

Strategic Briefing for the Announcement of the Next Medium-Term Plan

Mar 10, 2021

Santen Pharmaceutical Co.,Ltd.

Forward-Looking Statements

- Information given in this presentation contains certain forward-looking statements concerning forecasts, projections and plans whose realization is subject to risk and uncertainty from a variety of sources. Actual results may differ significantly from forecasts.
- 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 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 an event were to adversely affect supply capabilities for related final products.

Agenda

■ **Business Growth through Innovation Initiatives**

Shigeo Taniuchi
President and CEO

■ **Eye Diseases from the Ophthalmologist's Perspective**

Reza Haque, MD, Ph.D.
Head of Ophthalmology Innovation Center

■ **Retinitis Pigmentosa from the Patient's Perspective**

Mohamed Abdin
CSR Group, Corporate Development Division, Executive Director of Committee for Assisting and Promoting Education for Disabled in Sudan (CAPEDS), a NPO

■ **Growth Potential in the Ophthalmic Market**

Hiroki Sakai
General Manager, Portfolio Strategy & Global Marketing Group, Corporate Development Division

■ **Toward the Announcement of the Medium-Term Plan**

Shigeo Taniuchi
President and CEO

Business Growth through Innovation Initiatives



Shigeo Taniuchi
President and CEO

Objective of This Meeting

Jul 7, 2020 Presentation of long-term vision **Santen 2030**
Presented the vision toward 2030 and beyond

Mar 10, 2021
(Today) Strategic Briefing for the Announcement of the Next Medium-Term Plan
Sharing **Our Growth Strategy** under an execution phase to
achieve our long-term vision and expected **Business Scale**

April 7, 2021 Announcement of FY2021-2025 Medium-Term Plan **MTP2025**
Financial and non-financial targets, shareholder return, and
business strategies to achieve these

CORE PRINCIPLE and WORLD VISION

CORE PRINCIPLE

天機に参与する

Tenki ni sanyo suru

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

WORLD VISION

Happiness with Vision

The Happiest Life for every individual, through the Best Vision Experience

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

Santen 2030

Toward 2030 and beyond

**Santen's
VISION**

Become A Social Innovator

Orchestrate and mobilize key technologies and players around the world, to deliver happiness through vision.

GOAL

Aim to reduce the loss of social and economic opportunities for people around the world due to eye conditions.

STRATEGY

- A Ophthalmology**
Innovation in Ophthalmology and Acceleration of Ecosystem Development
- B Wellness**
Awareness and Proactive Care toward Better Eye Condition
- C Inclusion**
Building Society that is Inclusive regardless of Visual Impairment

Santen as an Imperative for Global Eye Health and its Development

We solve social issues
and achieve business growth by improving and expanding our solutions



People receive **80%** of information visually

Economic loss is worth **\$410.7 bil**^{*1} annually due to visual impairment

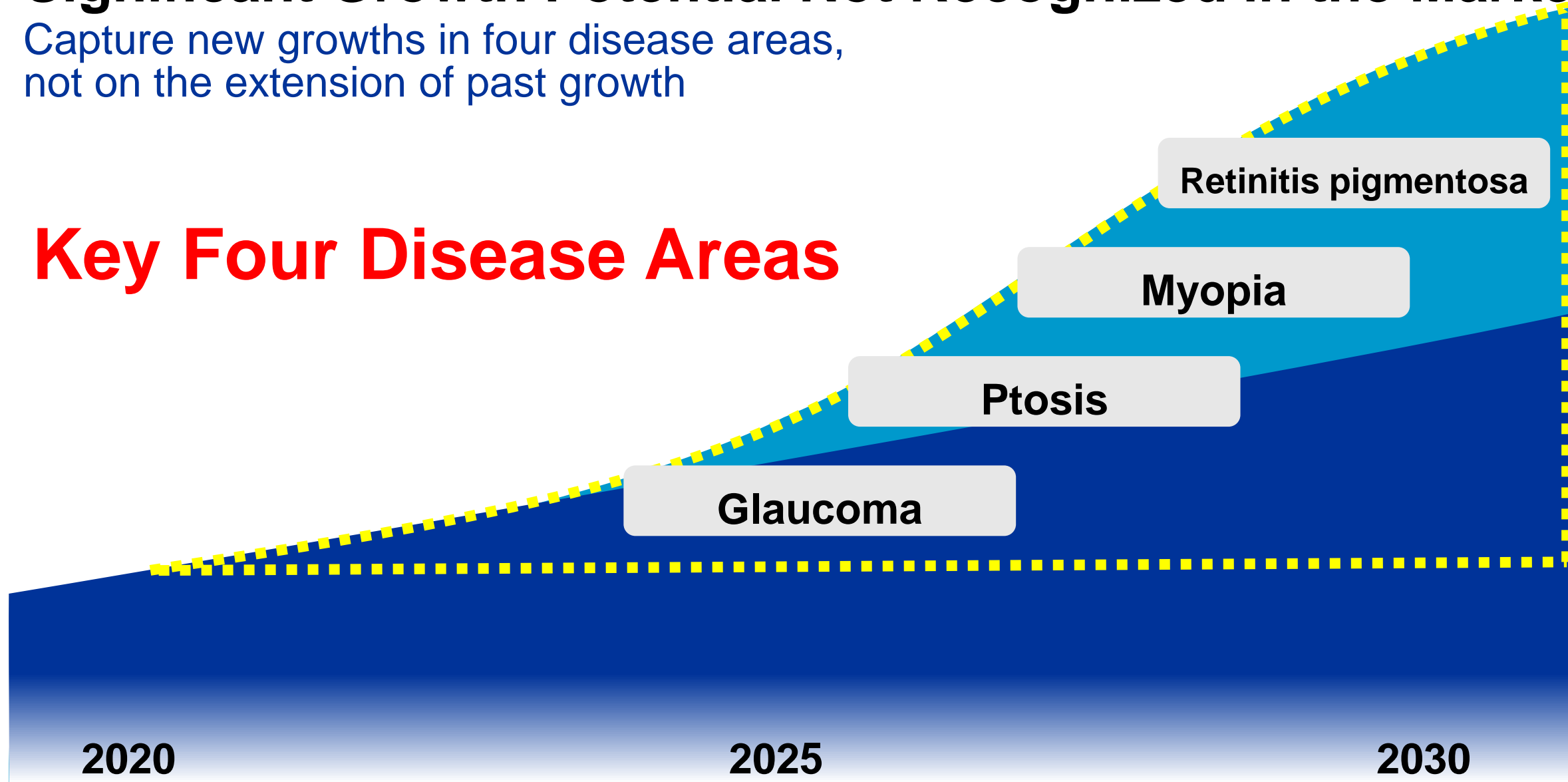
Eye diseases tend to be chronic,
affecting patients' **QOL throughout their lives**

