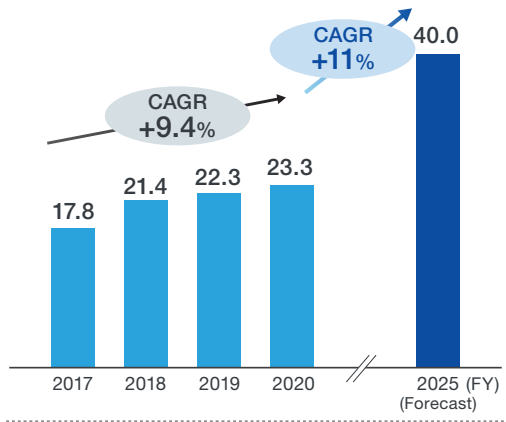
## Strategies by Region



# China

## Expanding New Products and Sales Channels with the Aim of Sustainable Growth

Net Sales (JPY billions)



Santen has expanded its presence in China by building its own sales network and collaborating with key opinion leaders, academic societies and others. Under the previous medium-term plan, we aimed for double-digit growth by expanding market coverage and improving customer satisfaction. Other activities during this period such as market coverage expansion and support for training of ophthalmology medical professionals also helped to increase our presence in the Chinese market, and we achieved the top market share on a value basis.<sup>1</sup> However, due in part to the COVID-19 pandemic and the impact of volume-based purchasing, revenue CAGR for the plan period was 9.4%. Going forward, Santen must anticipate the rapidly changing external environment, including healthcare system reforms and patient consultation behavior patterns, and take strategic measures.

We are aiming for double-digit growth with a revenue target of JPY 40 billion in fiscal 2025 and CAGR of 11%. Our main strategies for achieving these targets will be to focus on expanding sales of new products *Tapros* and *Diquas*, developing channels such as private hospitals and pharmacies, and collaborating with local partners. *Tapros*, a treatment for glaucoma and ocular hypertension that has been listed as a first-line treatment in China's National Reimbursement Drug List since 2019, held the top share of

the prostaglandin monotherapy market in January–March 2021 at 32.6%<sup>2</sup> on a volume basis. In addition to increasing sales of this product, we will work to surface demand in the glaucoma market through epidemiological studies, disease screening and awareness raising activities.

As dry eye-related needs increase in tandem with changes in the social environment, we will focus on further sales expansion by promoting *Diquas* as a treatment for dry eye syndrome that has an improving effect on abnormalities in lacrimal fluid secretion. We will also step up an evidence-based approach in our sales activities, using digital technology to provide information.

Although the market in China is expected to continue expanding due to population growth and the aging of society, the external environment is changing daily as a result of government policies, intense competitive conditions and other factors. We will continue to stay ahead of changes in the environment as we work to develop an ecosystem for ophthalmology and supply valuable products.

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Treatment for glaucoma and ocular hypertension *Tapros*



Treatment for dry eye syndrome *Diquas*



Glaucoma screening in Liaoning Province

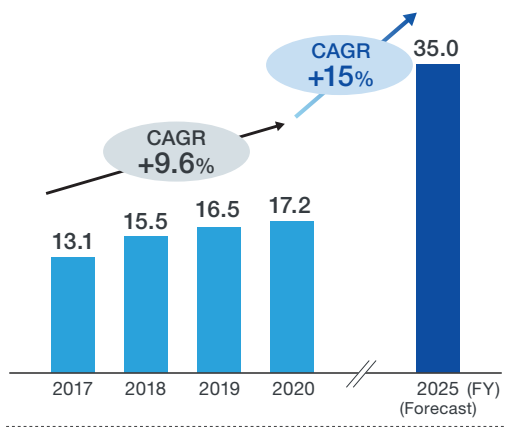
## Strategies by Region



# Asia

### Contributing to Eye Health in the Rapidly Growing Asian Market by Developing the Ophthalmic Ecosystem

Net Sales (JPY billions)



Contribution profit ratio	
40%	vs. FY2020 +3pt

Santen currently conducts business in 16 countries and regions<sup>1</sup> in other parts of Asia. Under the previous medium-term plan, we aimed for a growth rate exceeding that of the market (in the high teens) through successive launches of new products, collaboration with key opinion leaders and academic societies, and entry into the Indian market. CAGR for Santen's revenue in the region was 9.6%, compared with 5.7%<sup>2</sup> for the market as a whole. Going forward, we will further expedite business growth through measures addressing the ophthalmic ecosystem, such as remote provision of information and collaboration with academic societies, in addition to conventional face-to-face methods. Our market share in Asia has grown in nine countries (including Thailand and the Philippines), reaching 9.2% in fiscal 2020, a year-on-year increase of 0.3 points.<sup>3</sup> This success was a result of addressing customer needs, and strengthening sales and marketing operations as well as medical affairs functions to provide products and services tailored to the region. In fiscal 2020, we launched 13 new products<sup>4</sup> in Asia, including *Eybelis* in South Korea (first launch outside Japan).

