

NOTICE: This is a translation of a part of the notice issued on June 3, 2024 in Japanese and is made solely for the convenience of the foreign shareholders. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Securities code: 4536

June 3, 2024

(The commencement date of the measures for the electronic provision: May 27, 2024)

## **CONVOCATION NOTICE OF THE 112<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

We hereby inform you of the 112<sup>th</sup> Annual General Meeting of Shareholders of the Company to be held as set forth below.

For the information contained in the reference documents and other documents (except the Voting Rights Exercise Form) for this Annual General Meeting of Shareholders (*i.e.*, matters regarding measures for electronic provision), we have taken measures for the electronic provision of materials. As such, please access the same from the Company's website and confirm them thereat:

The Company's website: <https://www.santen.com/ja/ir/document/meeting>

The matters regarding measures for electronic provision are also subject to measures for the electronic provision on the website of the Tokyo Stock Exchange (TSE). To verify these matters, please access the TSE's website (TSE Listed Company Search) described below, enter and search "Santen Pharmaceutical" in the column "Issue name (company name)," or enter and search "4536" (half-width) in the column "Code," then select "Basic information" button, and "Documents for public inspection/PR information" tab in sequence.

TSE's website (TSE Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please be advised that you may exercise your voting right via the Internet or in writing. To do so, after reviewing the "Reference Materials for the General Meeting of Shareholders," please exercise your voting right by either: accessing the website (<https://evote.tr.mufg.jp/>) designated by the Company for voting, and indicating thereat\* your assent or dissent to the items on the agenda, or filling up the Voting Rights Exercise Form by indicating your assent or dissent to the items on the agenda, and sending it back to reach us by mail, in either case, before 17:30 on Monday, June 24, 2024 (JST).

Very truly yours,

Takeshi Ito

Representative Director, President & CEO

SANTEN PHARMACEUTICAL CO., LTD.

4-20, Ofuka-cho, Kita-ku, Osaka, Japan

\*Please note that shareholders outside Japan may not directly use this means outside Japan.

## AGENDA

1. **Date and Time: Tuesday, June 25, 2024 at 10:00 a.m.**  
(Start of admission at 9:00 a.m.)
2. **Place: Knowledge Capital Congrès Convention Center, Grand Front Osaka**  
(Second Basement, North Building)  
3-1, Ofuka-cho, Kita-ku, Osaka, Japan
3. **Agenda**  
**Reports:** 1. Reports on the Business Report, Consolidated Financial Statements and Financial Statements for the 112<sup>th</sup> Business Term (April 1, 2023 to March 31, 2024)  
2. Reports on the Audit Reports by the Accounting Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements for the 112<sup>th</sup> Business Term (April 1, 2023 to March 31, 2024)  
**Items for Resolution:**  
**Proposal No. 1** Appropriation of Surplus  
**Proposal No. 2** Appointment of Eight (8) Directors  
**Proposal No. 3** Appointment of Two (2) Corporate Auditors  
**Proposal No. 4** Revision to Remuneration Limit for the Corporate Auditors
4. **Matters Determined concerning the Convocation\***  
Please see the Information regarding the Exercise of Voting Rights, etc.  
\*Japanese version only.

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© Any changes in the matters regarding the measures for electronic provision shall be publicized via the Internet on the relevant website on which they were posted.

The Company's Policy on the System of the Electronic Provision of  
Materials for the General Meeting of Shareholders

1. Outline of the system for the electronic provision of materials for the General Meeting of Shareholders

The system for the electronic provision of materials for the General Meeting of Shareholders (the "System") was introduced pursuant to the partial amendment of the Companies Act (enacted on September 1, 2022). Under the System, it shall be deemed, in principle, that materials for the General Meeting of Shareholders are provided to shareholders by simply informing shareholders, by a written document sent thereto, of links to URLs and the like which contain the day and time, venue and agenda of the General Meeting of Shareholders as well as materials for the General Meeting of Shareholders.

2. The Company's policy on measures to address the System

Considering that the 112<sup>th</sup> Annual General Meeting of Shareholders is the second General Meeting of Shareholders to be held after the implementation of the System, we decided our policy on measures to address the System, and pursuant hereto we prepared the materials for the General Meeting of Shareholders, taking into account conservation of paper resources from the viewpoint of the purport of the electronic provision system and sustainability. Also, as to the "Convocation Notice of the 112<sup>th</sup> Annual General Meeting of Shareholders," we decided to deliver the materials to all the shareholders with contents that are the same as those to be delivered to the shareholders who wish to receive them in writing. Please visit our website, on which a part of the contents of the materials which we have been delivering so far, including the Business Report, is posted. The matters for which the descriptions have been omitted from the written materials pursuant to the aforesaid policy have been approved in the meeting of our Board of Directors.

