



Become A Social Innovator

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Hello everyone, good morning and good afternoon.

I am Shigeo TANIUCHI, President and CEO of Santen.

I am very pleased to join JP Morgan Healthcare conference this year again.
Today, I am very excited by having an opportunity to talk about strategy update in
following slides.

Our Mission



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Our mission.

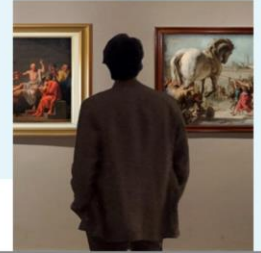
As you know, Santen is a leading ophthalmology company focusing on eye health for more than 130 years.

Commitment on social contribution through eye health is embedded into our every strategy and every Santen employee as DNA.

In this first section, I would like to remind you why eye health matters for you, and who we are.



The world is built on the ability to see



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So again, why eye health is so important, is simply because ‘the world is built on the ability to see’.

This statement is not coming from us but from the World Health Organization, WHO. And in fact the statement illustrates beautifully the importance of eye health.

Indeed, Vision plays a critical role in not only watching or reading but also communication, excitement, work, art, sports, mobility, and so on.

Visual functionality is therefore not just for function but for emotion.

Hence, the objective of eye care is not just for functional improvement such as visual acuity or visual field, but for emotion, experience, joy of life.

Having said that, reality is different, unfortunately.

I would say that the importance of eye health is totally underestimated by the people around the world.

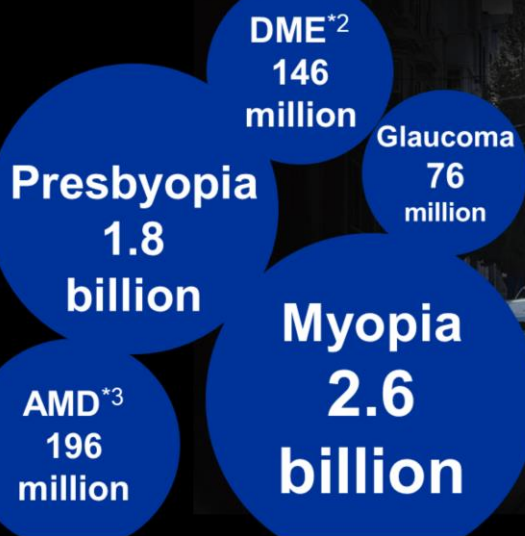
To be honest I am wondering how many people remember when is the last visit to ophthalmologist office to check your eye condition, such as intra ocular pressure?

I also quite often hear that eye disease is not life threatening. Yes it is true that most of eye diseases will not kill us directly, but it does impact on life in terms of quality of life. And it does kill people indirectly through various occasion such as traffic accident. From that point of view, I would say eye disease is also life threatening one.

This huge lack of awareness as well as normalcy bias have created a social and economic issues around the world.

Eye conditions are a growing social issue

Global estimates of number of people*¹



Productivity losses from vision impairment*⁴

Approx.

US\$ **410.7** billion annually

*1 WHO World report on vision. *2 Diabetic macular edema *3 Age-related macular degeneration
*4 The Lancet Global Health Commission on Global Eye Health: vision beyond 2020.

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Together with population increase as well as aging and digitalization of our society, the number of eye disease patients in the world is constantly growing every year, causing huge social and economic problems around the world.

Cataract, for example, is easily addressed by cataract surgery in developed country. It is no longer a cause of blind in those countries such as US or Japan.

However, it is also true that cataract is one of leading causes of legal blind in many countries even including China.

The other blind causing diseases such as AMD, Glaucoma, DME are even worse, as there is no sufficient early diagnosis and treatment options available to many people.

Even, Myopia, is a big threat particularly in Asian countries where vast majority of kids have myopia, creating lots of problems in social activities, as well as severe myopia that may lead to severe visual impairment.

Just for instance, it is estimated that productivity losses from visual impairment is costing about 410 billion USD and is growing every day. At the same time, billions of people are struggling their daily life due to their eye conditions.

Good news is, most of those problems can be addressed as long as those are properly diagnosed and treated.

For instance, Glaucoma used to be an incurable disease, and in fact my grandfather lost vision due to glaucoma. However at present, there is high chance of preserving vision throughout the life as long as it is detected earlier and managed properly through medical and surgical treatment.