*1. IAPB Vision Atlas: [https://www.iapb.org/learn/vision-atlas/\(Link\)](https://www.iapb.org/learn/vision-atlas/(Link))

Significant Growth Potential Not Recognized in the Market

Capture new growths in four disease areas, not on the extension of past growth

Key Four Disease Areas



Eye Diseases from the Ophthalmologist's Perspective



Reza Haque, MD, Ph.D.
Head of Ophthalmology Innovation Center

Eye Disease in Each Life Stage

Eye disease is a lifelong challenge



Congenital disorder (retinitis pigmentosa)

Ocular infection

Refractive disorders (myopia, hyperopia, astigmatism)

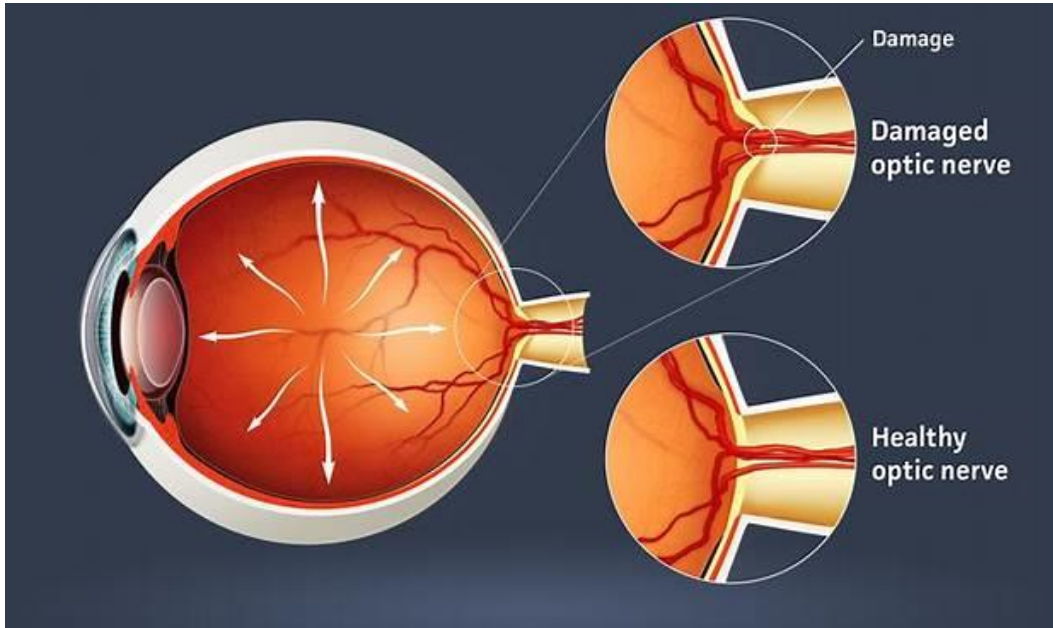
Allergic conjunctivitis

Dry eye

**Age-related diseases
(retina, glaucoma, cataract, presbyopia)**

Glaucoma

No.1 cause of blindness in developed countries
and still require the spread and penetration of treatment



A disease that leads to blindness, in which the optic nerve is damaged by increased intraocular pressure. The number one cause of blindness in developed countries- genetic and acquired factors exist.

Treatment Option: Eye-Drop, Surgery, Laser, etc.

of Patient^{*1} : 76M₍₂₀₂₀₎ > 95M₍₂₀₃₀₎

% Treated patient^{*2} : 10%~ 50%

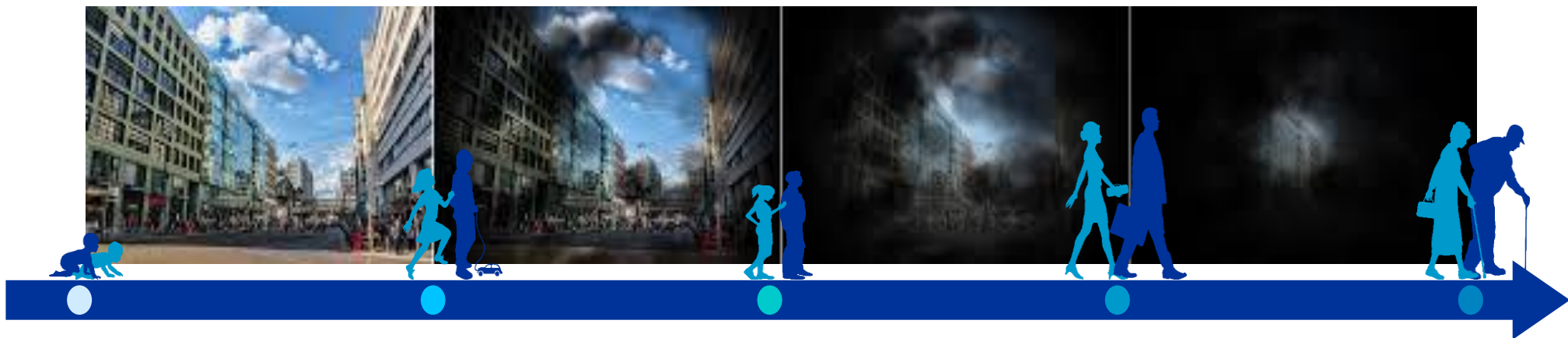
%Compliance^{*3} : 60%
(1year continuous treatment for new patient)