The written documents delivered to the shareholders also concurrently serve as the document stating the matters subject to measures for electronic provision in accordance with a request for delivery of documents. The matters described below are not stated therein pursuant to the provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation:

**<Business Report>** 1. Matters Regarding the Status of the Corporate Group (1) Basic Policy on Management, (2) Progress and Achievement in Business, (4) Issues to be Addressed, (5) Situation of Assets and Profit and Loss, (6) Outline of the Major Business, (7) Major Business Locations, etc., (8) Situation of Employees, (10) Major Lenders, (11) Other Material Items Regarding the Current Status of the Corporate Group; 2. Matters Regarding the Shares; 3. Matters Regarding Rights to Subscribe for New Shares and the Like; 4. Matters Regarding Corporate Officers (2) Outline of the Contents of the Directors and Officers Liability Insurance Policy, (5) Matters Regarding Outside Officers; 5. Situation Regarding Accounting Auditor; 6. Corporate Governance; 7. System to Ensure Appropriateness of the Business and Status of the Operation of the Same

**<Consolidated Financial Statements>** Notes to Consolidated Financial Statements

**<Non-Consolidated Financial Statements>** Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements

**<Audit Reports>** Report on the Audit of the Consolidated Financial Statements by Accounting Auditor, Report on the Audit of the Non-Consolidated Financial Statements by Accounting Auditor, and Audit Report by the Board of Corporate Auditors

Please be informed that the Consolidated Financial Statements and the Financial Statements that have been audited by the Corporate Auditors and the Accounting Auditors consist of the documents included in the Appendices hereto as well as the matters described above and posted on the website of the Company.

As to the comparison with the "Convocation Notice of the Annual General Meeting of Shareholders" in the last fiscal year, please see the next page.

Comparison of the Particulars Delivered as the Company’s “Convocation Notice of the Annual General Meeting of Shareholders”

Items	Materials previously delivered (in writing/via website)	Scope of the statutory required delivery of printed matters	Printed matters delivered for the 112 <sup>th</sup> Annual General Meeting of Shareholders	Matters posted on the website for the 112 <sup>th</sup> Annual General Meeting of Shareholders
Narrowly Defined Convocation Notice	●	●	●	●
Reference Materials for the General Meeting of Shareholders	●	●	●	●
Business Report				
Matters Regarding the Status of the Corporate Group	●			●
Basic Policy on Management	●			●
Progress and Achievement in Business	●			●
Status of Capital Expenditures and Financing	●	●	●	●
Issues to be Addressed	●			●
Situation of Assets and Profit and Loss	●			●
Outline of the Major Business	●			●
Major Business Locations, etc.	●			●
Situation of Employees	●			●
Situation of Material Subsidiaries	●	●	●	●
Major Lenders	●			●
Other Material Items Regarding the Current Status of the Corporate Group	●			●
Matters Regarding the Shares	●			●
Matters Regarding Rights to Subscribe for New Shares and the Like	●*1			●
Matters Regarding Corporate Officers				
Status of Directors and Corporate Auditors	●	●	●	●
Outline of the Contents of the Directors and Officers Liability Insurance Policy	●			●
Aggregate Amount of Remunerations for Directors and Corporate Auditors	●	●	●	●
Matters Regarding the Decision of the Amount of Remunerations and the Like for Directors and Corporate Auditors and the Calculation Method of Such Amount	●	●	●	●
Matters Regarding Outside Officers	●			●
Situation Regarding Accounting Auditor	●			●
Corporate Governance	●			●
System to Ensure Appropriateness of the Business and Status of the Operation of the Same	●			●
Consolidated Financial Statements	●*1		●*2	●
Non-Consolidated Financial Statements	●*1			●
Audit Report	●			●

\*1 Matters Regarding Rights to Subscribe for New Shares and the Like in the Business Report, Notes to Consolidated Financial Statements in the Consolidated Financial Statements, and Notes to Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements had been disclosed on our website.

\*2 As to the Consolidated Financial Statements, Consolidated Statements of Income, Consolidated Statements of Financial Position, and Consolidated Statements of Changes in Equity are delivered as printed matters, and Notes to Consolidated Financial Statements are disclosed on our website.