Eye health contributes to achieving SDGs



*1 The Lancet Global Health Commission on Global Eye Health: vision beyond 2020.

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Recently, there was another implication about the importance of eye health from perspective of SDGs, Sustainable Development Goals, and the importance of eye health is spotlighted by United Nations.

Since eye health is associated with every human activity, it was confirmed that 8 out of 17 Goals have strong link between eye health. In other words, tackling on eye health is one of the most efficient ways to achieve SDGs.

For example, myopia is not serious problem in developed world but it does create social problem as those kids having myopia in developing countries would face serious issues on social activities, eventually leading issues on education, gender equality, hunger and employment.

And that is why United Nations and WHO have decided the very first agreement to tackle on eye health last year, and they urged member countries and regions to take concrete actions to tackle on eye health as part of universal healthcare coverage.

Yes, eye health is already a global agenda.

**130 years of history,
unchanged commitment on ophthalmology**

**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.

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These are background that explains our core principle and world vision, and basically who we are.

Our core principle, “Tenki ni Sanyo-suru”, developed by our founder in 1890 which is also an origin of company name, Santen, and is a representation as our unchanged 130 years commitment on ophthalmology and eye health.

Our World vision is a “Happiness with Vision”. Thus, our purpose is to bring happiness through vision experience.

These unchanged commitment as a singular focused company is embedded in every activity of the company, and has provided distinguished advantage.

Formulated long-term vision and medium-term plan to resolve social issues as a specialized company

Santen 2030

**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

MTP2025



**Profit ratio
improvement in
core businesses**



**Expansion of
new areas**



**Strengthening
of foundation as
a global
company**

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In 2020, based upon our core principle, we have formulated 10 year long term vision, Santen 2030.

Here we state that our vision toward 2030 is to become a social innovator, and then our goal is to reduce a social and economic opportunity loss caused by eye condition. How do we contribute to reduce the opportunity loss?

For instance, the development of new technology is one of the ways to reduce such a loss, and we are working on various R&D projects to enrich our pipeline and to extend our disease coverage.

Not only R&D activity but also commercial activities are also critical to reduce the social economic opportunity loss. There are addressable medical needs which are not satisfied yet due to various social reasons. Santen is therefore working hard in every market to deal with access problem, as well as upgrading quality and quantity of ophthalmology care.

We have also set Mid-Term business plan that illustrates our five year direction, KPI and goals for first 5 years of this long term vision.

Our Approach



Then, let me talk about our approach in more detail, how we are going to bring about “Happiness with Vision” for everyone.

Sustainable growth and social contribution through value creation and development of eye care ecosystem



Global deployment



Innovation



Partnership



**Contribution to people
with eye problems**

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Based upon long-term vision, we have deployed various activities ranging from revolution in research activity, building world's largest eyedrop factory in China, to enhancing global business platform and Dx in eye health.

But, today I would like to explain our unique approaches from 3 different angles.

First, global deployment to contribute more people with eye problems.

Second, focusing on innovation to deliver best treatment option.

And, the third, fully leveraging partnership for not only product creation but also upgrading eye care infrastructure.

Strong presence in key markets around the world

Countries/regions

Over **60**

Japan and
China / Asia^{*3}

No.1

Number of patients who have
benefited from our treatments^{*1}

43 million

Annual production volume^{*4}

400 million
units

Overseas sales ratio^{*2}

32%

Overseas CAGR^{*5}

17%

*1; Estimated total no. of patients to which Santen contributed (therapeutic areas: inflammation/allergies, cornea, glaucoma, cataracts) in FY2019 was approx. 43 million, Calculated based on JMDC's estimated total no. of patients for Santen's Rx products and Santen's shipment data. *2; Based on FY2020 Data *3; Internal Estimate based on external data, research *4; 5mL unit equivalent, *5; FY2011-2020 CAGR

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In terms of global deployment, currently Santen is covering more than 60 countries world wide directly, and delivering our high quality products in every key market.

This global deployment has two different meanings, 'business expansion' and 'organizational enhancement'.

Historically we are very strong in Japan, our home market, with 50% market share. In addition to solid business base in Japan, rapid growth outside of Japan has provided us not only top line increase but also growing interaction with patients. Particularly, leading position in growing Asian markets including China would give us competitive advantage for longer term growth. And now Santen is entering into North American market, and plans to launch new products this year to sustain growth momentum and to transform Santen to become a global player.

