

Capital Markets Day Overseas Business

March 28, 2024

Santen Pharmaceutical Co., Ltd.



Santen's CORE PRINCIPLE

Based on our CORE PRINCIPLE, Santen has been committed to helping people maintain and improve their eye health. We will continue to refine our organizational capabilities by concentrating our efforts in areas where we can demonstrate our strengths, centered 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”*

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

Our Commitment

As a specialized company dedicated to eye health, Santen aspires to contribute to the realization of “Happiness with Vision” by providing valuable products and services to patients, consumers, and medical professionals around the world.

WORLD VISION

The world Santen ultimately
aspires to achieve

Happiness with Vision

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



Agenda

01 Medium-long Term Growth Trajectory

02 Commercial Excellence & Overseas Regional Business Growth

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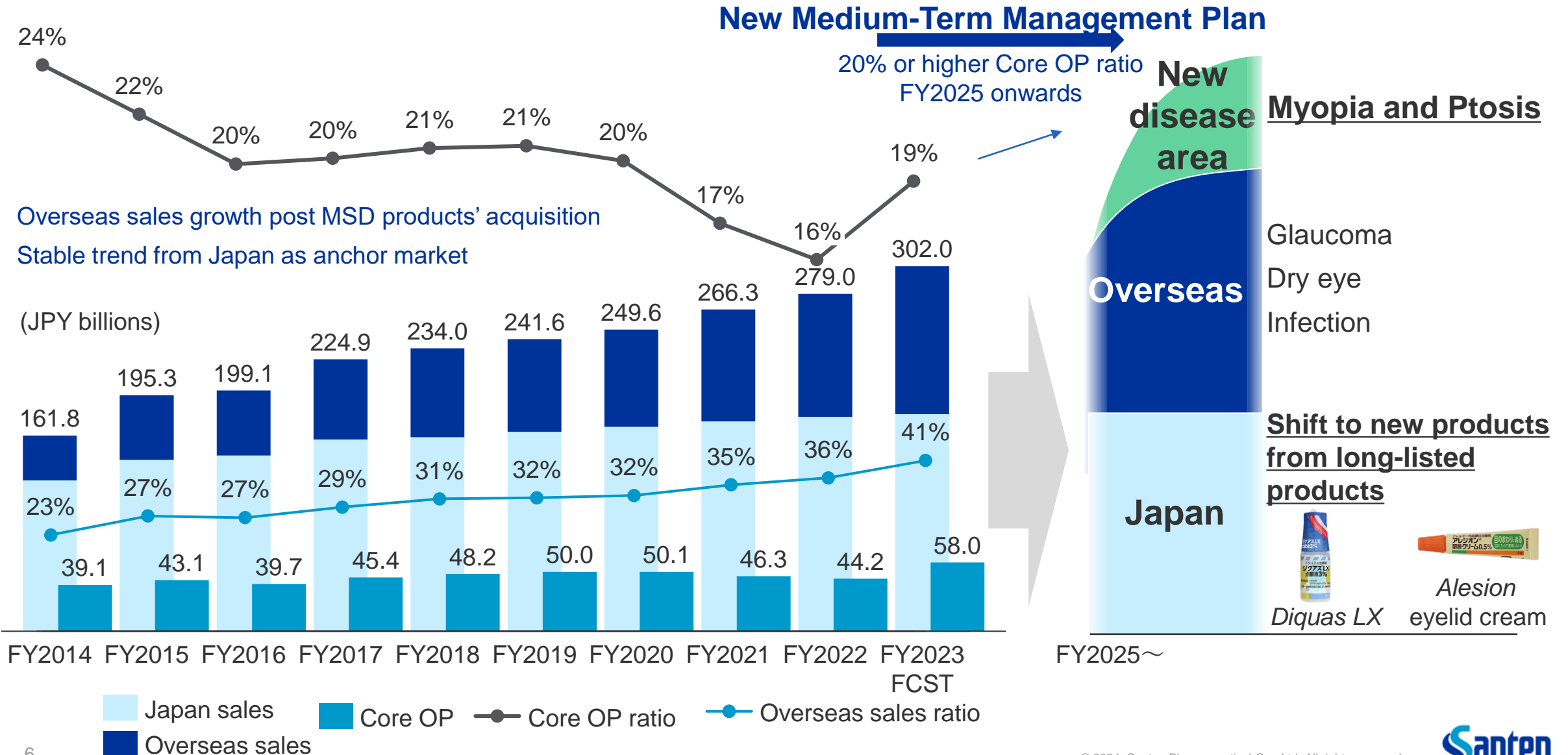
Medium-long Term Growth Trajectory



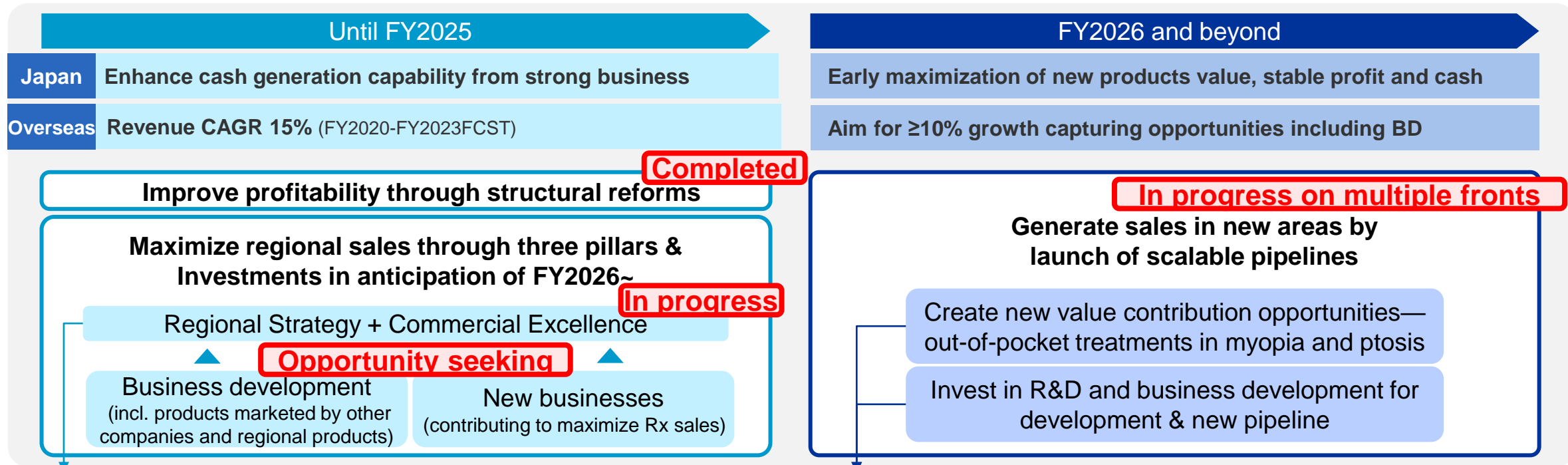
Takeshi Ito

President &
Chief Executive Officer

Aim to increase contribution to patients from growth in overseas business and new disease areas



Steady progress in-line with basic growth strategy



Alesion eyelid cream (STN1011402, allergic conjunctivitis)
Approved in Japan in Mar 2024. Plan to launch in FY2024

(Disclosed)	Japan	China	Asia	EMEA
Launch	<i>Diquas LX</i>	<i>Cationorm</i>	<i>PRESERFLO MicroShunt</i>	<i>Rhopressa Rocklatan</i>
Approval			<i>Rhopressa Rocklatan Alesion LX</i>	<i>Catiolanze</i>
Filed		<i>Tapcom</i>	<i>Diquas LX</i>	

Atropine sulfate (STN1012700, myopia)
Filed in Japan in Feb 2024. Plan to receive approval in FY2024

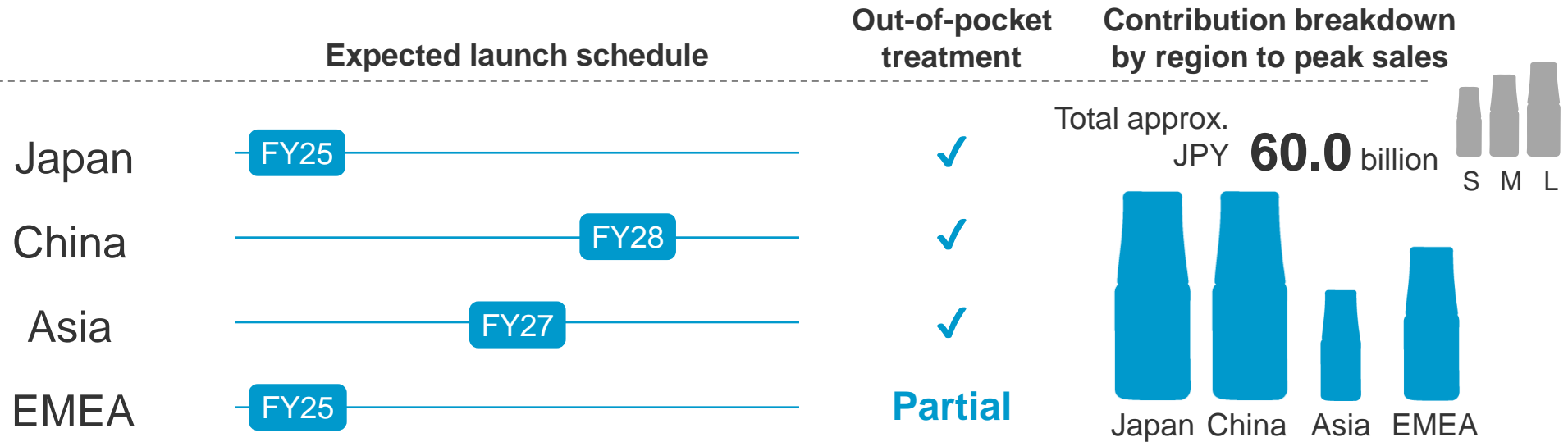
Oxymetazoline hydrochloride (STN1013800, ptosis)
Met primary endpoint in P3 in Japan. Plan to file in FY2024
 (Plan to disclose data at Q4 FY2023 financial meeting)

Olodaterol hydrochloride (STN1014100, dry eye)
Met primary endpoint in P1/2a in Japan.