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Information

Proposal No. 1    Appropriation of Surplus

The Board of Directors proposes to appropriate the surplus as follows:

### **Matters regarding the Term-End Dividends of Profits**

#### Basic Policy on Dividends of Profits

Santen regards returning profits to shareholders as one of the most important management priorities. The Company's basic policy is to continue a progressive dividend policy in alignment with medium term profit growth. The Company utilizes cash it generates as the source of funding for future growth investments. If there are no promising investment opportunities, Santen will consider returning profits to shareholders by share repurchases.

#### Term-End Dividends of Profits for the 112<sup>th</sup> Business Term

For the 112<sup>th</sup> Business Term, the Board of Directors proposes term-end dividends of profits at JPY 17 per share.

Consequently, the total dividends for the annual business term, including the interim dividends previously distributed (JPY 16 per share), will be JPY 33 per share, which is a JPY 1 higher than the previous business term.

- (1) Kind of dividend property: cash
- (2) Matters concerning the distribution of dividend property to shareholders and the aggregate amount thereof: JPY 17 per share of the common shares of the Company, which amounts to JPY 6,175,399,345 in the aggregate.
- (3) Effective date of distribution of dividends from the surplus: June 26, 2024

Proposal No. 2 Appointment of Eight (8) Directors

The term of office of all the seven (7) Directors will expire at the close of this Annual General Meeting of Shareholders. Under this Proposal, the Board of Directors proposes to appoint eight (8) Directors including two (2) additional inside Directors to strengthen the management team.

The Board of Directors passed a resolution on the selection of candidates for Director after a deliberation thereon was made by the Nominating Committee, which is a voluntary committee comprised of inside Directors and Outside Directors.

The candidates for Director are as follows:

The candidate who will be newly appointed is shown with an asterisk (\*) next to name.

Candidate No.	Name (Date of birth)	Profile (Positions and responsibilities in the Company/other entities, and material posts concurrently held in other juridical persons)	Number of Santen shares owned
1	<b>Akira KUROKAWA</b> (September 5, 1952)	<p>April 1977      Joined the Company</p> <p>April 1997      General Manager, Head of the Office of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 1997      Director</p> <p>June 1998      Deputy Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>May 2001      Head of Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 2001      Corporate Officer</p> <p>July 2004      Senior Corporate Officer</p> <p>June 2006      Representative Director, President &amp; COO</p> <p>June 2008      Representative Director, President &amp; CEO</p> <p>April 2018      Representative Director, Chairman &amp; CEO</p> <p>April 2020      Representative Director, Chairman</p> <p>April 2022      Director, Chairman</p> <p>June 2022      Representative Director, Chairman</p> <p>April 2024      Director, Chairman (incumbent)</p> <p>Material post concurrently held in other juridical persons: Not applicable</p>	234,479 shares
2	<b>Takeshi ITO</b> (July 16, 1959)	<p>April 1982      Joined the Company</p> <p>July 1999      General Manager, Business Development Group, Business Development Division</p> <p>May 2001      General Manager, Corporate Development Group, R&amp;D Strategic Integration Department</p> <p>December 2002      Head of R&amp;D Integration Department, R&amp;D Division</p> <p>April 2007      Head of Surgical Division</p> <p>April 2012      Corporate Officer, Head of Prescription Pharmaceuticals Sales Department, Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>April 2014      Senior Corporate Officer, Head of Japan Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>April 2016      Executive Corporate Officer, Japan Business, Head of Japan Sales &amp; Marketing Division, Prescription Pharmaceuticals</p> <p>June 2017      Director</p> <p>April 2019      Head of Japan Business, Head of Japan Sales &amp; Marketing Division</p> <p>April 2022      Representative Director, Executive Vice President</p> <p>September 2022      Representative Director, President &amp; CEO (incumbent)</p> <p>Material post concurrently held in other juridical persons: Not applicable</p>	83,052 shares