From organizational enhancement point of view, this geographical expansion has given us an opportunity to diversity and internationalize our organization capability. For instance, solid commercial presence in Europe as well as R&D activities in US has given us an access to experienced talents, eventually, Santen has diversified global organizations. In Europe, for finance, we have established center of excellence for finance, IT and operations in Switzerland and the Netherlands, and in the US we have center of excellence for R&D and BD in bay area. We are also leveraging growing presence in Asia by creating research hub in Singapore and by expanding manufacturing capacity in China.

Thus, global deployment has surely diversify our business and organization, and we will further continue our journey to further benefit from globalization.

Advance innovation by integrating findings/experience with new technologies



+

New technology
Know-how



Innovation is not just about invention but is entire process and capacity to make a difference in patient care through introduction of new technology.

To do so, Santen is fully leveraging best mix of internal and external capacity. Being a leading ophthalmology company, Santen has capitalized competitiveness in Industrialization, Commercialization and Internationalization, so that we can best leverage those capability to transform new technology and idea into medical solution, making a difference in patient care.



New growth opportunities

Core business

Glaucoma, Allergy, Dry eye, etc.

Myopia, Ptosis

Retinitis pigmentosa

As a result, Santen has created strong core business in major therapeutic area such as Glaucoma or Dry Eye.

In Glaucoma particularly, Santen has robust pipeline and broad portfolio. Additionally, recent agreement with Aerie to introduce its Rock Inhibitor assets into global market has further added strength.

On top of that, Santen is working for various projects in emerging segment such as Myopia or Retinitis Pigmentosa, by fully leveraging our capitalized capability and network. In Myopia, we are globally developing Atropine franchise, and we have also started clinical study for next generation Myopia eyedrop, ahead of competition.

Ptosis, or drooping eyelid, is another interesting market and we are planning to start commercialization in Asia market soon. Ptosis has large potential in both medical and cosmetic purpose, and we are investigating best commercial mix to deal with market needs.

Retinitis Pigmentosa is well known inherited disease that causes blindness in younger generation, and in fact one of leading causes for blindness.

Santen is working with jCyte to co-develop cell therapy program which showed encouraging P2 data, and we are working on preparation for P3 study.

Integrate findings/technologies globally to provide new ophthalmic solutions



And in order to deal with growing unmet needs and to accelerate our growth, Santen is taking advantage from partnership.

As a distinguished player in the ophthalmology field, we have established multiple unique partnerships with not only industry business partners but also academia, digital tech, as well as NGOs, so that we can virtually expand our capacity in various field.

For instance, strong partnership with Academia and Industry has enriched our pipeline. We have also created partnerships with digital tech players such as Verily in the US or Chinese AI startup, Airdoc, in order to realize digital health in ophthalmology field.

Accelerate initiatives to address eye-related issues with UN resolution on eye health as a tailwind



And our partnership extends to international organization and NGOs.

As mentioned earlier, United Nation and WHO have set target and action plan for tackling on eye health. So now is the turn to ensure the execution in every member countries and regions.

For example, Santen is working with UN organizations, ITU and WHO, in Be Healthy Be Mobile project to raise more awareness for Myopia.

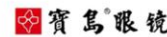
At the same time, ongoing partnership with international NGOs and local community have led to various local initiatives to improve quality and quantity of ophthalmology treatment.

Accelerate development of eye care systems through partnerships

Training eye care professionals



Raising awareness of diseases/screening



Because, in many countries in the world, quality and quantity of ophthalmology care is underdeveloped and never satisfies growing demand. There is no sufficient number of trained ophthalmologist, technicians and nurses. For example, number of ophthalmologist per capita in Asian countries is less than 10% of that in US or Japan.

Additionally, the lack of awareness among general population results in very low participation in early diagnosis and treatment.

Apparently, there are several bottlenecks in patient journey, and eventually, the size of existing market is totally underdeveloped, as if a tip of iceberg. However that means, there is a huge growth opportunity by unlocking those bottlenecks.

For instance, we have formed long term partnership with Singapore National Eye Centre and Orbis, a famous international NGO, in order to improve both quantity and quality of eye care professionals.