Successive launches of myopia and ptosis planned FY25~

Myopia

Atropine sulfate
STN1012700/01



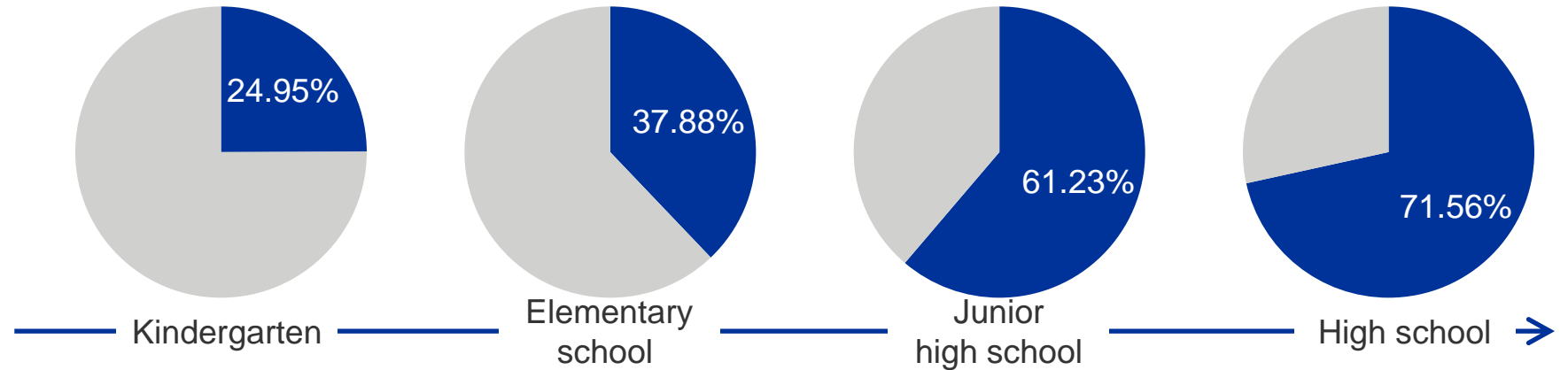
Ptosis

Oxymetazoline hydrochloride
STN1013800

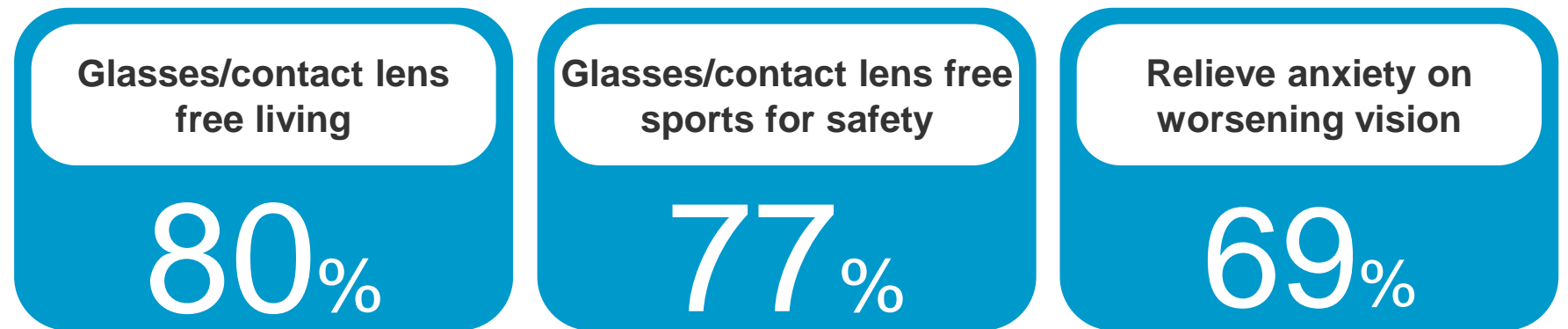


First approval in Japan will facilitate early intervention in myopia suppression treatment for children, and mitigate future eye health concerns

■ Percentage of individuals with uncorrected visual acuity below 1.0¹



■ Parents' perception on myopia, (with elementary school child/children with myopia)²



Cause of blindness: #1 myopic macular degeneration (#2 glaucoma) reported in Tajimi Study³

¹ Ministry of Education, Culture, Sports, Science and Technology: Press Release "Publication of School Health Statistics (Fixed Figures) for the 2022 School Year". https://www.mext.go.jp/content/20231115-mxt_chousa01-000031879_1a.pdf ² Santen surveyed 552 parents who have elementary school child/children with myopia. (22-55 years old) Talled both answers, strongly agree and agree. The presented answers were strongly agree, agree, somewhat agree, somewhat disagree, disagree and strongly disagree. ³ Iwase A, Araie M, Tajimi Study Group. Prevalence and causes of low vision and blindness in a Japanese adult population: the Tajimi Study. *Ophthalmology*. 2006 Aug;113(8):1354-62.

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Commercial Excellence & Overseas Regional Business Growth



Rie Nakajima

Chief Operating Officer

The Overseas Business has reached the appropriate scale to absorb business volatility across regions and sustain its growth momentum

Market Environment

Untapped large patient pool and unmet needs in eye care across diverse countries/age groups

Volatility

- Healthcare policy changes
 - GE erosion
 - Drug pricing, price cuts
- Country risk

Untapped market expansion potential

Overseas Strength Pillars

- Strong relationships with ophthalmologists and healthcare providers
- Solid Company and product brands
- Regional needs-tailored product portfolio (including self-medication and medical device) and new products development & launch



Commercial Excellence



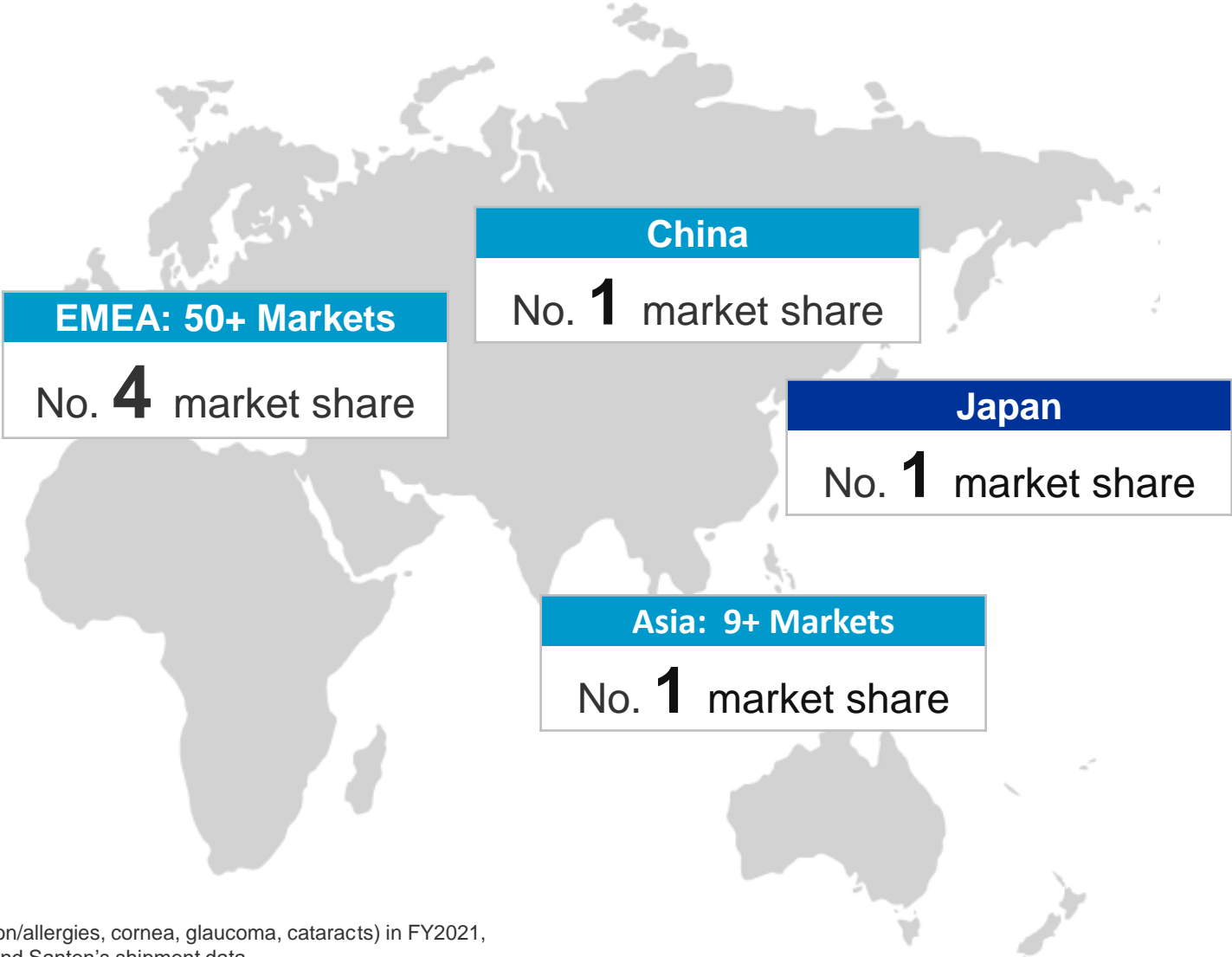
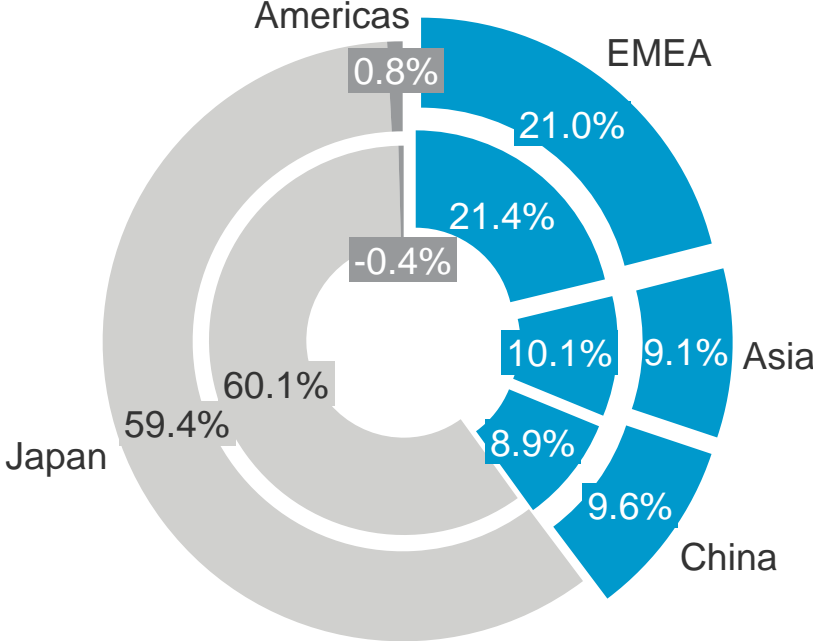
Sustained growth momentum & volatility absorption