3	<p style="text-align: center;">*</p> <p style="text-align: center;"><b>Rie NAKAJIMA</b> (December 12, 1977)</p>	<p>April 2000      Joined Toyota Motor Corporation  August 2008      Joined Boston Consulting Group  August 2011      Joined MSD K.K.  January 2015      Head of Cardiovascular Lipid and Atherosclerosis  June 2016          Marketing Department of MSD K.K.  Corporate Officer, Head of Corporate Strategy  Department and in Charge of Long-Term Listed  Product Business of MSD K.K.  January 2017      Corporate Officer, Head of Corporate Strategy &amp;  Commercial Excellence Department and in Charge of  Long-Term Listed Product Business of MSD K.K.  January 2018      Corporate Officer, Head of Corporate Strategy &amp;  Commercial Excellence Department and in Charge of  Long-Term Listed Product Business and Distribution  of MSD K.K.  January 2019      President of MSD Taiwan  November 2020   Vice President, Strategy Innovation Lead of Organon  of Merck &amp; Co., Inc.  June 2021          Vice President, Strategy Innovation Lead of Organon  &amp; Co.  March 2023        Joined the Company  Corporate Officer, COO  June 2023          Corporate Officer, COO and Head of North America  Business  April 2024          Corporate Officer, COO and Head of China Business  (incumbent)</p> <p>Material post concurrently held in other juridical persons:  Board Member of Santen Holdings U.S. Inc.  Board Member of Santen Inc.  Chairman and General Manager of Santen China Investment Co., Ltd.,  Chairman and General Manager of Santen Pharmaceutical (China) Co.,  Ltd</p>	50,020 shares
4	<p style="text-align: center;">*</p> <p style="text-align: center;"><b>Ippei KURIHARA</b> (January 2, 1981)</p>	<p>April 2005          Joined CYBIRD Co., Ltd.  March 2008          Joined A.T. Kearney, Inc.  April 2013          Joined K.K. Hay Consulting Group  April 2015          Joined the Company  April 2018          Head of Surgical Development and Strategy  Integration Department, Surgical Division  April 2019          Head of Strategic Planning Department, Japan  Business  April 2021          Corporate Officer, Head of Marketing Department,  Japan Sales and Marketing Division  September 2022   Corporate Officer, Head of Japan Business, Head of  Japan Sales and Marketing Division and Head of  Marketing Department  April 2024          Corporate Officer, Head of Japan Business  May 2024          Corporate Officer, Head of Japan Business and Head  of Global Commercial Strategy (incumbent)</p> <p>Material post concurrently held in other juridical persons:  Not applicable</p>	11,853 shares
5	<p style="text-align: center;"><b>Noboru KOTANI</b> (November 13, 1956)</p>	<p>December 1991   Vice President of Boston Consulting Group  June 2000          Representative Director of Dream Incubator Inc.  June 2005          Representative Director of Vehicle Inc. (incumbent)  June 2005          Outside Director of the Company  November 2006   Outside Director of JINS HOLDINGS Inc.  (incumbent)  March 2013        External Director of SanBio Company Limited  (incumbent)  March 2018        External Director of Medley, Inc. (incumbent)  June 2022          Outside Director of the Company (incumbent)</p>	5,000 shares

		<p>Material posts concurrently held in other juridical persons:  Representative Director of Vehicle Inc.  Outside Director of JINS HOLDINGS Inc.  External Director of SanBio Company Limited  External Director of Medley, Inc.</p> <p>Total term of office until the close of this Meeting: Two (2) years  Number of attendance at Board of Directors' meetings:  13 out of 13 meetings (100%)</p>	
6	<p><b>Tamie MINAMI</b>  (February 15, 1959)</p>	<p>May 2008 Vice President and General Manager, Home Care Division, 3M Company  October 2013 Vice President, Southeast Asia Region, 3M Company  October 2015 Vice President, Latin America, 3M Company  November 2017 Vice President, Asia, 3M Company  December 2019 Senior Vice President, Safety &amp; Industrial Business Group, Asia, 3M Company  June 2022 Outside Director of the Company (incumbent)  June 2023 Outside Director of TEIJIN LIMITED (incumbent)</p> <p>Material post concurrently held in other juridical persons:  Outside Director of TEIJIN LIMITED</p> <p>Total term of office until the close of this Meeting: Two (2) years  Number of attendance at Board of Directors' meetings:  13 out of 13 meetings (100%)</p>	0 shares
7	<p>*  <b>Masahiko IKAGA</b>  (May 14, 1955)</p>	<p>October 1979 Joined Tohmatsu Awoki &amp; Co. (currently, Deloitte Touche Tohmatsu LLC)  March 1988 Registered as Certified Public Accountant  May 1988 Director of Tohmatsu Touche Ross Consulting Co., Ltd. (currently, Abeam Consulting Ltd.)  May 1990 Partner of Tohmatsu Awoki &amp; Co.  April 1993 Director of Tohmatsu Consulting Co., Ltd. (currently, Deloitte Tohmatsu Consulting LLC)  March 2000 Representative Director and President of Tohmatsu Consulting Co., Ltd.  October 2010 Director and Chairman of Tohmatsu Consulting Co., Ltd.  November 2013 CSO of Deloitte Touche Tohmatsu LLC  March 2016 Retired from Partner of Deloitte Touche Tohmatsu LLC  April 2016 Representative Accountant, Masahiko Ikaga Certified Public Accountant Office (incumbent)  May 2016 Representative Director of PrajnaLink Co., Ltd. (incumbent)  June 2016 External Audit &amp; Supervisory Board Member of Morinaga Milk Industry, Co., Ltd. (incumbent)  March 2017 Outside Audit &amp; Supervisory Board Member of Yamaha Motor Co., Ltd.  June 2017 Outside Director of RYOBI LIMITED (incumbent)  June 2022 Outside Auditor of the Company (incumbent: to resign on June 25, 2024)</p> <p>Material posts concurrently held in other juridical persons:  Representative Accountant, Masahiko Ikaga Certified Public Accountant Office; Representative Director of PrajnaLink Co., Ltd.; External Audit &amp; Supervisory Board Member of Morinaga Milk Industry, Co., Ltd.;  Outside Director of RYOBI LIMITED</p>	0 shares



