Protecting the World’s Vision

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President & COO
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• Business performance and financial condition are subject to the effects of medical regulatory changes made by the governments of Japan and other nations concerning medical insurance, drug pricing and other systems, and to fluctuations in market variables such as interest rates and foreign exchange rates.

• The process of drug research and development from discovery to final approval and sales is long, complex and uncertain. Individual compounds are subject to a multitude of uncertainties, including the termination of clinical development at various stages and the non-approval of products after a regulatory filing has been submitted. Forecasts and projections concerning new products take into account assumptions concerning the development pipelines of other companies and any co-promotion agreements, existing or planned. The success or failure of such agreements could affect business performance and financial condition significantly.

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• Santen Pharmaceutical is reliant on specific companies for supplies of certain raw materials used in production. Business performance could be affected significantly by the suspension or termination of supplies of such raw materials if such and event were to adversely affect supply capabilities for related final products.

• This presentation includes discussions of certain Santen products marketed in certain markets and compounds in clinical trials, as well as competitors and their products and compounds in clinical trials which are given for illustrative purposes only. Such discussions may include views subject to data interpretation that may or may not be views shared by regulatory authorities in the various regions in which the Company operates.
Santen Overall
- Specialized in ophthalmology since 1890
Santen’s Values and Mission Statement

Values

天機に参与する

Tenki ni sanyo suru

1 “Exploring the secrets and mechanisms of nature in order to contribute to people’s health”

Santen’s original interpretation of a passage from chapter 22 of Zhongyong (The Doctrine of the Mean) by Confucius.

We think carefully about what is essential, decide clearly what we should do, and act quickly.

Mission Statement

By focusing on ophthalmology, Santen develops unique scientific knowledge and organizational capabilities that contribute to the well-being of patients, their loved ones and consequently to society.
Our Contributions to Better Serve Patients in Ophthalmology

2002

Dimple Bottle®

2012

Acquisition of Glaucoma products from MSD

2014

2015

2016

2018

PreserFlo™ microshunt

Eylea: Co-promoted product of Bayer Yakuhin, Ltd. (MAH)

1PreserFlo is the new name of the pipeline project which has been known by dev code DE-128 and/or trade name InnFocus MicroShunt in Europe

DE-117 Omidenepag isopropyl
Continuous Growth and Expansion Globally While Contributing to Ophthalmology

Revenue exceeded 200 billion yen in FY2017

Increased sales regions / countries: approx. 50→64
FY2013  FY2017

Achieved 30% overseas revenue composition

Enhanced and advanced pipeline
Santen’s Strength

Thorough Customer Focus

Specialized Expertise

OPHTHALMOLOGY

Strong and Broad Commitment

From front to back of the eye

From standard to innovative

From compounds to products

All kinds of Disease areas

All kinds of Treatment options

Capabilities of
  • Industrialization
  • Commercialization
  • Globalization

Answering the needs in each region

Broad product lineup

Product development

From standard to innovative

All kinds of Disease areas

From front to back of the eye

Thorough Customer Focus

Specialized Expertise

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Answering the Needs in Each Region

**EMEA**

- **Needs**
  - Preservative free products
- **Answer**
  - Providing products ahead of competition

**Asia**

- **Needs**
  - Respond to diverse environments across countries
- **Answer**
  - Geographic expansion and more countries with direct sales

**Japan**

- **Needs**
  - Latest treatment and scientific information for best outcomes
- **Answer**
  - Strong and effective MR platform in home market

>> Enhancing QOL for Patients Around the World <<
# Broad Product Lineup Covering All Disease Areas

<table>
<thead>
<tr>
<th>FY2017</th>
<th>Glaucoma</th>
<th>Retina</th>
<th>Dryeye</th>
<th>Allergy</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28%</td>
<td>25%</td>
<td>19%</td>
<td>9%</td>
<td>18%</td>
</tr>
</tbody>
</table>

## Product Lineup

<table>
<thead>
<tr>
<th>Glaucoma</th>
<th>Retina</th>
<th>Dry Eye</th>
<th>Allergy</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosopt</td>
<td>Eylea</td>
<td>Diquas</td>
<td>Alesion</td>
<td>Cravit</td>
</tr>
<tr>
<td>Tapros</td>
<td></td>
<td>Hyalein</td>
<td></td>
<td>Kary Uni</td>
</tr>
<tr>
<td>Trusopt</td>
<td></td>
<td>Ikervis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tapcom</td>
<td></td>
<td>Cationorm</td>
<td></td>
<td>Oftan Catachrom</td>
</tr>
</tbody>
</table>