*1 World report on vision, *2 Santen analysis, *3 Japanese Journal of Ophthalmology volume 58, pages68-74, 2014

Retinitis Pigmentosa

Genetic disease, onset at a young age, and progress slowly through the patient life

- ✓ # of Patient : 1.5M
- ✓ Genetic Disease
 - Autosome, sex chromosome
- ✓ Progression: Very slow
- ✓ Treatment Option: Limited
- ✓ Lower QOL than other visual impairments
 - Suffer from depression and distress
 - Needs assistance by others for daily life
 - Less contribution to the workforce and to society



Pipelines of the Retinitis Pigmentosa

Many treatment options are under development

Cell Therapy

- ❑ Treated by neurotrophic factors or growth factors generated by injected cells
- ❑ Work regardless of mutation / possible to work just temporarily

Gene Therapy

- ❑ Mutated gene will be altered to transfected normal gene
- ❑ Potentially cure all of symptoms / Limited to specific gene

Cell Transplantation

- ❑ Diseased cell will be substituted by transplanted healthy cell
- ❑ Work regardless of patient condition / Need highly invasive surgery

Pipelines in the development and the market

jCell (jCyte)

Luxturna (Spark)
BIB-112 (Biogen)
A004 (MeiraGTx)
CPK-850 (Novartis)
QR-421a (ProQR)
HORA-PDE6B (Horama)
AGTC-501 (AGTC)

iPS derived cell replacement (Opsis)

Retinitis Pigmentosa from the Patient's Perspective



Mohamed Abdin

CSR Group, Corporate Development Division

Executive Director of Committee for Assisting and Promoting Education for Disabled in Sudan (CAPEDS), a NPO

Biographies

Born in Sudan in 1978

Retinitis pigmentosa

Night blindness has slowly progressed since childhood

Unable to read and write at the age of 12

Current visual acuity: light perception

- 1998 Arrival in Japan, Studied acupuncture and moxibustion at Fukui Prefectural School for the Blind and obtained a national license
- 2003 Entered Tokyo University of Foreign Studies
- 2014 Specially Appointed Assistant Professor after obtaining a Ph.D. at Tokyo University of Foreign Studies
- 2017-20 Special Visiting Professor, Department of Political Science, Faculty of Law, Gakushuin University
- 2017- Executive Director of Committee for Assisting and Promoting Education for Disabled in Sudan (CAPEDS), a NPO
- 2018- Member of the Tokyo Metropolitan Multi-Culture Symbiosis Promotion Committee
- 2020- Visiting Researcher, Center for Sustainable Development Studies, Toyo University
- Oct. 2020 Joined Santen



Until I Understood What was Going on



Childhood photographs (The left is my older brother, who is two years older than me.)

“There Is No Tomorrow That I Can See Better than Today” -Burden on Life Planning-



High school photography

I lost interest in going to school
when my academic performance started to get behind.

My mother said

“You have no way to live but to study”