8	* <b>Minoru KIKUOKA</b> (September 8, 1962)	September 2004	General Manager, Business Planning Department of Nitto Denko Corporation and Vice President of Nitto Americas	0 shares
		April 2006	General Manager, Membrane Business Department of Nitto Denko Corporation and CEO of Hydranautics (U.S.)	
		July 2011	Administration Officer, Business Integration Department of Nitto Denko Corporation	
		October 2014	Corporate Officer of NIDEC CORPORATION	
		April 2017	Joined Japan Display, Inc.	
		May 2019	Corporate Officer, CFO of Japan Display, Inc.	
		September 2019	President, Representative Director and CEO of Japan Display, Inc.	
		August 2020	President, Representative Executive Officer and CEO of Japan Display, Inc.	
		January 2021	Senior advisor of Ichigo Asset Management, Ltd.	
		March 2022	Senior Corporate Executive, CFO of Astellas Pharma Inc.	
April 2023	Senior Advisor of Ichigo Asset Management, Ltd.			
Material post concurrently held in other juridical persons: Not applicable				

(Note 1) The above candidates for Director have no special interest in the Company.

(Note 2) Among the candidates for Director, Noboru Kotani, Tamie Minami, Masahiko Ikaga and Minoru Kikuoka are candidates for Outside Director.

(Note 3) Among the candidates for Director, the Company designated Noboru Kotani, Tamie Minami, Masahiko Ikaga and Minoru Kikuoka as Independent Officers pursuant to Article 436-2, Paragraph 1 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., and has filed their names therewith.

(Note 4) Reasons for the appointment of the candidates for Director:

- (1) As regards Akira Kurokawa, he has assumed command of overall management as the Representative Director, President & CEO since June 2008, the Representative Director, Chairman & CEO since April 2018 and the Representative Director, Chairman since April 2020 and has achieved a sustained enhancement of the corporate value of the Company. Furthermore, at the Board of Directors, he has taken the chair thereof, appropriately conducted the meetings thereof, and contributed in the making of decisions thereat by gaining the understanding of each Director. Considering the foregoing, the Board of Directors proposes his continuous appointment as a Director.
- (2) As regards Takeshi Ito, he has an understanding of Santen's Values and the underlying ethos thereof, and besides that, he has experienced various divisions including R&D, surgical, sales & marketing, prescription pharmaceuticals, and has served as the Corporate Officer since 2012, the Senior Corporate Officer, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals since 2014, the Executive Corporate Officer, Japan Business, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals since 2016, the Executive Corporate Officer, Head of Japan Business, Head of Japan Sales & Marketing Division since 2019, the Representative Director, Executive Vice President since April 2022, and the Representative Director, President & CEO since September 2022; and he has contributed to the enhancement of the corporate value of the Company. Furthermore, he has fulfilled his accountability concerning matters for resolutions and reports as President & CEO as well as contributed to enhance the quality of the discussions in the Board of Directors by expressing his opinions actively throughout the proceedings at meetings, and he has contributed in the making of decisions thereat. Considering the foregoing, the Board of Directors proposes his continuous appointment as a Director.
- (3) As regards Rie Nakajima, she has an understanding of Santen's Values and the underlying ethos thereof, and besides that, she has served as the Corporate Officer & COO since 2023, carrying out her duties as the Head of North America Business and Head of China Business; and she

has contributed to the enhancement of the corporate value of the Company. Furthermore, considering that she has assumed the management in general, administration of business and supervisory function of the Company, and also has a sense of commitment concerning globally expanding business as well as highly ethical views, we expect that she will continue to facilitate a further growth of the Santen Group. As such, the Board of Directors believes that she is well-qualified to be a Director, and proposes her appointment.