Supporting eye health of approximately 50 million people in more than 60 countries and regions globally

Outer pie: sales by region

Inner pie: contribution profit by region

(FY2023 forecast)



Estimated total no. of patients to which Santen contributed (disease areas: inflammation/allergies, cornea, glaucoma, cataracts) in FY2021, calculated based on JMDC's estimated total no. of patients for Santen's Rx products and Santen's shipment data

Note: Market share: CY2023 Retina excluding in overseas. Asia: excluding India, Pakistan, Sri Lanka and Bangladesh

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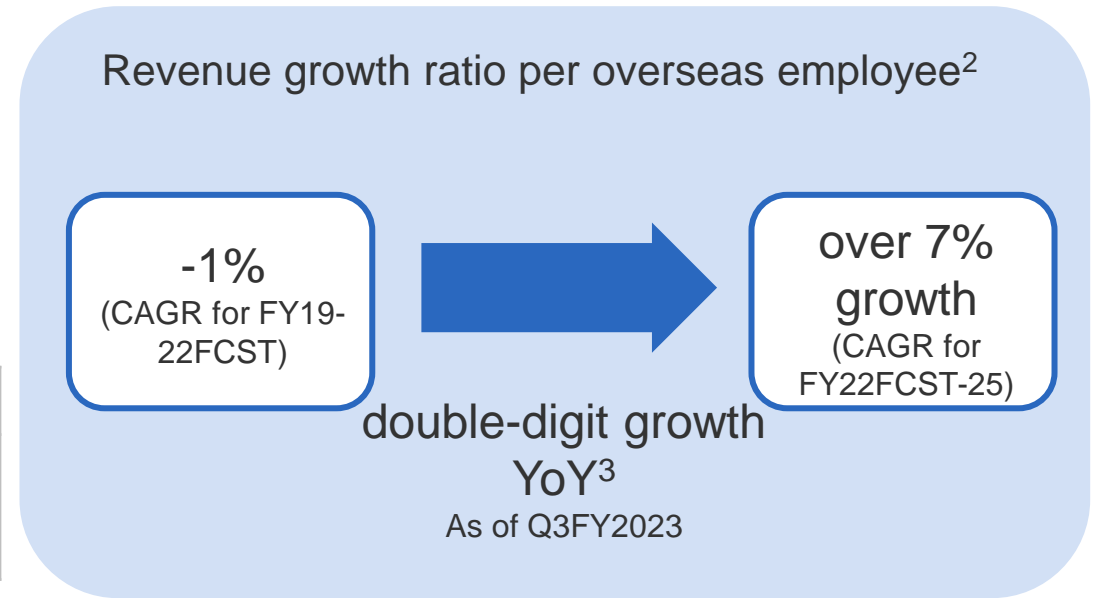
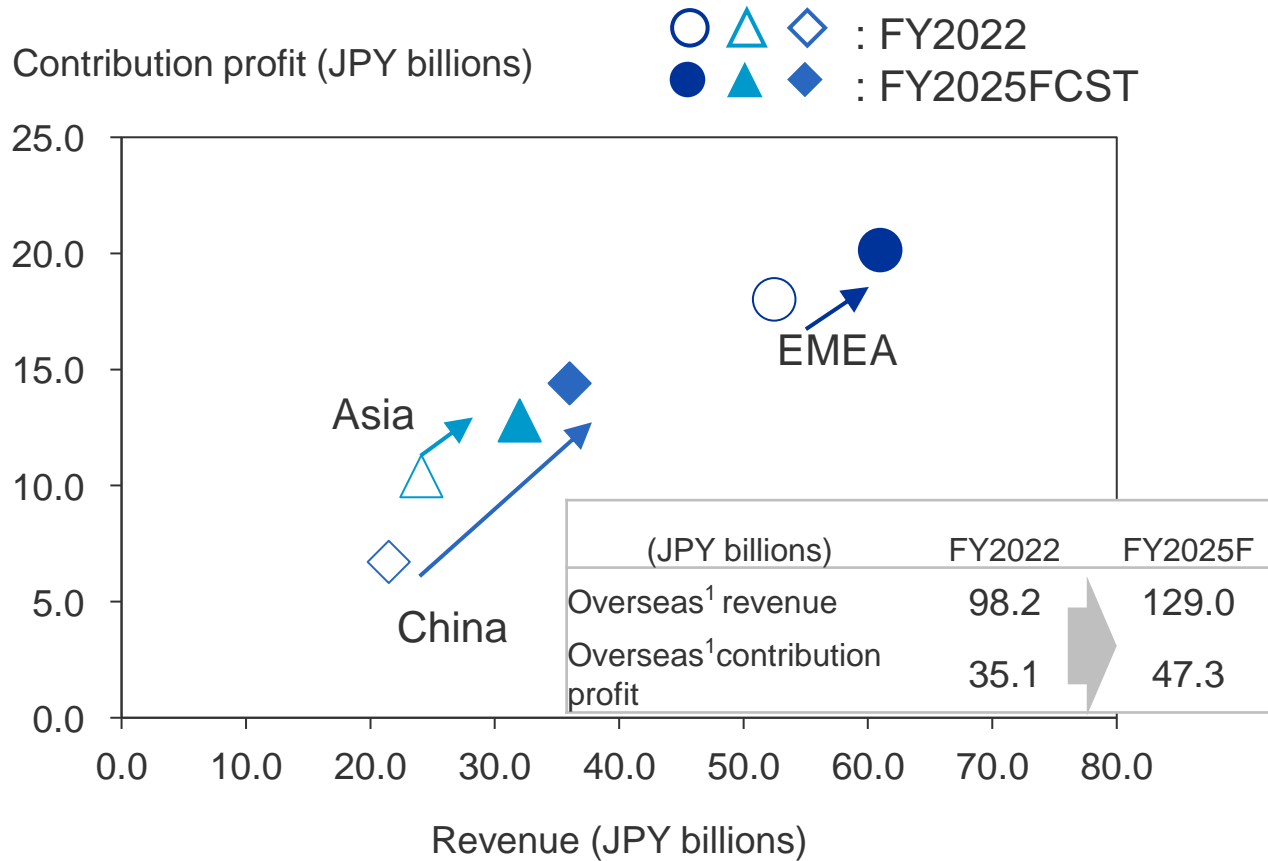
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“Raising the bar” in overseas business: Higher objectives with lean & effective organization

Double-digit growth of revenue per head realized FY2023.

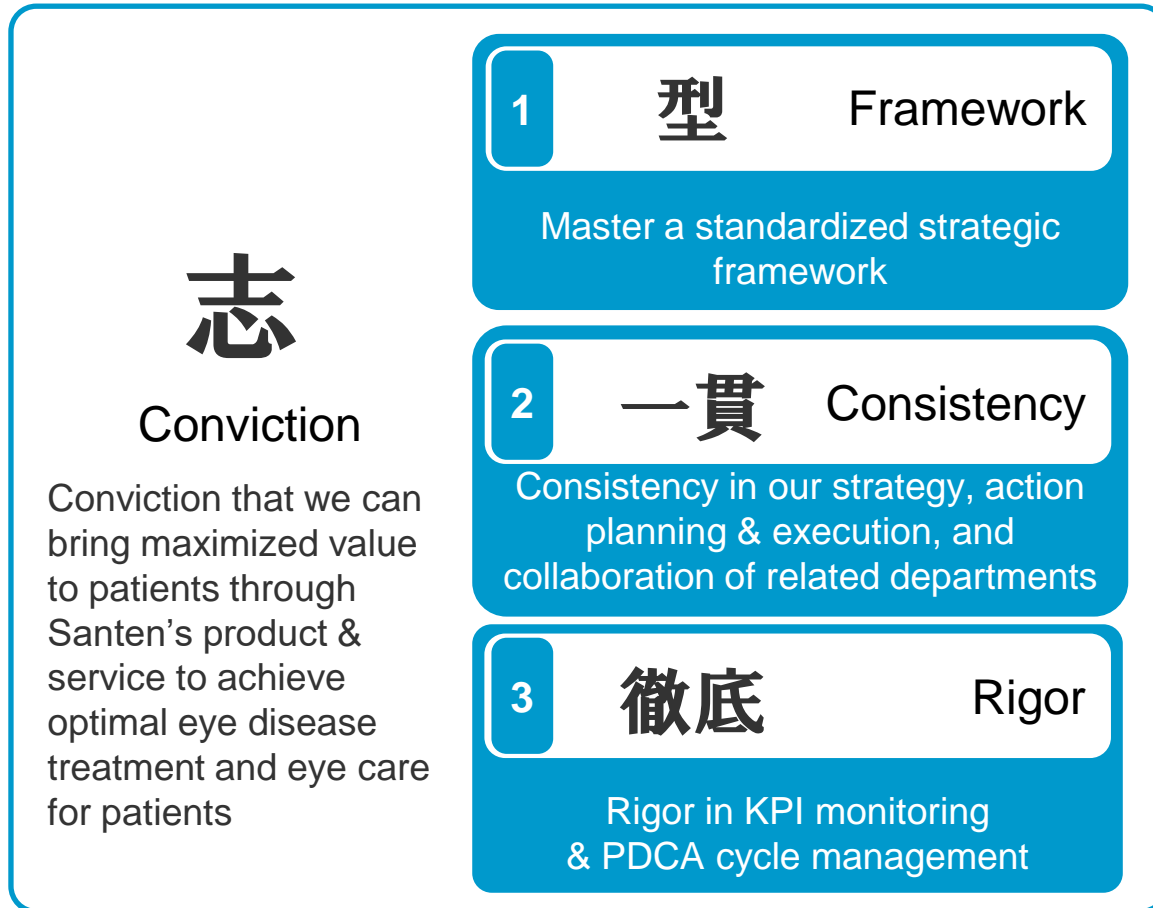
Pursue commercial excellence in FY2024~FY2025 to exceed MTP objectives



13 1 China, Asia and EMEA 2 China, Asia and EMEA excluding FX impact. Calculated based on FY2022 FX rate ~FY2022, on New MTP rate ~FY2025 3 Based on China, Asia and EMEA CFU employees. Excluding FX impact and one-time factors

Santen's Commercial Excellence (CE) : systematic dissemination and implementation of Japan's strengths