Growth Potential in the Ophthalmic Market

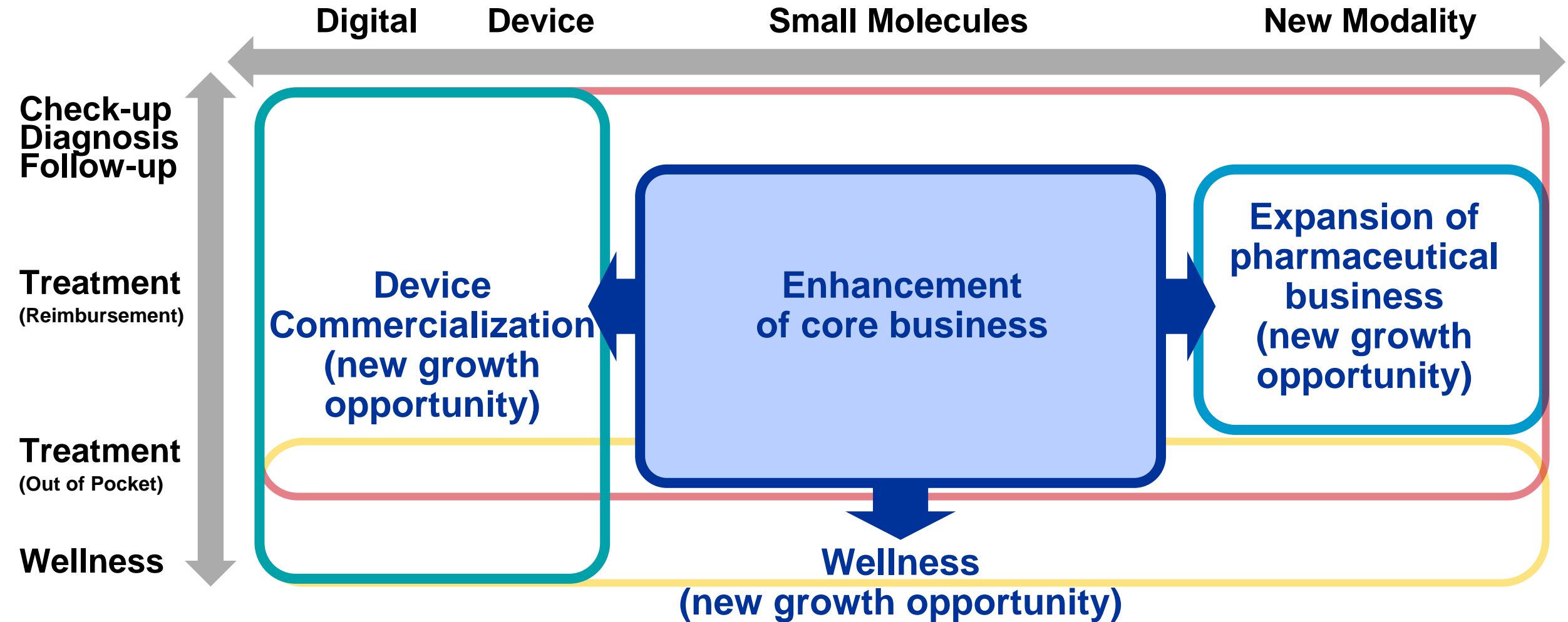


Hiroki Sakai

General Manager, Portfolio Strategy & Global Marketing Group, Corporate Development Division








Strengthening the Core Business and Acquiring New Opportunities to Realize the Growth

Core business staying as the main growth driver.
Significant growth toward 2030 pursued through new opportunities



Maintain Solid Revenue Base by the Enhanced Core Businesses

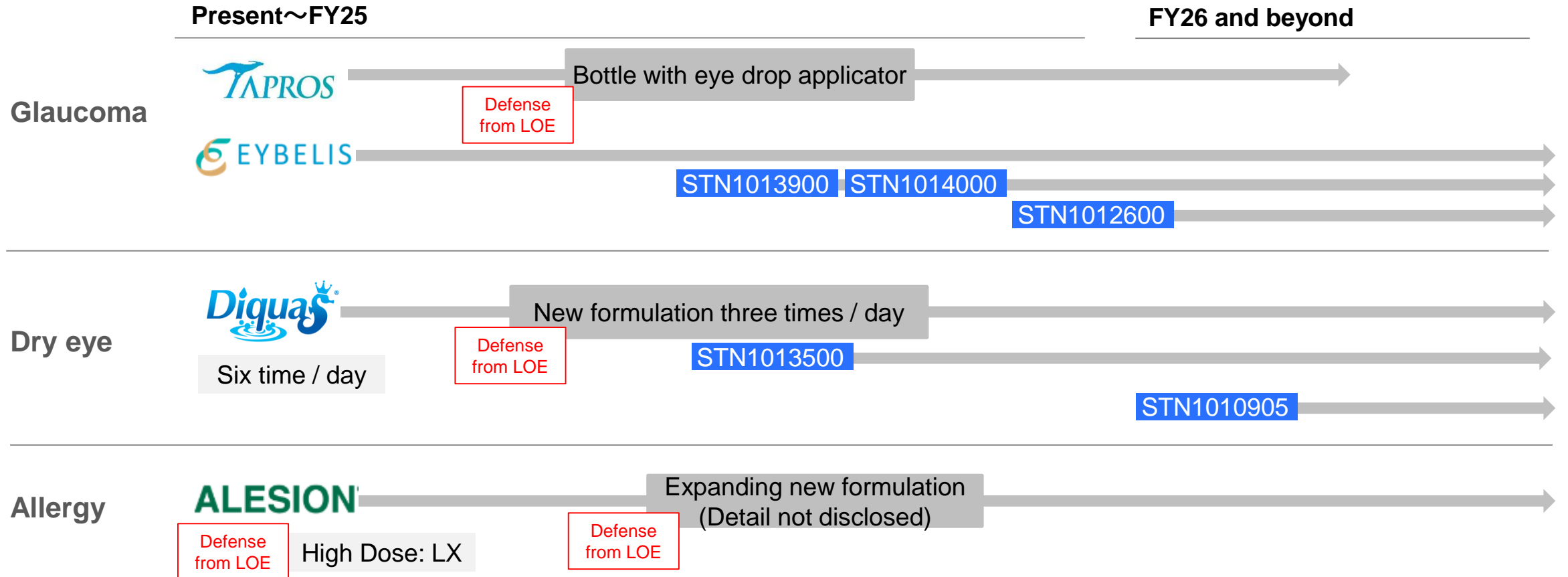
Core businesses strengthened
by maximizing existing values and new brand releases

	Existing Global Brands	Expansion	Launch Target (FY)	New Global Brands Pipelines
Glaucoma		US , PFUD: Asia, China	2022 ~	STN1013900 Glaucoma: ASIA, JP
		Bottle with eye drop applicator, JP	Defense from LOE 2023 ~	STN1014000 Glaucoma: ASIA, JP
	 <small>(tafluprost/timolol maleate ophthalmic solution)</small>	China	2025 ~	
Dry eye		New Formulation 3 times / day Japan, Asia, China	Defense from LOE 2022 ~	STN1012600 Glaucoma: JP, US, EMEA
	 <small>(Cyclosporine Ophthalmic Emulsion) 0.1%™</small>	PFMD: Asia	2022 ~	STN1010900 Uveitis: US
Allergy		US, China	2022 ~	
		(Detail not disclosed) JP	Defense from LOE 2024 ~	STN1010905 MGD: US,CN,ASIA, JP, EMEA

ALESION: Registered trademarks of Boehringer Ingelheim. The pipeline listed above is only what has been agreed with external partner on the disclosure, not necessarily shows all major developed products scheduled for 2025 or before. Schedules are based on the best estimate possible assumed as of Mar 10, 2021.