- (4) As regards Ippei Kurihara, he has an understanding of Santen's Values and the underlying ethos thereof, and besides that, he has experienced various divisions including surgical, Japan business, and has served as the Corporate Officer since 2021, carrying out his duties as Head of Marketing Department, Japan Sales and Marketing Division since 2021, Corporate Officer Head of Japan Business, Head of Japan Sales and Marketing Division and Head of Marketing Department since 2022, Corporate Officer Head of Japan Business and Head of Global Commercial Strategy since 2024; and he has contributed to the enhancement of the corporate value of the Company. Furthermore, considering that he has assumed the management in general, administration of business and supervisory function of the Company, and also has a sense of commitment concerning globally expanding business as well as highly ethical views, we expect that he will continue to facilitate a further growth of the Santen Group. As such, the Board of Directors believes that he is well-qualified to be a Director, and proposes his appointment.
- (5) As regards Noboru Kotani, considering that he has served as an Outside Director of the Company for ten (10) years in total from 2005 to 2015, he holds in-depth understanding of the Company's ophthalmic business, its strategy, governance, decision making and the like, and that he has extensive knowledge and experience concerning corporate management as a management consultant, we expect that he will express appropriate opinions from the company-wide point of view at the meetings of the Board of Directors. Considering that he has contributed to enhance the quality of the discussions in the Board of Directors by expressing his opinions actively throughout the proceedings at meetings, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his continuous appointment as such.
- (6) As regards Tamie Minami, considering that she has abundant business experience overseas such as experiencing being a head of business divisions in multiple regions in a globally expanding company, we expect that she will express appropriate opinions from a global point of view at the meetings of the Board of Directors. Considering that she has contributed to enhance the quality of the discussions in the Board of Directors by expressing her opinions actively throughout the proceedings at meetings, the Board of Directors believes that she is well-qualified to be an Outside Director, and proposes her continuous appointment as such.
- (7) As regards Masahiko Ikaga, he has an expertise concerning financial affairs and accounting as a certified public accountant as well as extensive international experience and knowledge such as promoting globalization as a corporate executive, and has served as the Company's Corporate Auditor since June 2022. Considering that he has given accurate advice from the company-wide point of view at the meetings of the Board of Corporate Auditors and the Board of Directors, and, from a wide-ranging perspective, audited Directors' business judgment and appropriateness of execution of their duties, the Board of Directors believes that he is expected to express appropriate opinions as a Director, and proposes his appointment anew as an Outside Director.
- (8) As regards Minoru Kikuoka, considering that he has extensive knowledge and experience concerning financial and accounting affairs as well as corporate management such as providing leadership as a CFO or CEO in multiple global organizations, and that he is expected to provide appropriate opinions on global development and so forth at the meetings of the Board of Directors, the Board of Directors believes that he is well-qualified to be an Outside Director,

and proposes his appointment as such.

(Note 4) Facts regarding cases of unjust execution of business of another stock company during the preceding five (5) years where candidates for Outside Director were in his or her office as a director or corporate auditor at such company:

It was found that Japan Display Inc., in which Minoru Kikuoka assumed his offices as a Representative Director and CEO or a Representative Corporate Officer and CEO from September 2019 to December 2020, implemented inappropriate accounting processes in the closing accounts of the past fiscal years, and it implemented an amendment of annual securities reports, etc. in April 2020. Based on the foregoing, Japan Display Inc. received a determination of a payment order of surcharge by the Financial Services Agency as of February 25, 2021 which is after he resigned from his office. He did not recognize these facts until they were revealed and the investigation report by the third party panel did not find legal responsibility on his part.