The Santen "methodology" in Japan






Deploy region-tailored "Optimized Commercial Excellence"

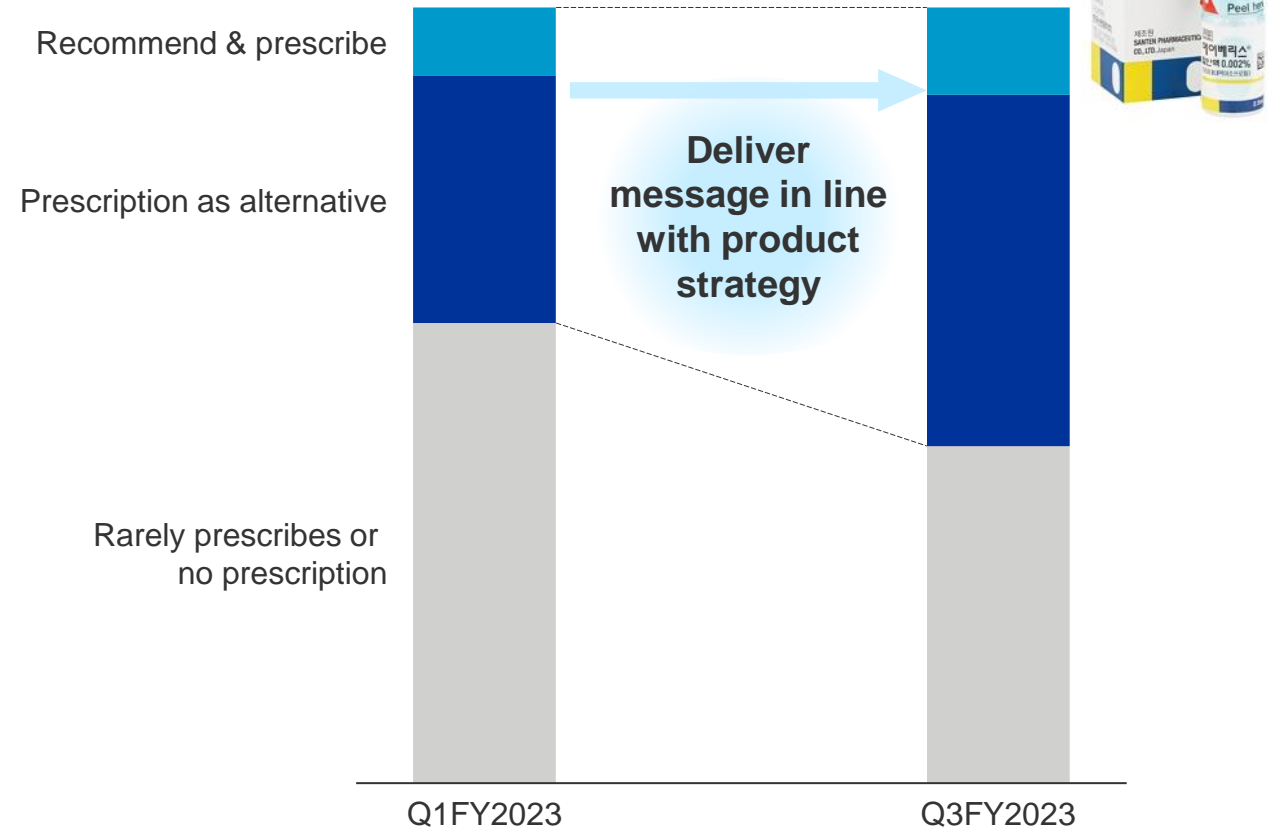


Company-wide Commercial Excellence (CE) dissemination efforts in major countries are beginning to yield results in FY2023

Commercial excellence KPI (examples)

- 
 Brand plan framework dissemination
- 
 PDCA methodology dissemination
- 
 Target customer movement across adoption ladder over time

(Example) Performance in South Korea: Perception of *Eybelis* (# of Drs.)

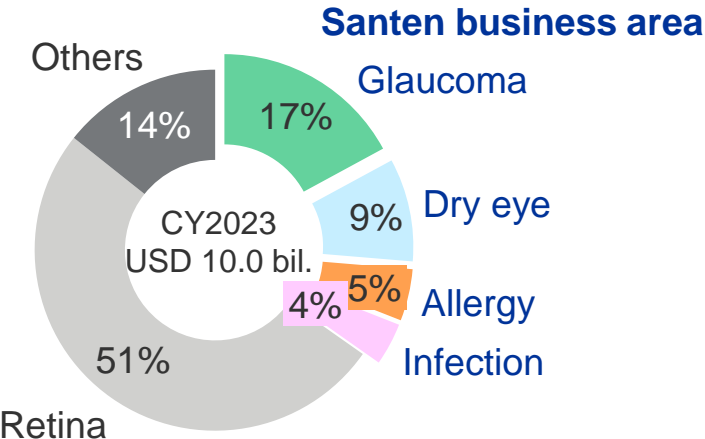


EMEA

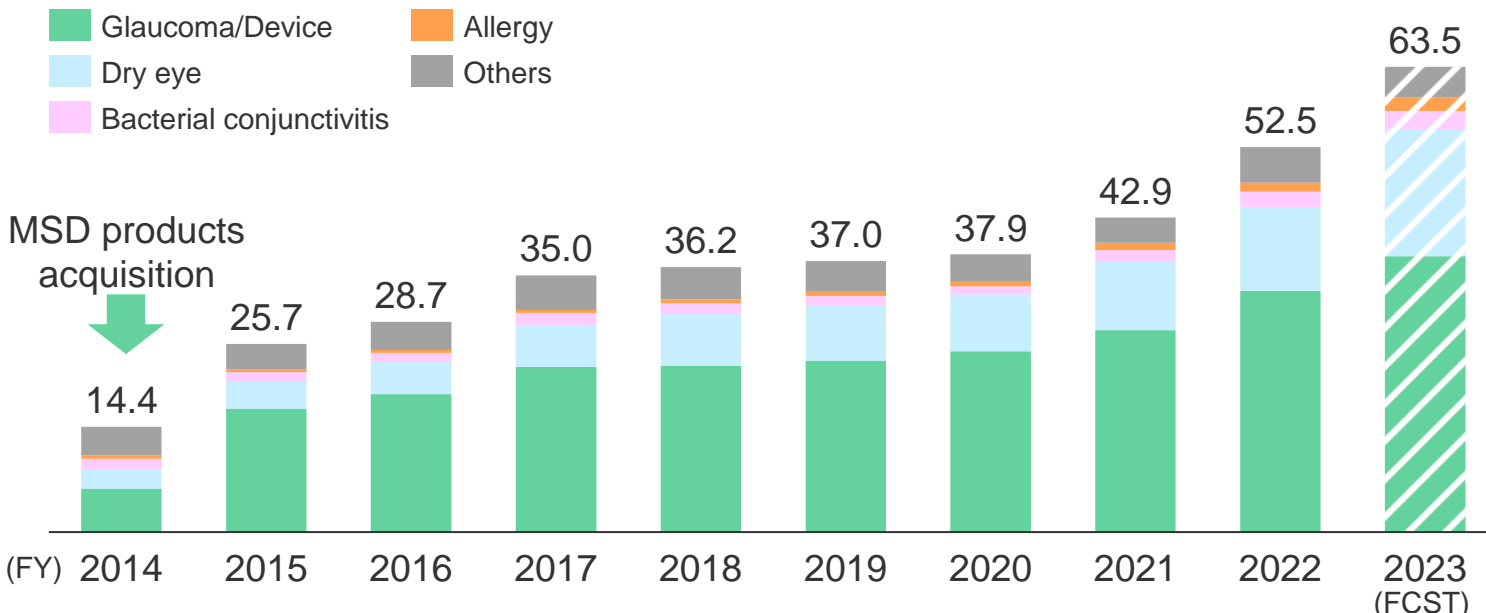


An established presence with higher-than market growth mainly driven by glaucoma and dry eye products

Market¹



Revenue in EMEA (JPY billions)



Santen market share

Ophthalmology market	No.6	(4%)
Ophthalmology market (excluding retina)	No.4	(9%)
Glaucoma	No.1	(16%)
Dry eye	No.3	(10%)

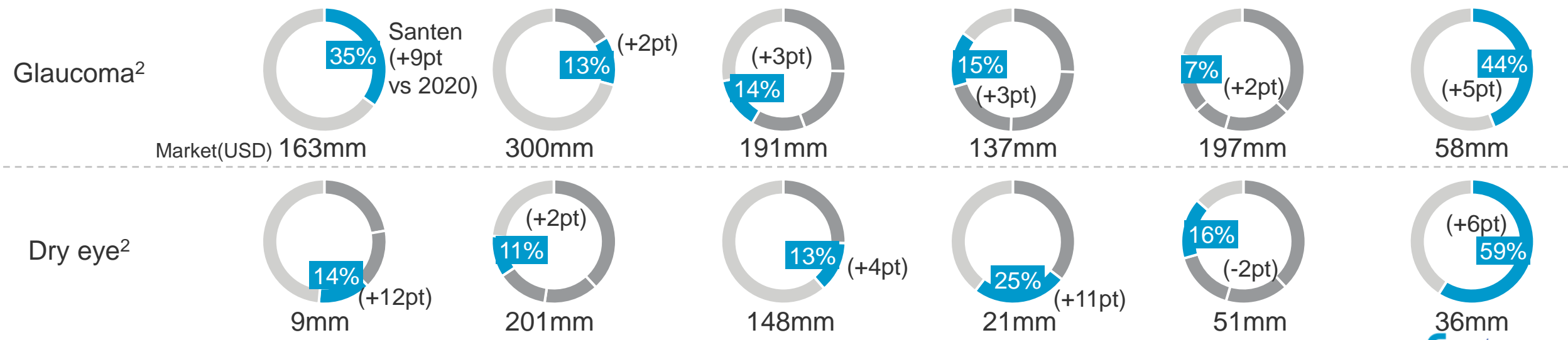
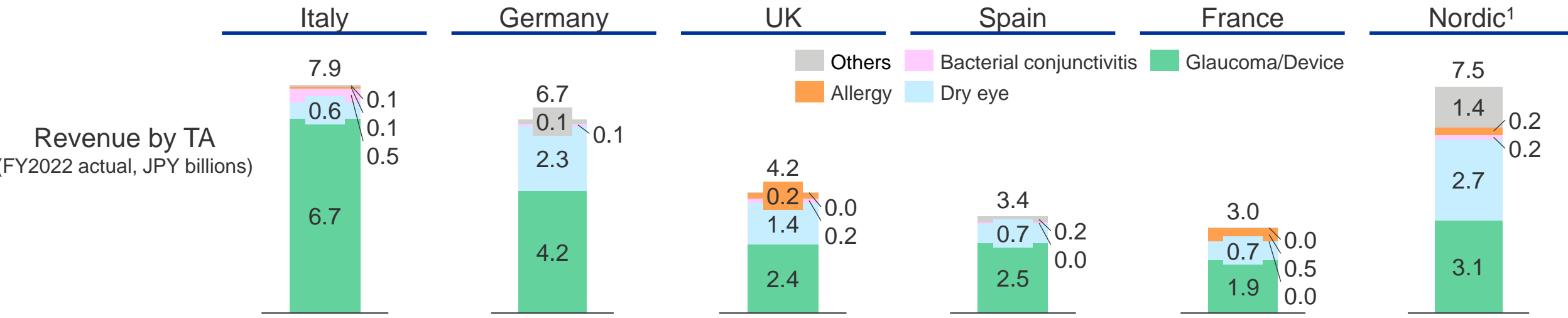
CAGR	2020-2023 ²		
	Total (excluding retina)	Glaucoma	Dry eye
Santen	19%	15%	30%
Market	7%	1%	11%