**FY2017**

- Dryeye: 28%
- Retina: 25%
- Allergy: 19%
- Others: 9%
- Glaucoma: 28%
Product Development to Satisfy Wide Ranging Needs

Improving Treatments
Unmet Medical Needs
Reducing Patient Burden

Santen’s Product Development

- Medical Devices
- Diagnosis
- Clinical Operation
- Drug Delivery System
- Formulation/CMC
- Biomarker
- Industry Partner
- Santen’s Internal Expertise
- Research Institute
- Open Innovation
- Academia

- Glaucoma
- Retinal and Uveal disorders
- Kerato-conjunctival disorders
- Refractive disorders

Santen’s

Reducing Patient Burden
Efficient Product Development

Expanding Partnerships globally

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Capturing Growth Opportunities
Ophthalmic Industry: Needs and Direction

- Allergic blepharoconjunctivitis
- Purulent endophthalmitis secondary to infection
- Cataract
- Glaucoma patient view at end-stage
- Age-related macular degeneration patient view

**Santen growth opportunities**

- 36 million
- 217 million

1/30 of world population

- 81% >50 years old
- 84% Chronic disease
- Preventable by early detection and treatment

Educational opportunity
Employment opportunity

Source: WHO World Sight Day poster, 2017
*Santen estimates*
# Asia Region

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2020</th>
<th>FY2030</th>
<th>FY2015 to FY2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Population</strong></td>
<td>3.8 bil</td>
<td>4.0 bil</td>
<td>4.2 bil</td>
<td>1.1x</td>
</tr>
<tr>
<td><strong>Over 40 Population</strong></td>
<td>1.4 bil</td>
<td>1.5 bil</td>
<td>1.8 bil</td>
<td>1.3x</td>
</tr>
<tr>
<td><em><em>Market Scale</em> (USD)</em>*</td>
<td>1.7 bil</td>
<td>2.5~3.0 bil</td>
<td>5.0~6.0 bil</td>
<td>Over 3.0x</td>
</tr>
</tbody>
</table>

*Asia Market Scale: Based on IQVIA MIDAS 2015 excluding S01S, L, Korea OTC and China retail/10 countries + India. Copyright © 2019 IQVIA. Reprinted with permission. FY2020, FY2030: Santen estimates.
Asia Business Strategy: By Leveraging Santen’s Unique Strength

Accelerating growth in Asia

- Supported by experience and knowledge gained in Japan, Europe and US

Europe / US

- Global Influencer
  - Collaborate with academia and KOLs
  - Regulatory understanding / skill
  - Human resources
- Recent growing presence

Asia

- Growing market
- High organizational capacity
- Sales and manufacturing network

Japan

- Business model supports high market share, know-how
- Manufacturing, quality assurance capability
- Strong #1 position in home market
## Santen’s Business Expansion in Asia

<table>
<thead>
<tr>
<th>Countries/areas</th>
<th>FY2013</th>
<th>FY2017</th>
<th>FY2020</th>
</tr>
</thead>
</table>
| Direct Sales    | ![Flags](flags)
| Sales Territories | ![Flags](flags) | ![Flags](flags) |
| Coverage        | ![Flags](flags) | ![Flags](flags) | ![Flags](flags) |
| Sales Forces    | 3      | 9      | 9      |
| (countries/ Areas) | ![People](people) | ![People](people) | ![People](people) |
| (persons)       | ![People](people) | ![People](people) | ![People](people) |

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2017</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>(persons)</td>
<td><img src="people" alt="People" /></td>
<td><img src="people" alt="People" /></td>
<td><img src="people" alt="People" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2017</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>258</td>
<td>475</td>
<td>660</td>
</tr>
<tr>
<td>(persons)</td>
<td><img src="people" alt="People" /></td>
<td><img src="people" alt="People" /></td>
<td><img src="people" alt="People" /></td>
</tr>
</tbody>
</table>
Key Focus 2  
Glaucoma

Global Glaucoma Patient Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary open-angle glaucoma</th>
<th>Other glaucoma</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>49</td>
<td>21</td>
<td>70</td>
</tr>
<tr>
<td>2015</td>
<td>53</td>
<td>27</td>
<td>80</td>
</tr>
<tr>
<td>2020</td>
<td>60</td>
<td>31</td>
<td>91</td>
</tr>
</tbody>
</table>