How to Sustain and Expand the Core Disease Areas

Continuous addition of new pipelines including LOE defenders

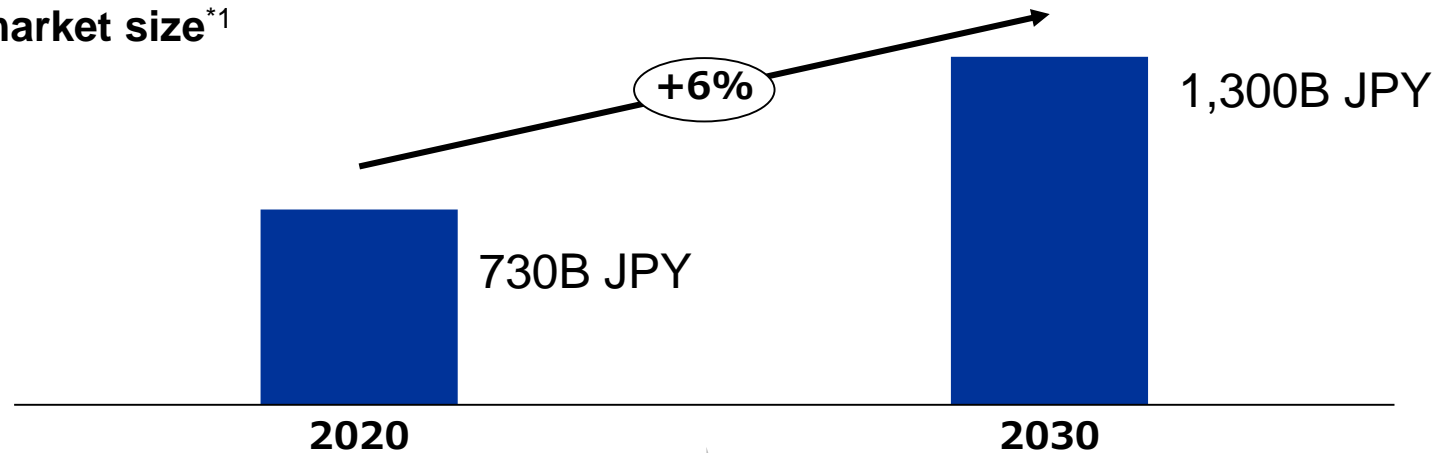


ALESION: Registered trademarks of Boehringer Ingelheim

Glaucoma Market Potential

Huge improvement potential in the diagnosis rate and the persistent rate.
Growth potential larger than the increase in patient population

Forecast of the global market size*1
(Global Rx)



Number of patient*2

76 M

95 M

Treatment rate*1

10%~50%

30%~60%+

Successful instillation rate

50%*3

60%

Compliance rate

(1year continuous treatment for new patient)

60%*4

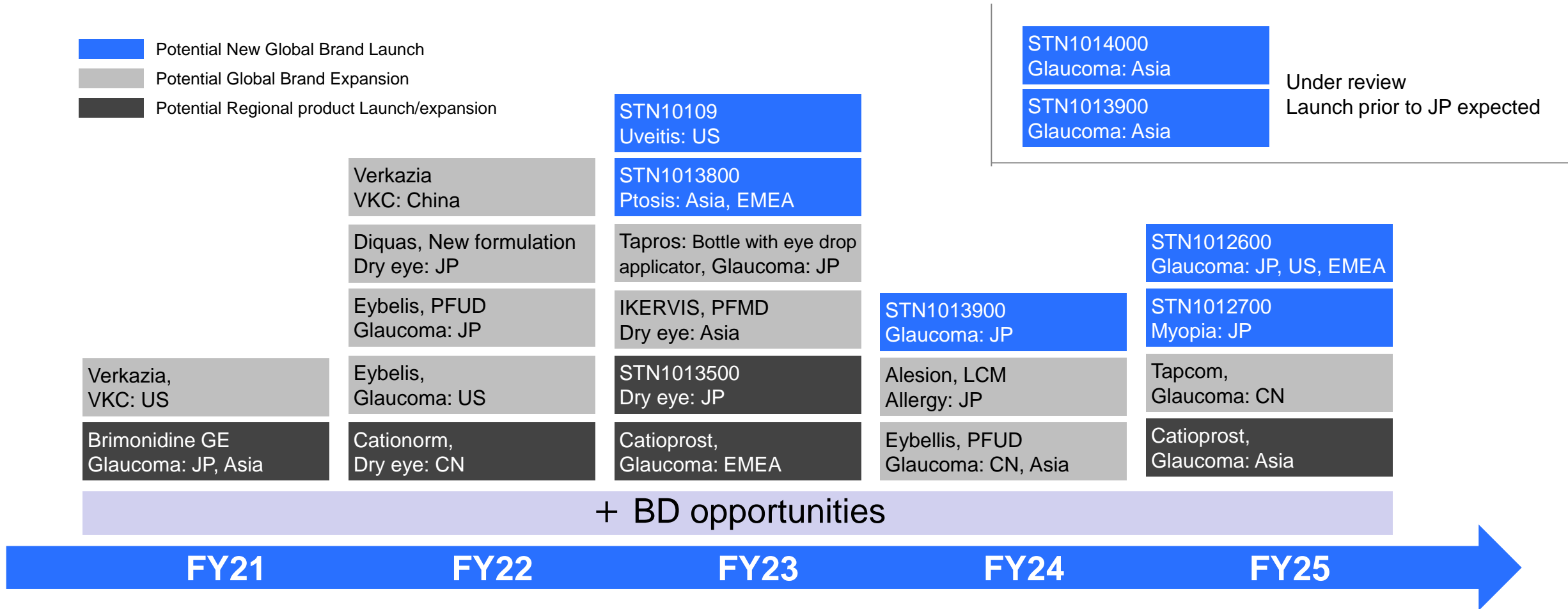
70%

*1 Santen estimated, *2 World report on vision, *3 Santen analysis based on patients' research, *4 Japanese Journal of Ophthalmology volume 58, pages68-74, 2014

Growth Potential by FY25

Glaucoma brands lead growth, expecting +80B - 100B JPY




- Potential New Global Brand Launch
- Potential Global Brand Expansion
- Potential Regional product Launch/expansion



Not all the pipelines through 2025 are listed on this slide. The list is limited to those with disclosure agreements with partner companies. Schedules are based on the best estimate possible assumed as of Mar 10, 2021.