FY2022-2025 (MTP)
Total (Excluding retina)
6%³
2%⁴

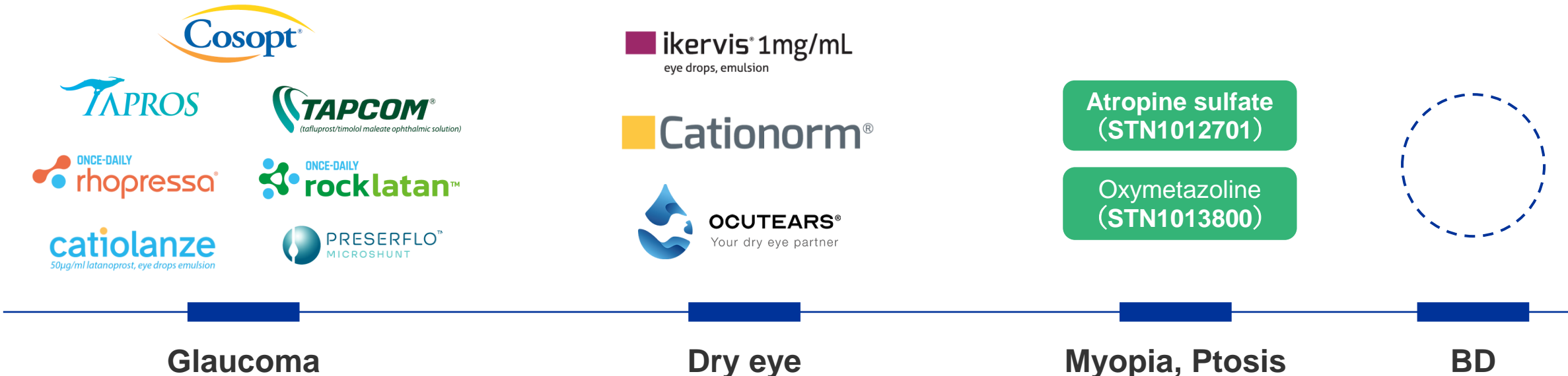
17 1,2 Market: CY basis Source: Copyright © 2024 IQVIA. IQVIA MIDAS 2020Q1-2023Q4 Santen analysis based on IQVIA data. Reprinted with permission. 2 Santen: FY2020 Actual vs FY2023 Forecast as of Nov.7, 2023, including one time factor of *Ikerbis*. 3 FY2022: forecast as of Feb.7 2023, Calculated based on the exchange rates for each fiscal year. 4 Santen estimation using FY2022 forecast, based on major sales countries © 2024. Santen Pharmaceutical Co., Ltd. All rights reserved.



62% of revenue from EU5 and Nordic countries. Market outperformance from tailored approach in product strategy such as preservative free form.



Approx. 10% sales growth in medium-long term with CE penetration and new pipelines to absorb GE & competitor impacts



High-single digit growth in medium-long term

- New products launch
- Cover all stage patients with variety of products such as mono therapy, combination drug and medical device
- Expand market share with preservative free products

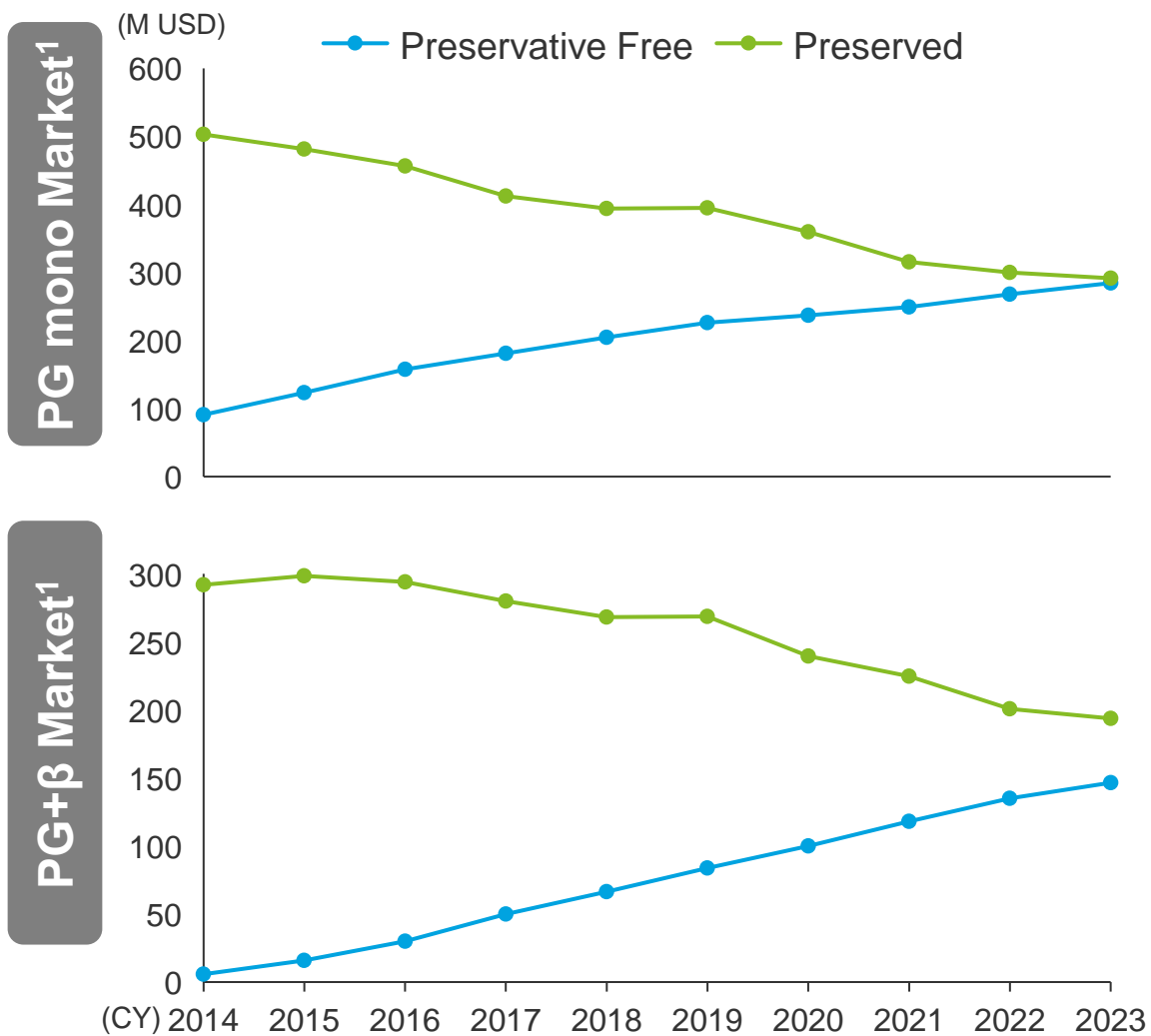
High-single digit to 10% range growth in medium-long term

- Define standard treatment for severe dry eye
- Capture self-medication market

- Out-of-pocket market in certain countries

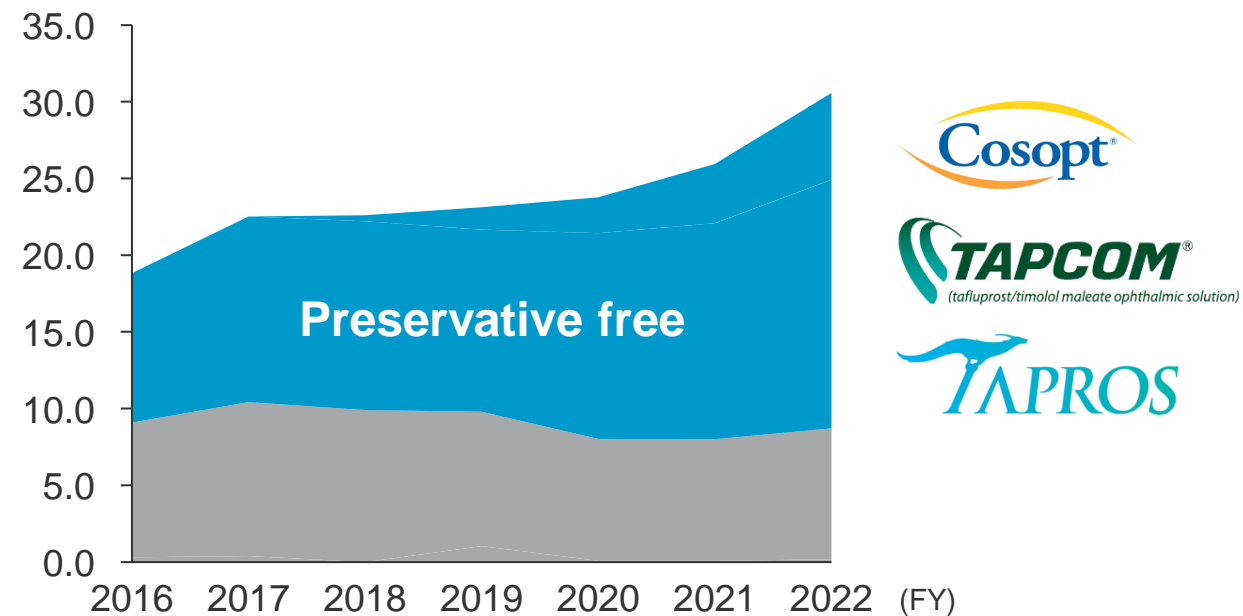
- Regional strategy-focused

Expecting continued increase in preservative-free formulation



Glaucoma Rx sales in EMEA (JPY billions)