We are aiming for revenue of JPY 35 billion in Asia (15% CAGR) in fiscal 2025. We will use our mainstay product lines, including *Diquas*, *Tapcom* and *Eybelis*, as growth drivers and work for greater market uptake of our products.

Although the Asian market is expected to grow due to economic growth and other factors, it requires approaches

tailored to circumstances in each country and region due to differences in demographics, the number of ophthalmologists per person and levels of disease recognition. Conducting activities to contribute to the development of ophthalmology in Asia and rolling them out country by country will be crucial. Such activities will include raising awareness of diseases in cooperation with key opinion leaders and our partners, and providing support for training ophthalmologists in collaboration with academic societies and doctors. Specifically, in June 2020, we concluded a strategic alliance with Plano Pte. Ltd., a health tech company in Singapore, with the aim of providing technological solutions for myopia, which is on the rise among young people. In October 2020, we entered into a long-term partnership agreement with Orbis International to accelerate the growth of quality eye care systems by building the capacity of eye care professionals and developing digital technologies. We will continue to contribute to eye care in Asia through the development of the ophthalmic ecosystem.

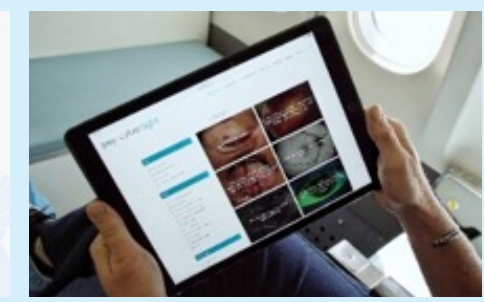
<sup>1</sup> As of March 31, 2021  
<sup>2</sup> Copyright © 2021 IQVIA. Santen analysis (excluding S1P (retinal diseases)) based on IQVIA MIDAS 2017-2020. Reprinted with permission.  
<sup>3</sup> Copyright © 2021 IQVIA. Santen analysis based on IQVIA MIDAS 2019.1Q-2020.4Q. Reprinted with permission.  
<sup>4</sup> Total product launches, counting each country or region as a separate launch. Includes additional indication for *Ikervis*.



*Eybelis* (South Korea)



The Plano app from Plano Pte. Ltd., which supports the healthy development of children's eyes



Cybersight from Orbis International, an online training platform for eye care professionals in developing countries

## Strategies by Region

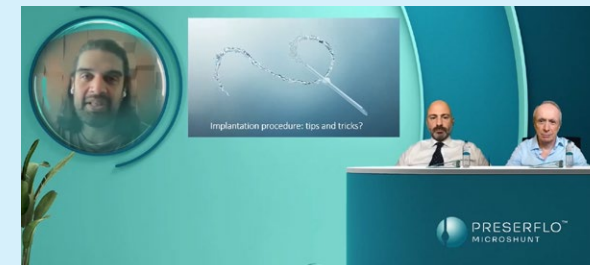


# EMEA

### Demonstrating Team Strength to Provide Products Attuned to Patient Needs

Santen currently operates in approximately 50 countries and regions<sup>1</sup> in Europe, the Middle East and Africa (EMEA). We have grown steadily through full-scale expansion in western Europe since 2014, adding to our longstanding business base in northern Europe. Under the previous medium-term plan, we aimed to improve profitability by satisfying customer needs and promoting product uptake. As a result of our efforts toward market penetration of products attuned to patient needs, such as preservative-free ophthalmic solutions and *Ikervis* for severe keratitis associated with dry eye, we achieved revenue CAGR of 2.7%, exceeding the market CAGR of 2.4%.<sup>2</sup> Market share has grown in 19 countries including the United Kingdom, Italy and Spain, increasing 0.2 points year on year to 4.1% for the entire EMEA region in 2020.<sup>3</sup> The contribution profit ratio for the region also increased for three consecutive fiscal years.

In fiscal 2025, we aim for JPY 50 billion in revenue (CAGR 6%). We will build a robust portfolio that meets customer needs with the rollout of *Ocutears* for dry eye disease, *Puralid* for blepharitis and the antibiotic/steroid combination treatment *Ducressa*, among other products that will continue driving our growth. In the core domain of glaucoma, in addition to ophthalmic solutions, we will further expand sales of *PRESERFLO MicroShunt*, a medical device for minimally invasive glaucoma surgery that we launched in April 2019. We have been conducting a



Online seminar on *PRESERFLO MicroShunt*

programme for ophthalmologists to learn the relevant surgical technique on a limited basis, and will further expand such opportunities and add further territories through online seminars held by key opinion leaders and others. We aim to achieve sales revenue of JPY 5.0 billion for this device by fiscal 2025.