The New Growth Opportunity

Huge markets exists. From orphan diseases to wellness needs

Disease Area	Global Outlook		In Santen's Business*2		
	# Patient	Market Opportunity*1	Pipeline	Launch target	Peak Revenue Potential*3
Retinitis Pigmentosa	Approx. 1.5 Mil.		STN6000100 (jCell)	FY26~	70B JPY +
Myopia	Approx. 2 Bil.		STN1012700 STN1013300 STN1013400	FY25~	100B JPY + (for all products)
Ptosis + Eyelid worries	Approx. 600 Mil. +		STN1013800	FY23~	50B JPY +

*1 Market opportunity indicates estimated overall market size of each disease based on the available data and estimates. *2 Subject region/country is defined under the contract with each partner. *3 Non- PTS adjusted figures represent case scenarios including technical success that Santen does not currently consider probable to occur and should not be seen as a forecast or target figures.


<500 B JPY

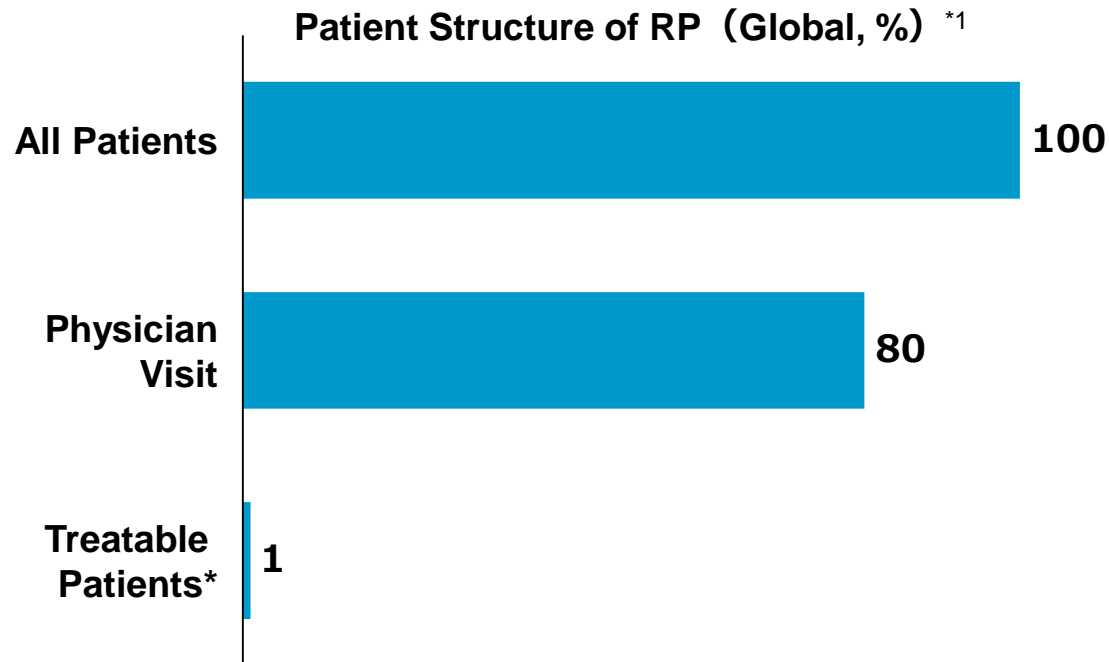

500B~1T JPY


>1 T JPY

Retinitis Pigmentosa: Market Situation

There are many patients but very limited treatment options

Market potential & UMN



Treatment option

Gene therapy

Target		Launched product/Pipeline		
Gene	Ratio in RP patient ^{*2}	Product /Pipeline ^{*3}	Company	Status
RPE65	1%	Luxturna	Spark Therapeutics	Launched
RPGR	3.5%-12%	BIIB112	Biogen	Development
		AGTC-501	agtc	
		AAV-RPGR	MeiraGTx	
USH2A	8.5%-10%	QR-421a	ProQR	
RHO	<1%	IONIS-RHO	ProQR	
RLBP1	<1%	CPK850	Novartis	

Cell therapy

jCell MOA is agnostic to genotype	jCell	jCyte/Santen	Development
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^{*1} Analysis based on Santen independent survey ^{*2} Santen independent analysis based on published science paper. Ref: *Retinitis pigmentosa*, T. P. Dryja, et al., Lancet, 2006; 368: 1795-1809,. ^{*3} Patient covered by launched product/pipeline in gene therapy is considered to be a part of RP patient, because those should be targeting a specific mechanism causing gene mutation. Cell therapy should target all RP patient.