Preservative free: **70%**



Improved market positioning from further switch to preservative free formulation

Continued glaucoma portfolio expansion from new products

Differentiated new products



- ROCK inhibitor, primarily targeting trabecular meshwork, is the first new MOA over the last 25 years in Europe¹
- The product, a combination drug with latanoprost, lowers IOP by increasing aqueous humor outflow through both trabecular and uveoscleral pathways

Ophthalmologists view it has some advantages compared to other products currently available to treat glaucoma² **>80%**

Launched **11** countries

Launch plan **8** countries



- New treatment option for glaucoma to reduce IOP and improve ocular surface disease (OSD)
- Preservative free

Glaucoma patients having OSD which manifest as signs and symptoms of dry eye disease³ **Approx. 60%**

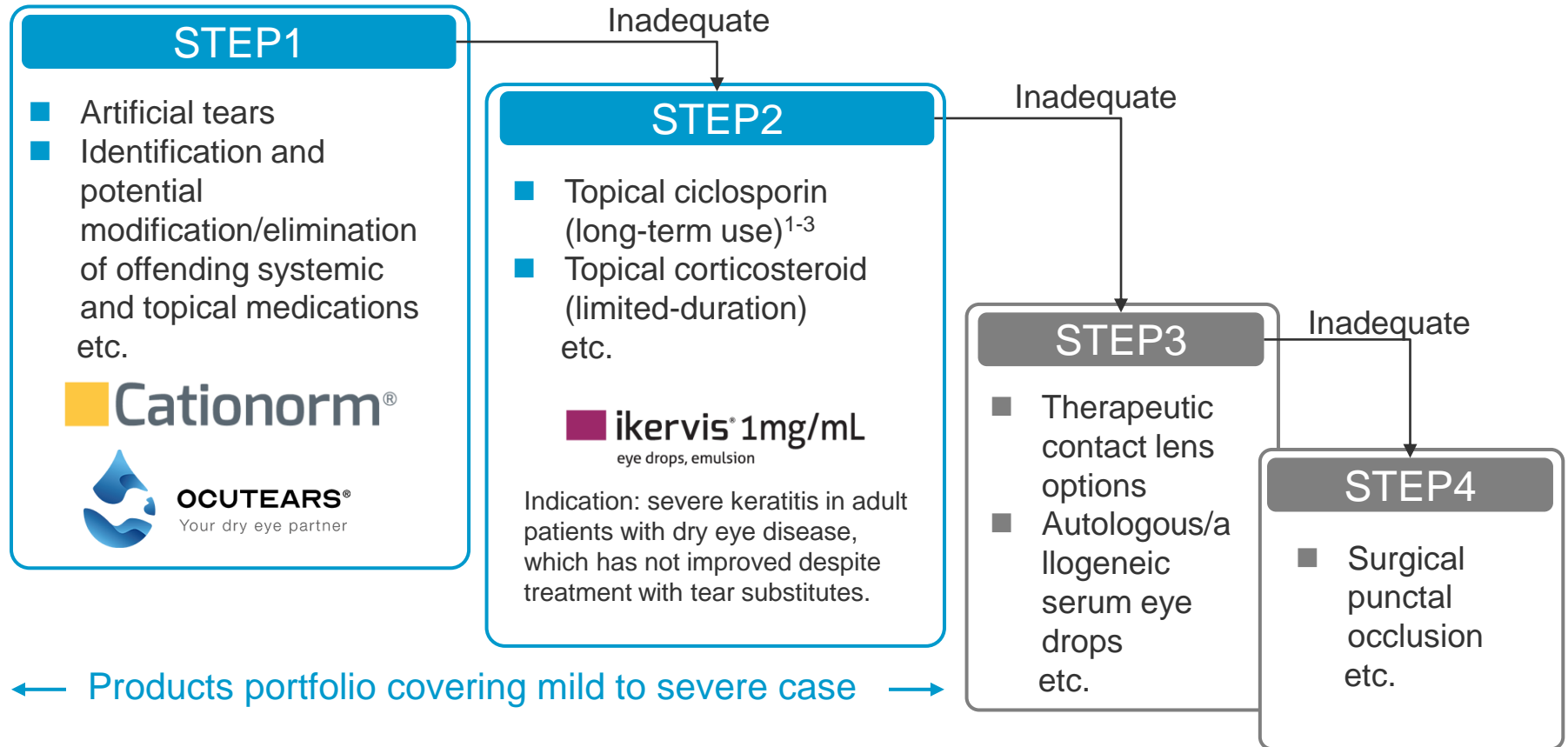
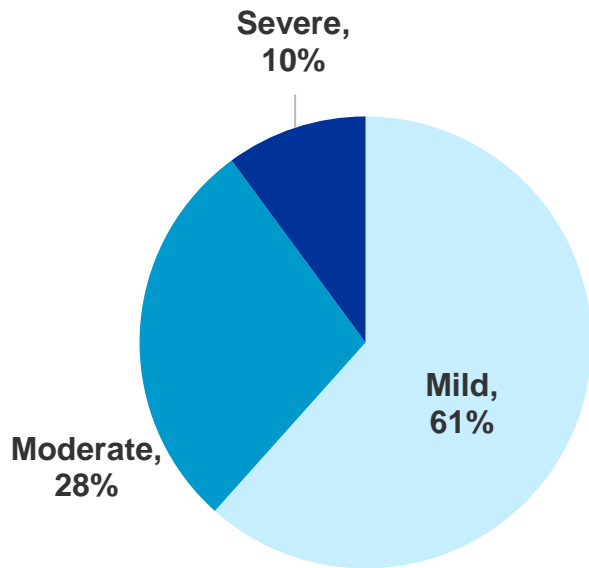
Launch plan **13** countries (FY2024-)

1 Schehlein EM, Robin AL. *Drugs* 2019;79:1031–6. 2 Santen surveyed for 215 ophthalmologists in EU5. The presented answers were “is a significant treatment breakthrough”, “has some major advantages”, and “has some minor advantages”. The presented answers were “is similar (no real improvement)” and “is inferior” in addition to the three mentioned above. 3 Erb et al. *Graefes Arch Clin Exp Ophthalmol* 2008;246:1593–160; Fechtner, et al. *Cornea* 2010;29:618–621; Leung et al. *J Glaucoma* 2008;17:350–355; Pai et al. *Asian J Ophthalmol* 2018;16:101-109.

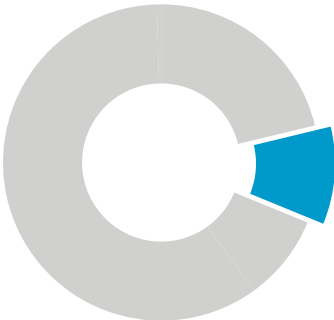
Covering early phase of dry eye treatment; scalability in terms of patient pool

TFOS DEWS II guidelines and a European expert consensus recommend step-wise approach and anti-inflammatory treatment when artificial tears have been ineffective^{1,2}

Breakdown of dry eye patients visiting clinic in Europe (researched by Santen)

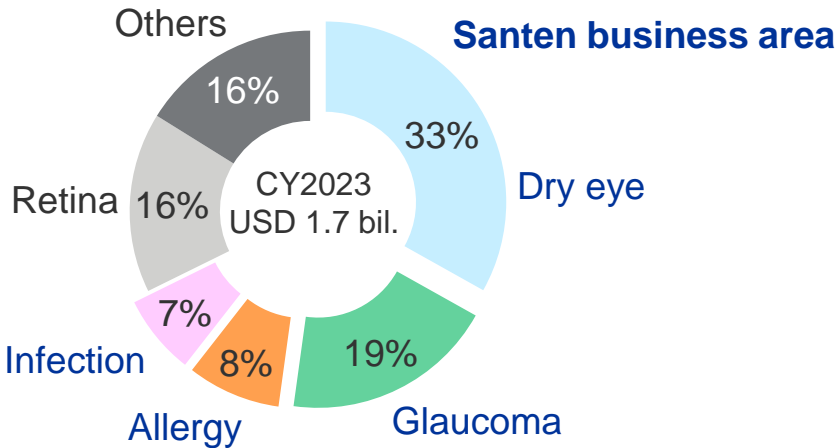


Asia

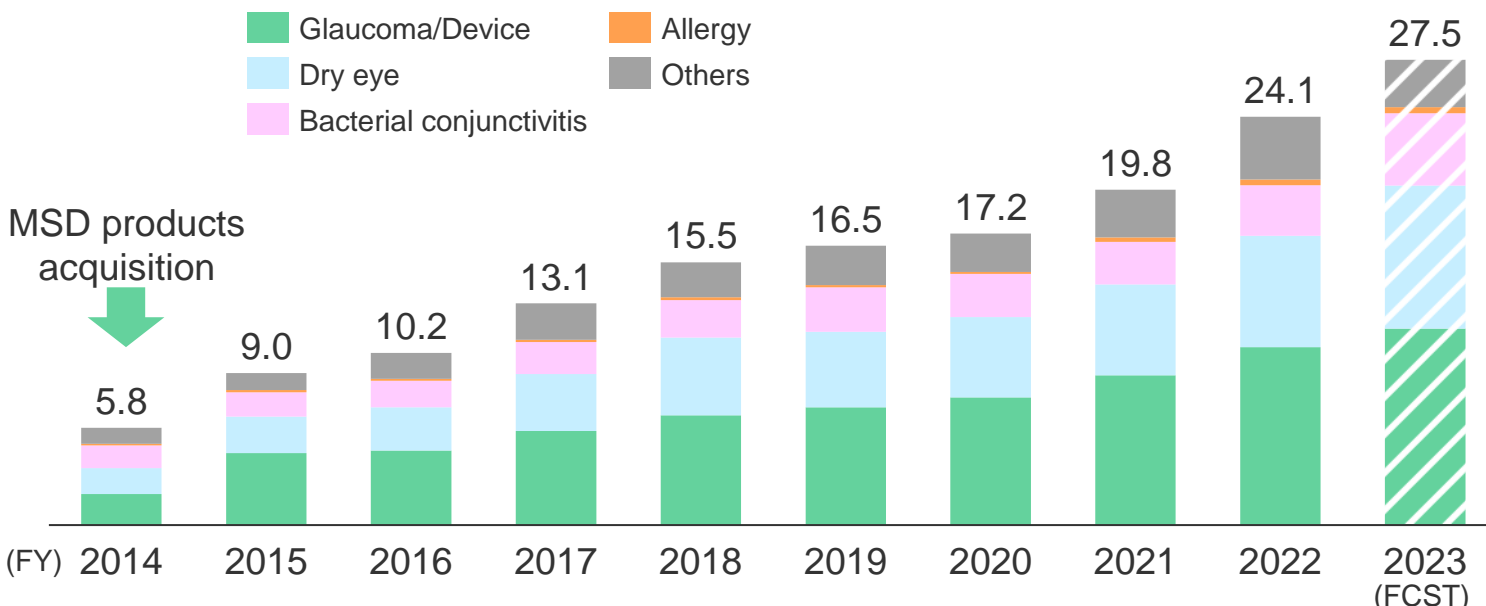


A strong market presence with higher-than market growth in glaucoma, dry eye and infection areas