Partnership with digital tech players in China and Asia will boost awareness of eye disease by utilizing their digital solutions and AI technology.

Unique strategic collaboration with Baodao, the largest optic shop chain in China, will also give us an opportunity to access to wider un-treated population in China.

Therefore, overall, to summarize our approach, Santen is planning to make a sustainable long term growth through global expansion, bringing innovation and upgrading eye care ecosystem through partnership.

Sustainability



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Then, last but not the least, let me conclude my presentation with our commitment on sustainability.

Environmental initiatives (targets for 2030)

Switching to biomass plastic	Reduction of plastic in packaging materials	Reduction of movement	Switching to electrified vehicles
			
60% from biomass plastic	15% cut	Promotion of telework	100% company-owned cars

Plan to declare support for TCFD recommendations: **June 2022**

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As a company determined to contribute to the society, Santen is also committed to protect our environment.

“Happiness with Vision” can only exist upon sustainability.

For example, we have already introduced probably world’s first biomass plastic eye drop container, and started several concrete measurements to reduce plastics.

At the same time, our office workers are all shifted to remote working style, dramatically reducing CO₂ emission related to commute and mobility while gaining resilience against pandemic. At the same time, replacement to electrified vehicle for sales reps is contributing further reduction of CO₂ emission.

We also plan to declare support for TCFD recommendation in this coming June.

Promoting diversity and flexible work style

Diversification of talented HR

- ✓ **Diverse senior leaders^{*1}**
Japan : Overseas **45 : 55**
Nationalities **17**
Female **23%**
- ✓ **Female managers 38%**
- ✓ **Opportunities for visually impaired employees**

New working style

With the choice of
where and when
you work

*1 Management of Vice President or above. As of Dec 1, 2021

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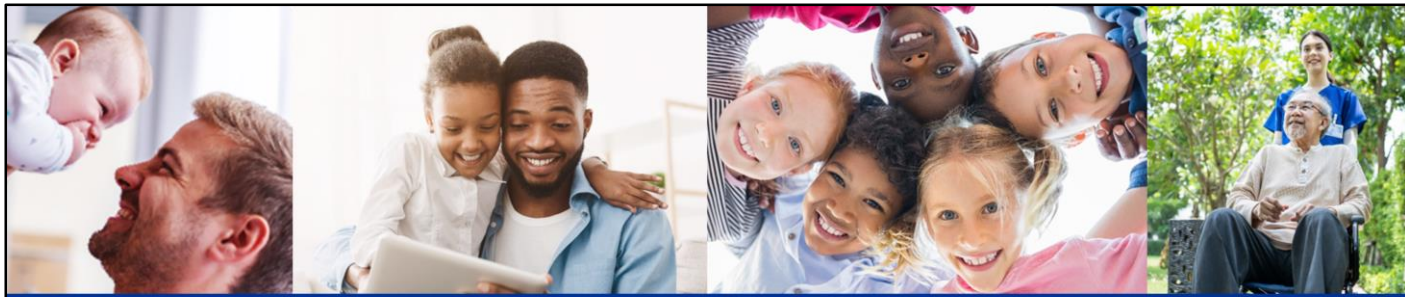
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Promoting Diversity, Equity and Inclusion is fundamental for Santen to be competitive in global market, because it is fundamental to engage existing employees and to attract great talents from all over the world.

Recently, we have made a significant progress in terms of promoting DE&I among our organization as well as introducing new policy to deal with flexible working style.

Santen is also a member of Valuable 500 and 30% club.

And we will further continue our commitment on DE&I as we globalize the business.



Happiness with Vision



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So, Thank you very much for listening to our company presentation. Throughout the year 2022, I am looking forward to sharing further update about progress on MTP2025 and Santen 2030.

There are many challenges, but I am confident that we can make a solid progress toward our long term vision.

In the meantime, I do appreciate in advance your strong interest and future collaboration with us, in order for us to jointly realize “Happiness with Vision” for everyone.

Thank you very much and see you soon.

Forward-looking Statements

- Materials and information provided in this announcement include so-called "forward-looking statements". The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that we believe to be reasonable. The realization of these forecasts is subject to various risks and uncertainties. Please be aware that actual results could differ materially from these forward-looking statements. We assume no obligation to update the contents of this document from time to time.
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