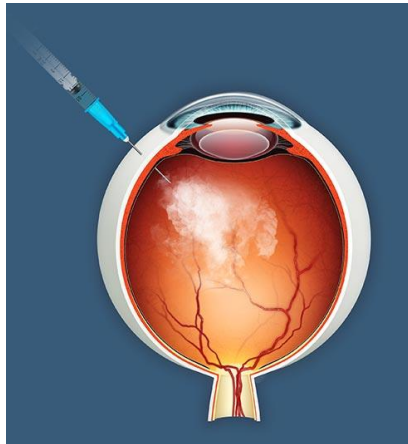
Retinitis Pigmentosa: Santen's Growth Approach

jCell launch to maximize the value and expansion of indications and other products

Our value proposition

jCell Therapy

- Office based procedure with a minimally-invasive intravitreal injection
- Unrestricted patient population - not targeting any specific genotype
- No immunosuppression required



Strategy to achieve & expand

To achieve the goal of jCell

- Dedicated team to build new capabilities
- Close collaboration with jCyte

To expand the business

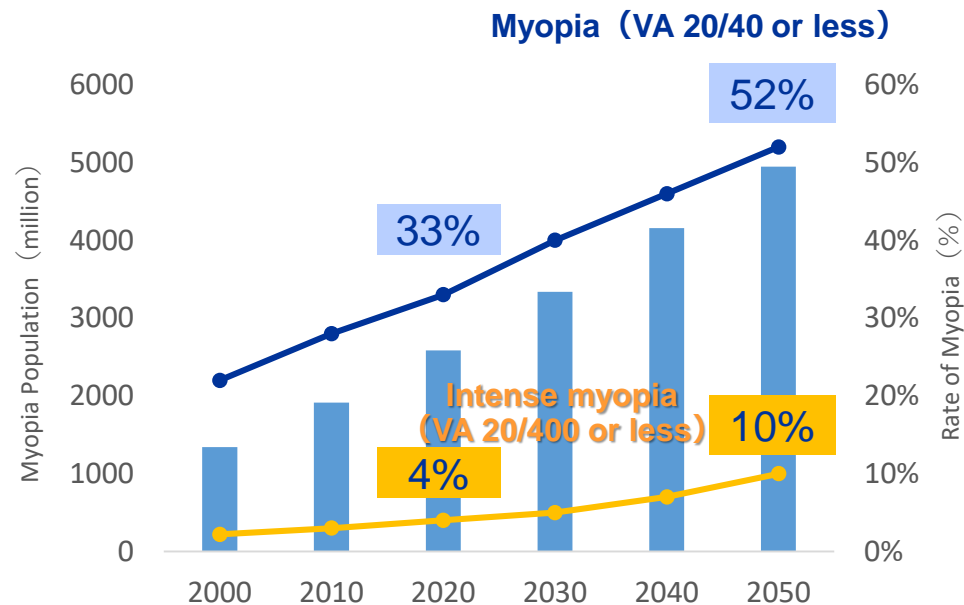
- Indication Expansion :
Adding indications for other retinal-degenerative diseases
- Cell and Gene therapy expansion :
Introducing other Gene / Cell Therapy products leveraging on jCell experience and platform

Myopia: Market Situation

The number of patient continues to rise. Many governments are implementing preventive measures, seeing myopia as the issue affecting the national power.

Market potential & UMN

Ratios of myopia and intense myopia patients against world population ^{*1}



Measure & treatment

Active preventive intervention by government

- CN**
 - Nation-wide intervention since 2008, defining myopia as the most critical eye disease
 - Restricting time spent for smart phones/PCs, homeworks, etc under the "Initiatives to reduce Myopia among Children and Adolescents"
- TW**
 - Mandatory outdoor physical education 150 minutes per week or more
 - Monitoring the hours and the light strength received by children.
- SG**
 - National Eye center (SNEC, SERI) has developed drug for myopia, investing more than 15 billion yen

Development of suppressive drugs for myopia progression

- Many companies have developed atropin (Nevakar, B&L, Xinqi, etc)
- Eye glasses and multi-focal SLC for progress suppression (Carl Zeiss, HOYA, etc)
- OK lens obtaining an indication for suppressing myopia progression (Menicon)

*1 Holden, et al, 2016 Ophthalmology

Myopia: Santen's Growth Approach

Building comprehensive eco-system for myopia treatment with a managing platform

Our value proposition

Strategy to achieve & expand

Prevention, Monitoring

Control & Cure

Market building



Medicines control the progression
Improved low dose atropine
formulation
+
Next Gen. myopia
controlling drug

- Guideline development
- Mild – Severe patient identification
- Best combination of products
- Compliance
etc.

planoApp

World's 1st science-based screen time
parental control app that protects your
child's eyes

STN1012700

STN1013300

STN1013400

Experience to have built
ophthalmic market with
doctors in Japan, China,
and Asia market