U.S. Demand for Minimally-Invasive Glaucoma Surgery (MIGS)

- **2015:** 70,000
- **2025:** 400,000 (CAGR +20%)

Santen’s Glaucoma Portfolio

-Positioning to Address All Stages of Glaucoma

<table>
<thead>
<tr>
<th>Mild</th>
<th>Moderate</th>
<th>Severe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mono-therapy</td>
<td>2 Drugs</td>
<td>3 Drugs or more</td>
</tr>
</tbody>
</table>

**Drug Therapies**

**Filtering Surgery**

- Trabeculectomy
- Tube Shunt

**Mono Therapies**

- Tapros
- Timoptol
- Detantol
- Trusopt
- Rescula®

**MIGS (Minimally-Invasive Glaucoma Surgery)**

- PreserFlo (prior name: InnFocus MicroShunt)
  (DE-128)

**Santen’s future treatment options**

**Current treatment flow**
Santen’s Latest Work in the Glaucoma Treatment Area

Developing Pipeline with New Value

DE-117: First-in-class IOP management
Japan: Launched as EYBELIS; Asia: conducting P3; US: Conducting P3

DE-128: New implant surgery for POAG
US: conducting P2/3; EU: Soft Launch
POAG: primary open angle glaucoma

POAG: primary open angle glaucoma

Aiming for leading efficacy and greater safety compared to existing surgical methods

DE-117: First-in-class IOP management
Japan: Launched as EYBELIS; Asia: conducting P3; US: Conducting P3

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US: conducting P2/3; EU: Soft Launch
POAG: primary open angle glaucoma

Aiming for leading efficacy and greater safety compared to existing surgical methods

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Santen’s Sustainable Growth into the Future

- To become a “Specialized pharmaceutical Company with a Global Presence”
Vision 2020:
Long-Term Vision Based on Santen’s Values

2013

2017

2020

Specialized Pharmaceutical Company with a Global Presence

Maximize new global product value

Build and reinforce overseas businesses

Strengthen Japan business framework and competitiveness
Steady Earnings Growth with Ophthalmology Specialization

Consolidated Results

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales (JPY billions)</th>
<th>Core OP (JPY billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
<td>146</td>
<td>30</td>
</tr>
<tr>
<td>FY2018</td>
<td>237</td>
<td>48</td>
</tr>
<tr>
<td>Forecast</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR: +10%

MTP2014-2017 | MTP2020

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Steady Earnings Growth with Ophthalmology Specialization

**Continuous growth in Japan**
- Sales: 111 (FY2013) to 161 (FY2018), CAGR: 8%
- Core OP: 49 (FY2013) to 72 (FY2018), CAGR: 8%

**Strong Growth in Asia**
- Sales: 11 (FY2013) to 36 (FY2018), CAGR: 25%
- Core OP: 1 (FY2013) to 10 (FY2018), CAGR: +54%

**Rapid growth in EMEA**
- Sales: 12 (FY2013) to 39 (FY2018), CAGR: 27%
- Core OP: 0 (FY2013) to 9 (FY2018), CAGR: +121%
Start North America Business with Differentiated Products

- Differentiated Pipeline/Products: DE-128, DE-109, DE-117, DE-076C
- Tailored Strategy to each Pipeline/Product

U.S. market trend (USD billions, Santen estimates)

- 2013: 8.7
- 2016: 13.8
- 2020: 17.2

> 50% of the world market

North America
## Pipeline Launch Targets

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020~</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Glaucoma</strong></td>
<td>DE-117 Japan</td>
<td></td>
<td>DE-117 Asia / US</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>DE-126 Japan / US</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>DE-128 US / Europe</td>
</tr>
<tr>
<td><strong>Retina</strong></td>
<td></td>
<td></td>
<td>DE-109 US</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>DE-122 US</td>
</tr>
<tr>
<td><strong>Dry Eye</strong></td>
<td>DE-089 China</td>
<td>DE-076B Asia</td>
<td></td>
</tr>
<tr>
<td><strong>Allergy</strong></td>
<td>DE-076C Europe</td>
<td></td>
<td>DE-114A Japan</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>DE-076C Canada</td>
<td></td>
<td>DE-127 Asia</td>
</tr>
</tbody>
</table>
Protecting the World’s Vision

Always Pursuing Further Contribution to Ophthalmology as a Unique and Specialized Presence in the Field

Continuous Journey to Maximize the Joy of Vision All Over the World