Market¹



Revenue in Asia (JPY billions)



Santen market share

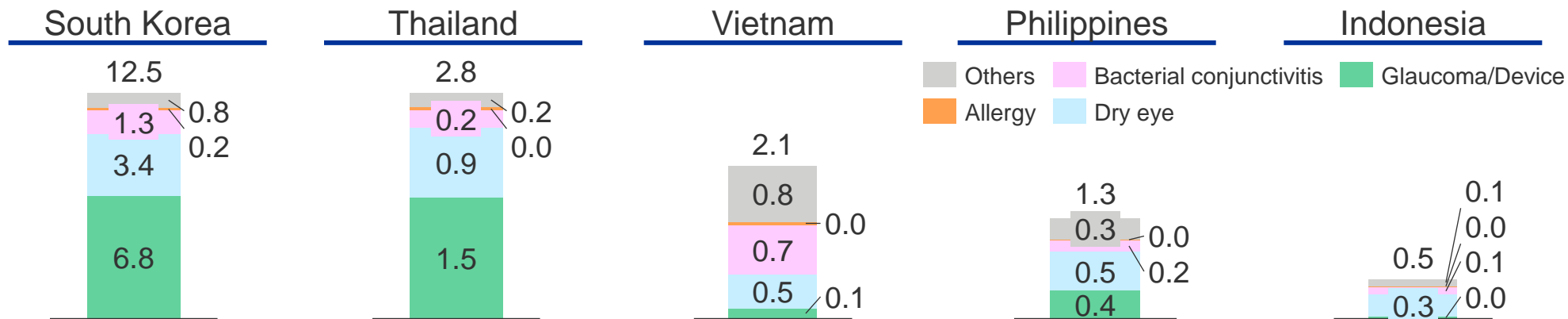
Ophthalmology market	No.1	(12%)
Ophthalmology market (excluding retina)	No.1	(15%)
Glaucoma	No.1	(28%)
Dry eye	No.2	(11%)
Infection	No.1	(25%)

CAGR	2020-2023 ²			
	Total (excl. retina)	Glaucoma	Dry eye	Infection
Santen	17%	15%	21%	19%
Market	10%	8%	12%	14%

FY2022-2025 (MTP)
Total (Excluding retina)
12%³
2%⁴

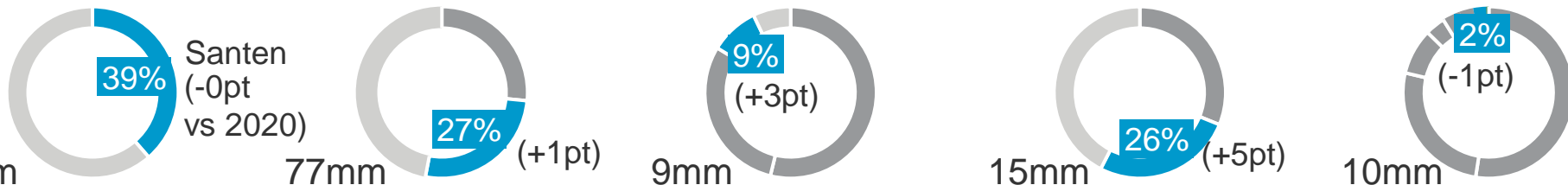
Focus on South Korea, Thailand and Vietnam with ≥70% of regional revenue. Philippines and Indonesia are scalable markets with growth potential

Revenue by TA
(FY2022 actual, JPY billions)



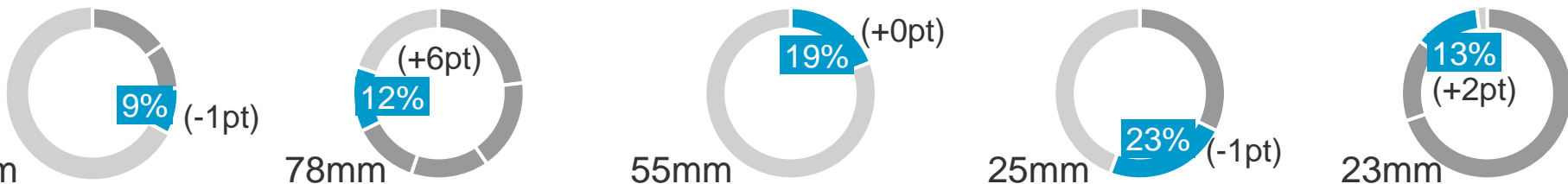
Glaucoma¹

Market(USD) 134mm



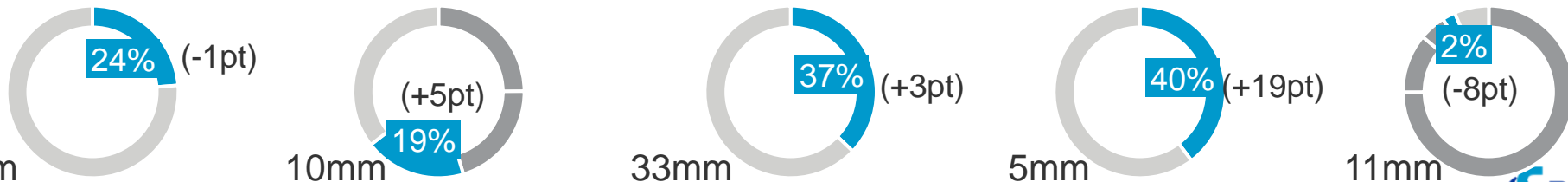
Dry eye¹

288mm

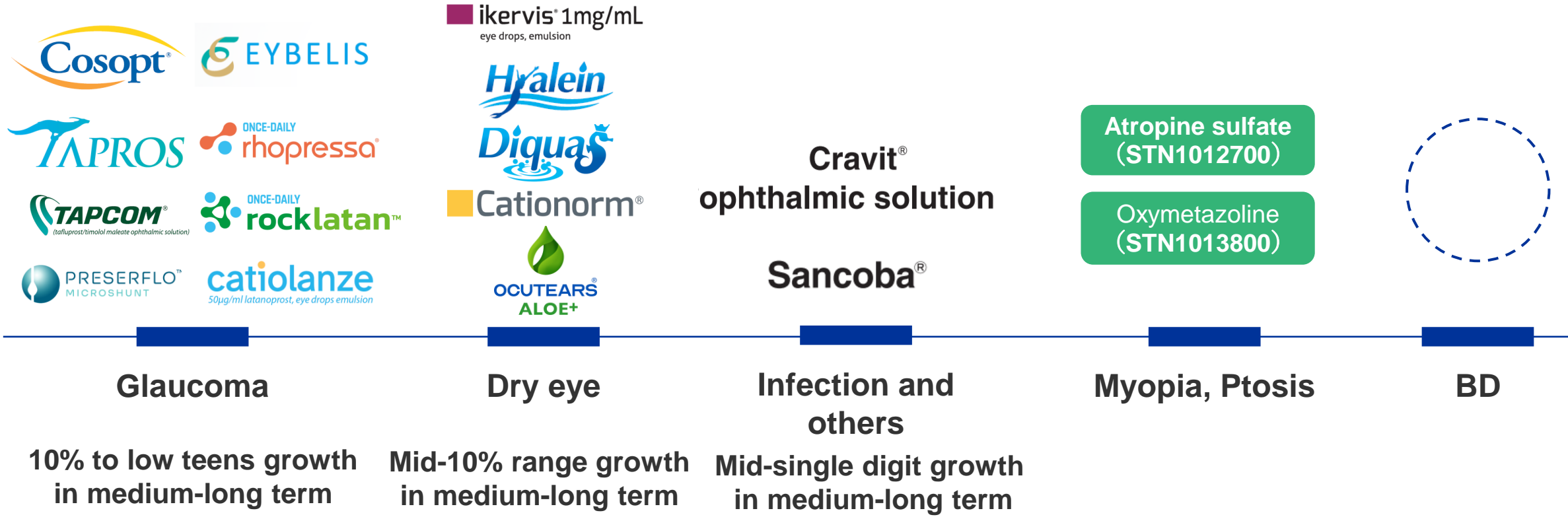


Infection¹

42mm



10% to low teens sales growth in medium-long term with CE penetration and wide range of regional needs-tailored products



- Launch new/LCM products
- Shift to execute strategy aligned with patient journey in each sub-region
- Capture self-medication market

- Improve healthcare access
- Explore potential patients
- Regional strategy-focused

Further strengthen Santen's position in South Korea.