(Note 5) Agreement with the Outside Directors to limit their liability:

To further ensure the Company's objective and transparent management through the invitation and appointment of capable and competent persons for the post of Outside Director, it is provided in Article 27 of the Company's current Articles of Incorporation that the Company may enter into an agreement with any Outside Director to limit his or her liability for any damage suffered by the Company. Pursuant to such provision, the Company has previously entered into agreements with Noboru Kotani and Tamie Minami respectively, the candidates for Outside Director, to limit their liability for any such damage. Upon the approval of the reappointment of these Outside Directors under this Proposal, the foregoing agreements are planned to be renewed. Also, upon the approval of the appointment of Masahiko Ikaga and Minoru Kikuoka, the candidates for Outside Director, the Company is scheduled to enter into the said agreement with them to limit his liability for any such damage. The outline of such agreement is as follows:

- In case the Outside Director becomes liable for damages suffered by the Company due to his or her negligence in the performance of his or her duty, he or she shall be liable for such damages only up to the maximum amount set forth in Article 425, Paragraph 1 of the Companies Act of Japan (Act No. 86 of 2005) (the "Companies Act").
- The aforementioned limitation on liability of the Outside Director shall be allowed only if he or she performed his or her duty, which caused the damages, in good faith and without gross negligence.

(Note 6) The Directors and Officers (D&O) Liability Insurance Policy:

The Company has entered into a D&O liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, whereby the loss to be incurred by the insured due to claims for damages made (including legal damages, litigation expenses, expenses to cooperate to secure reimbursement) will be indemnified. Provided, however, there are certain exclusions, e.g., any loss arising out of an act committed knowing that it is an illegal act shall not be indemnified.

- Companies covered : The Company and all of its subsidiaries under the Companies Act, as well as judicial persons which existed in the past and have been liquidated or absorbed in association with the Company's business activities and do not currently exist as an entity holding legal status.

- Insureds : Directors, Auditors, employees (e.g., those sued as a joint co-defendant with an officer in the position of a manager/supervisor), and spouses of the insured, including retired officers, of the companies covered.

The Company bears all of the premium costs for all of the insureds described above.

Upon the approval of this Proposal without any amendment, and if candidates assume their

respective offices as Directors, each candidate shall be included as an insured in the said insurance policy, which is expected to be renewed during the period of his or her office.

At the close of this Annual General Meeting of Shareholders, the term of office of the Corporate Auditor, Hiroshi Isaka, will expire, and Corporate Auditor, Masahiko Ikaga will retire due to resignation. Under this Proposal, the Board of Directors proposes anew the appointment of two (2) Corporate Auditors.

The Board of Directors passed a resolution on the selection of the candidate for Corporate Auditor with the consent of the Board of Corporate Auditors after discussions on recommendation of such candidate were made by the Nominating Committee, which is a voluntary committee comprised of inside Directors and Outside Directors.

The candidates for Corporate Auditor are as follows:

Candidate No.	Name (Date of birth)	Profile (Positions and responsibilities in the Company/other entities and material posts concurrently held in other juridical persons )	Number of Santen shares owned
1	<b>Hiroshi ISAKA</b> (July 8, 1963)	May 1997      Joined the Company January 2002      Joined USJ Co., Ltd (currently, USJ LLC.) January 2010      Joined the Company April 2011      General Manager, Corporate Planning Group, Corporate Development Division April 2012      Head of Corporate Development Division April 2013      Deputy Head of Human Resources Development and CSR Division February 2015      Deputy Head of Surgical Division October 2015      Head of Surgical Division April 2019      General Manager, IOL Business Planning Group June 2020      Standing Corporate Auditor (incumbent)	700 shares
2	<b>Yuichiro MUNAKATA</b> (January 5, 1960)	March 1993      Registered as a Certified Public Accountant June 1993      Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC) July 1998      Stationed at Ernst & Young LLP New York Office May 2000      Joined Century Ota Showa & Co. as Partner (currently Ernst & Young ShinNihon LLC) December 2001      Obtained US Certified Public Accountant license July 2014      Leader of EY Japan Area Accountants and member of the Steering Committee, ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC.) September 2016      EY Japan Area Assurance Deputy Leader, Ernst & Young ShinNihon LLC. April 2018      General Manager of FAAS Division of Ernst & Young ShinNihon LLC. May 2018      Representative Director of Ernst & Young Solutions Co., Ltd. November 2022      Outside Director and Audit & Supervisory Board Member of Kasumigaseki Capital Co., Ltd. (incumbent) June 2023      Outside Director and Audit/Supervisory Committee Member of SINANEN HOLDINGS CO., LTD. Material posts concurrently held in other juridical persons: Outside Director and Audit & Supervisory Board Member of Kasumigaseki Capital Co., Ltd. Outside Director and Audit/Supervisory Committee Member of SINANEN HOLDINGS CO., LTD.	0 shares

(Note 1) The above candidates for Corporate Auditor have no special interest in the Company.

(Note 2) Yuichiro Munakata, the candidate for Corporate Auditor, is a candidate for Outside Corporate Auditor.