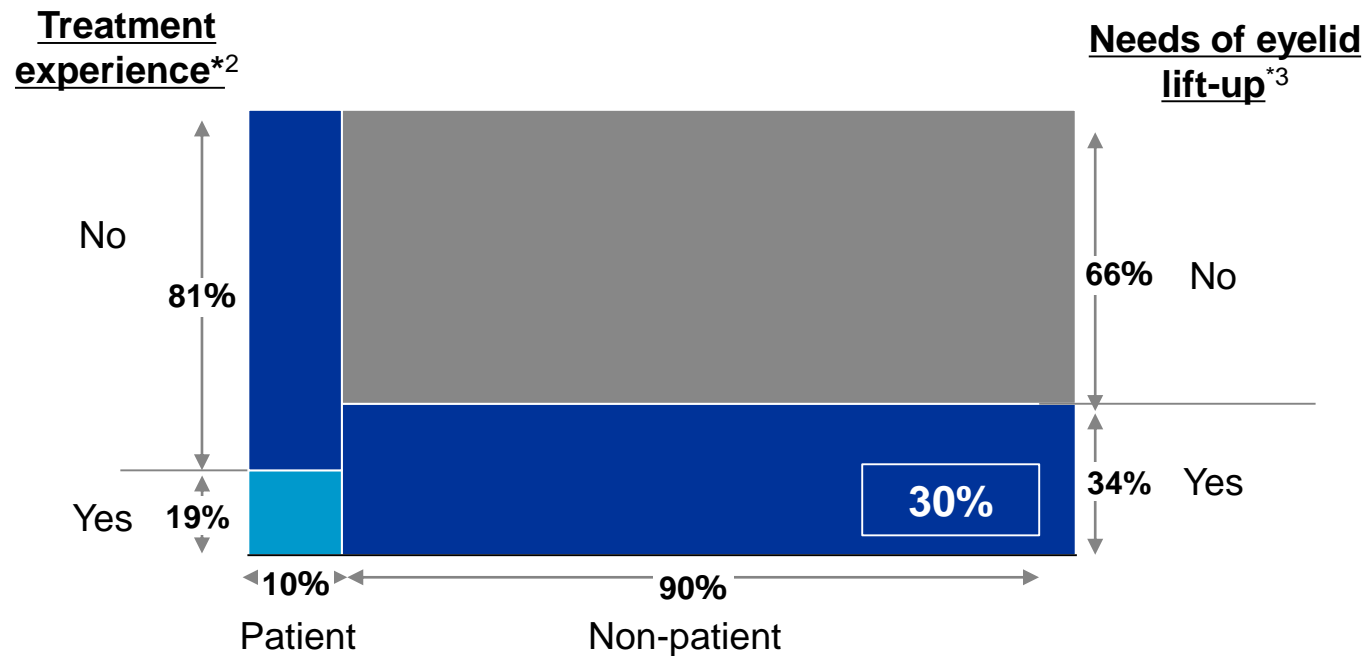
<https://www.plano.co/>

Ptosis: Market Situation

Strong demand for eyelid lift-ups in addition to ptosis patient

Market potential & UMN

Patient structure with or without ptosis at the age of 20 to 79 (global)^{*1}



Current treatment & needs^{*4}

Patient : 260 million

- Diagnosed, but no definitive treatment available other than surgery
- Care by cosmetics
- ca 70,000 JPY is spent per person

Consumer : 870 million

- Significant needs of eyelid lift-ups among people not diagnosed

*1 Santen customer survey; estimated by Santen based on various academic articles.

*2 Ratios of people recognizing subjective symptom of eyelid lift-up difficulty with/without treatment (Santen customer survey).

*3 Ration of people not recognizing eyelid lift-up difficulty, but answering that there is a need of eyelid lift-up or not (Santen customer survey).

*4 prepared by a customer survey conducted in the territories where Santen has obtained the license (Japan, China, Asia, EMEA)

Ptosis: Santen's Growth Approach

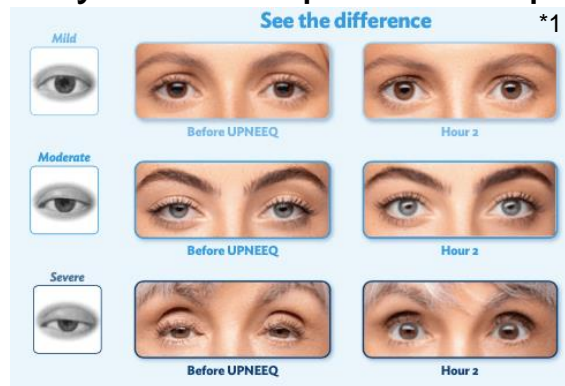
STN1013800 offers values both in medical and aesthetic opportunities

Our value proposition

UPNEEQ™(US)

STN1013800

- ✓ Improved superior visual field
- ✓ Quick lift up for upper eyelids quickly
- ✓ Lasting effect for 6hours with one drop
- ✓ Safety was comparable to placebo



Strategy to achieve & expand

【Medical Opportunity】

First eye-drop medical solution for ptosis patients

【Aesthetic Opportunity】

New value for those interested in eyelid lift-ups for aesthetic purpose

*1 Reference of description/picture: UPNEEQ website (<https://ecp.upneeq.com/>) and brochure

"Investments" into New Growth Area

Discovering new potential including digital devices

Investment list by SVI

	Treatment	Diagnose / Monitoring, etc
Glaucoma	★	★ ★
Dry eye	★ ★	
Presbyopia	★	
Cataract	★	
RP	★ ★ ★	
AMD	★	
others	★ ★	★

★ Pharmaceuticals (New modalities)

★ Devices / DDS

Twenty Twenty Therapeutics*¹ Pipelines

of pipeline

Glaucoma	4
Dry eye	3
Diagnose	3
others	2

*1 Joing venture company with Verily Life Sciences LLC.

Toward the Announcement of the Medium-Term Plan



Shigeo Taniuchi
President and CEO

Toward the New Mid-term Plan

Enhance the corporate value by leveraging the significant growth opportunities in Ophthalmology

Solid cash flow

- Healthy growth in existing territories
(Measures for loss of exclusivity (LOE), Sales model modification in China)
- Optimization of cost structure

Mid-long term growth potential

- Acceleration of ophthalmic market growth
- Continuous growth of glaucoma area
- Establishment of new growth area
(Myopia, Ptosis, Cell therapy)

Financial Goals weighting on full ROE

- Enhance full operating profit, full ROE
- Improve the index, such as ROIC
- Balanced investment and realized revenue

Enhance shareholder return

- Shareholder return according to the growth of profit,
- Stable dividend
 - Expeditious share buyback

Non-financial Goals promoting ESG management

- Set environmental related objective and implement
- Promote D&I

Appendix

STN1012700 / DE-127

P2 study in Asia (APPLE study, NCT03329638)

- Top line results covered in Q2 FY20 earnings release
https://www.santen.com/en/ir/document/pdf/mtg2021_2q.pdf
- Detailed report presentation rescheduled to
virtual 33rd APACRS (July 30 – 31, 2021, Singapore)
from Annual Meeting of Japan Myopia Society