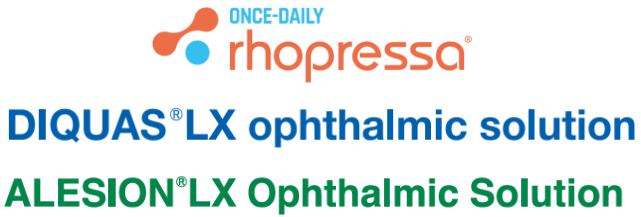
Aim to establish similar presence in Thailand and Vietnam

South Korea

- Value maximization in existing products in glaucoma and dry eye



- Launch new products in glaucoma, dry eye and others



Thailand

- Further focus on dry eye and infection areas in addition to glaucoma



- Expand retail channel



- Strengthen KOL partnership

Vietnam

- Strengthen HP coverage and KOL partnership
- Tap large retail channel (pharmacies) to capture self medication needs



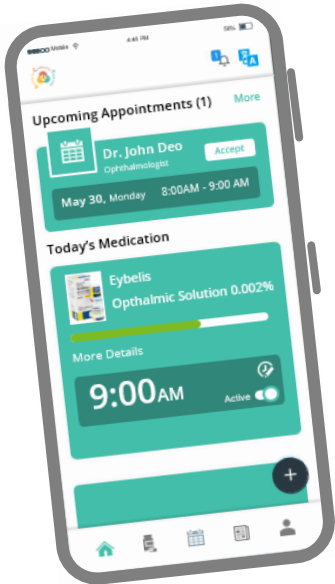
Cravit[®] ophthalmic solution

Maximize product value in major TAs and strengthen KOL partnership through digital tools, leveraging regional particularities across multiple countries

Glaucoma treatment adherence program; ACT Pack

- Communication tool for healthcare providers and patients to encourage patients to continue treatment

Patient Portal

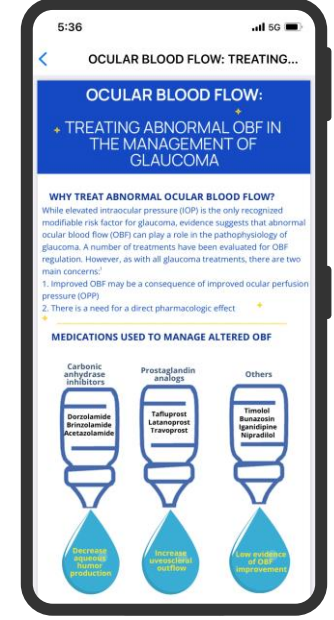


Doctor Portal



Innovative ophthalmology mobile platform for healthcare providers; Santen MD

- Registered HCPs: approx. 7,000
- Articles/Videos: 550
 - Glaucoma 169
 - Dry eye 113
 - Infection 46
 - General ophthalmology (incl. myopia) 49
 - Others 173

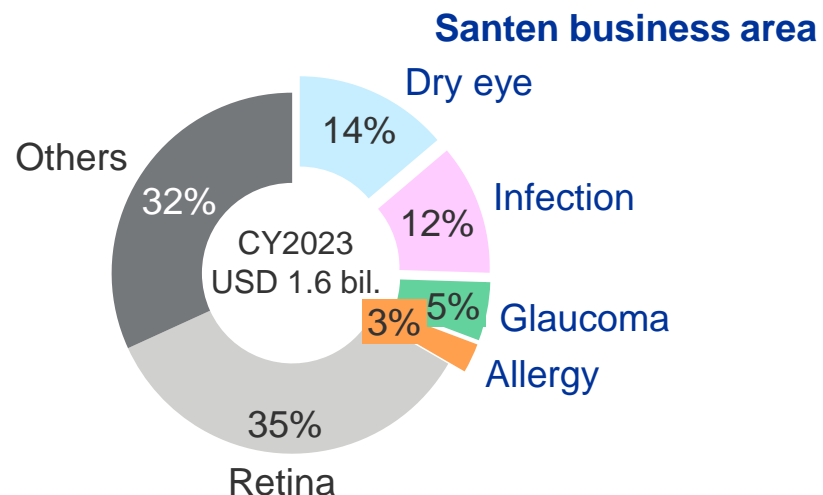


China

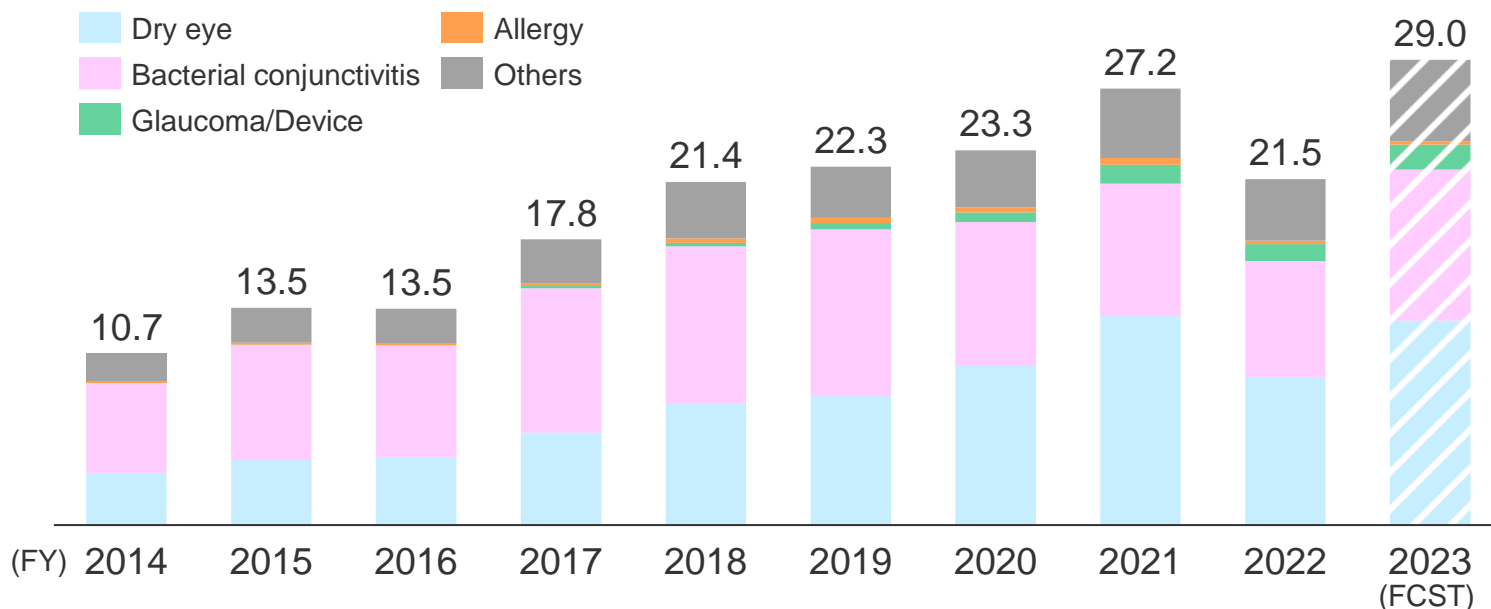


Solid positioning from organic growth driven by high quality products and collaboration with academia

Market¹



Revenue in China (JPY billions)



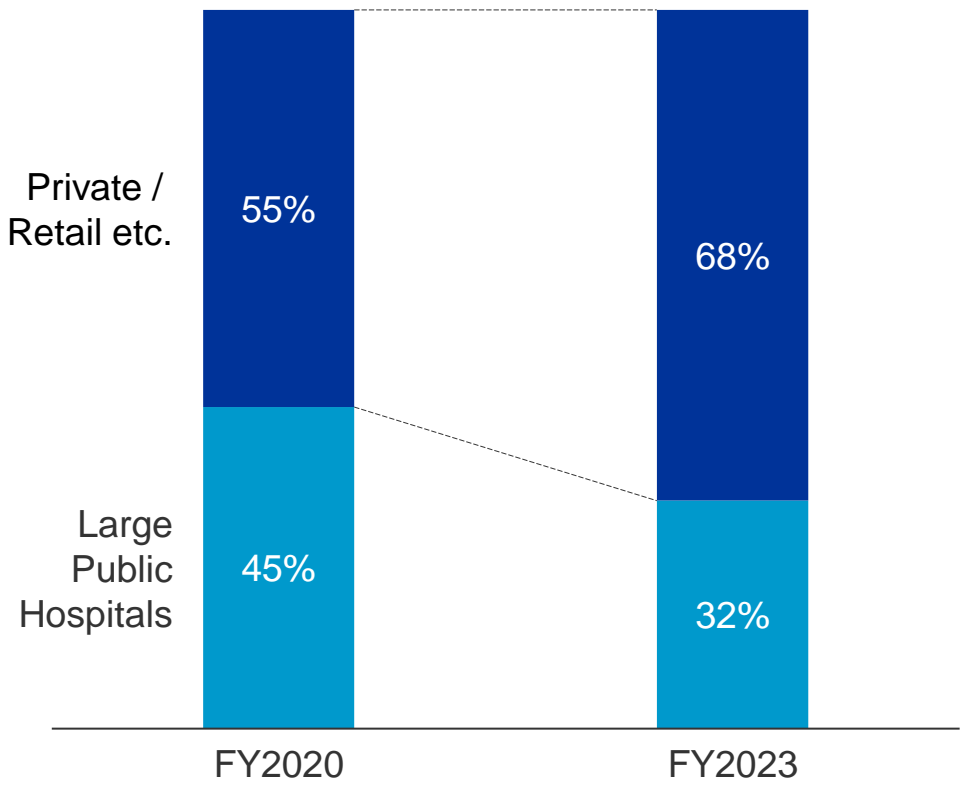
Santen market share

Ophthalmology market	No.3	(9%)
Ophthalmology market (excluding retina)	No.1	(13%)
Glaucoma	No.4	(11%)
Dry eye	No.1	(27%)
Infection	No.1	(22%)

2020-2023 ²					FY2022-2025 (MTP)
CAGR	Total (excl. retina)	Glaucoma	Dry eye	Infection	
Santen	7%	37%	8%	2%	18%³
Market	7%	5%	7%	-1%	2%⁴

High-single digit to low-10% range sales growth in medium-long term with wide product spectrum including legacy products

Sales by channel¹



Product portfolio

Strategic products






Legacy products



Cravit[®]
ophthalmic solution

Take away

Overseas business continues to grow in glaucoma, dry eye and infection. Strengthening CE to maximize myopia/ptosis FY2025 onwards

EMEA

Sales and share expansion by glaucoma and dry eye products penetration mainly in EU5 with large growth opportunities and Nordic with high market share

Asia

Accelerate business expansion in glaucoma and dry eye including self-medication markets with focus on South Korea, Thailand and Vietnam as key markets

China

Sustainable growth by multi-channel strategy and strong presence while managing risks and capturing opportunities

**Commercial
Excellence**

***BD potential
front/back of
the eye
etc.***

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.
- Risk factors include, but are not limited to, the following:
External factors such as trends in pharmaceutical administration, social and economic conditions, changes in laws and regulations, and exchange rates. Changes in the competitive environment, such as the impact of generics. Reliance on certain products and business partners, such as dependence on mainstay products, reliance on licensed products, and reliance on certain business partners for the supply of bulk drugs. Uncertainty in the development of new drugs, the possibility that R&D investment will not produce sufficient results, the success or failure of alliances with other companies, and other R&D activities. Other factors include intellectual property rights, production slowdowns and delays caused by natural disasters, product supply issues such as discontinuations and product recalls, litigation, and risks related to global business development.
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