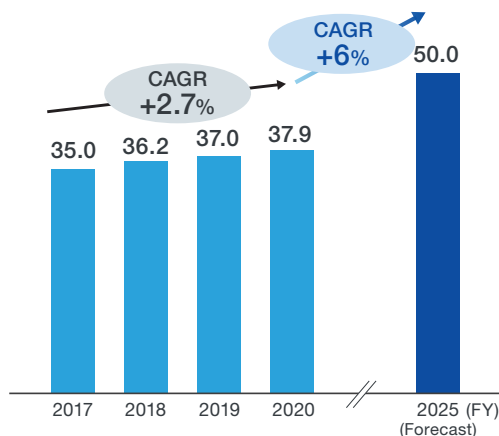
We will continue to respond to patient needs by leveraging our strength as an integrated team that cooperates in each country and region across functions from regulatory affairs, to marketing and sales.

<sup>1</sup> As of March 31, 2021

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Net Sales (JPY billions)



Contribution profit ratio

30% vs. FY2020 +3pt



Dry eye treatment *Ocutears*



Blepharitis treatment *Puralid*



Antibiotic/Steroid combination treatment *Ducressa*



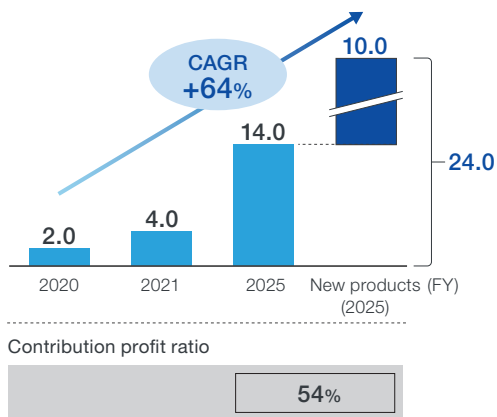
## Strategies by Region



# Americas

**Cultivating Brand Trust and Power by Building a Presence in the World's Largest Ophthalmic Market**

Net Sales (JPY billions)



Under the previous medium-term plan, we worked to develop differentiated products by applying our unique technologies and expertise in research and development, and steadily prepared to re-enter<sup>1</sup> the U.S. market by means that included securing sales channels through the acquisition of Eye Vance Pharmaceuticals Holdings Inc. With the delay in development of STN2000100 (DE-128), a surgical device for glaucoma that we had intended to commercialize to gain a foothold in the U.S. market, we licensed its development and sales rights to Glaukos Corporation in North America, Australia and New Zealand.

Going forward, we will focus our management resources on the pharmaceutical business, first leveraging Eye Vance's business platform and Santen's strengths in R&D and expertise in the ophthalmology. We will also enhance our business development capabilities and leverage them to enter new businesses and new fields with the aim of building our presence in the United States, the world's largest ophthalmic solution market.

Under our current MTP2025, we plan to achieve revenue of JPY 24 billion<sup>2</sup> and a contribution profit ratio of 54% in fiscal 2025. We project revenue for the region to double year on year to JPY 4 billion approximately. Utilizing more than 40 sales representatives and marketing staff, we have begun effective promotions that leverage Eye Vance's strengths in sales channels and customer relationships in the anterior segment field and Santen's sales capabilities



Santen and Eye Vance booths (July 23-27, 2021 in Las Vegas, Nevada)

accumulated as a global enterprise. We are also preparing for the product launch of *Verkazia* for pediatric and adult vernal keratoconjunctivitis, recently approved in June 2021, and pipeline projects in late-stage development such as STN1011700 (DE-117) for glaucoma.

Long term, we believe establishing a solid presence in the intensely competitive U.S. market to deliver differentiated and better products to patients, and for the doctors who treat them, will earn trust and cultivate brand power for the Santen Group. We will continue to enhance our capabilities in organization and execution to increase our value to society as a global ophthalmic leader and player.

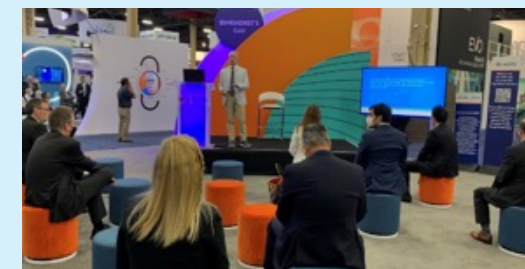
### Santen's Participation at ASCRS<sup>3</sup> 2021

The ASCRS 2021 annual meeting held in July 2021 was the first major ophthalmology society meeting to take place in person since the COVID-19 pandemic began. ASCRS showcased the latest in clinical techniques and unveiled the latest industry trends and innovations. We participated in the conference with neighboring Santen and Eye Vance booths.

<sup>1</sup> Santen withdrew from conducting sales of prescription ophthalmic pharmaceuticals in the United States in 2004.

<sup>2</sup> Revenue does not include STN2000100 (DE-128)

<sup>3</sup> American Society of Cataract and Refractive Surgery



Presenting ST1011700 (DE-117): Global Clinical Trial Experience