(Note 3) The Company, through a filing, has informed the Tokyo Stock Exchange, Inc. that, upon the approval of the appointment of Yuichiro Munakata under this Proposal, he will become Independent Officer pursuant to Article 436-2, Paragraph 1 of the Securities Listing

Regulations of the Tokyo Stock Exchange, Inc.

(Note 4) Reasons for the appointment of the candidates for Corporate Auditor:

- (i) As regards Hiroshi Isaka, he has an understanding of Santen's Values and the underlying ethos thereof, as well as thorough and global familiarity with the Company's business through his involvement in corporate development, human resources development, CSR and various business in the country and overseas, and also has extensive knowledge and wealth of experience amassed through his involvement in corporate administration, corporate strategy, governance and the like, and he has been conducting the audit from a neutral and objective point of view. Considering that, also from now on, he is expected to contribute to sustainable growth of the Company and enhancement of its corporate value, he is well-qualified to be a Corporate Auditor, and the Board of Directors proposes his continuous appointment as such.
- (ii) As regards Yuichiro Munakata, considering that, he has, in addition to his expertise concerning financial and accounting affairs as a Certified Public Accountant, high degree of expertise concerning auditing, internal control, corporate governance and the like, and has extensive international experience and awareness amassed from his overseas posting, and that he is expected to express appropriate audit opinions from the company-wide point of view at the meetings of the Board of Corporate Auditors and the Board of Directors, the Board of Directors believes that he is well-qualified to be an Outside Corporate Auditor, and proposes his appointment as such.

(Note 5) Agreement with the Outside Corporate Auditors to limit their liability:

To further ensure the Company's objective and transparent management through the invitation and appointment of capable and competent persons for the post of Outside Corporate Auditor, it is provided in Article 35 of the Company's current Articles of Incorporation that the Company may enter into an agreement with any Outside Corporate Auditor to limit his or her liability for any damage suffered by the Company. Pursuant to such provision, upon the approval of the appointment of Yuichiro Munakata, who is a candidate for Outside Corporate Auditor under this Proposal, such agreement is planned to be concluded between him and the Company as well. The outline of such agreement is as follows:

- In case the Outside Corporate Auditor becomes liable for damages suffered by the Company due to his or her negligence in the performance of his or her duty, he or she shall be liable for such damages only up to the maximum amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The aforementioned limitation on liability of the Outside Corporate Auditor shall be allowed only if he or she performed his or her duty, which caused the damages, in good faith and without gross negligence.

(Note 6) The Directors and Officers (D&O) Liability Insurance Policy:

The Company has entered into a D&O liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, whereby the loss to be incurred by the insured due to claims for damages made (including legal damages, litigation expenses, expenses to cooperate to secure reimbursement) will be indemnified. Provided, however, there are certain exclusions, e.g., any loss arising out of an act committed knowing that it is an illegal act shall not be indemnified.

- Companies covered : The Company and all of its subsidiaries under the Companies Act, as well as judicial persons which existed in the past and have been liquidated or absorbed in association with the Company's business activities and do not currently exist as an entity holding legal status.
- Insureds : Directors, Auditors, employees (e.g., those sued as a joint co-defendant with an officer in the position of a manager/supervisor), and spouses of the insured, including

retired officers, of the companies covered.

The Company bears all of the premium costs for all of the insureds described above.

Upon the approval of this Proposal without any amendment, and if the candidates assumes their office as Corporate Auditor, the candidates shall be included as an insured in the said insurance policy, which is expected to be renewed during the period of their office.

The limit of the Company's Corporate Auditors' remuneration was resolved at the 94<sup>th</sup> Annual General Meeting of Shareholders held on June 27, 2006 as "not more than 80 million *yen* per year" and it currently remains at this level.

Considering that a number of years have passed since the previous amendment to the limit of remuneration, economic conditions have been altered, the duties assumed by Corporate Auditors have diversified, and responsibilities therefor have increased, it is proposed to amend the limit of Corporate Auditors' remuneration to "not more than 100 million *yen* per year" so that it will be a remuneration level sufficient for recruiting and retaining excellent human resources.

The current number of Corporate Auditors is four (4) (including three (3) Outside Corporate Auditors), and the number of Corporate Officers subject to this Proposal No. 4 will be the same (so will the number of Outside Corporate Auditors) if Proposal No. 3 is approved and passed as originally proposed.

Remuneration for Corporate Auditors continuously consists only of basic compensation that is a fixed compensation.

(End of proposals.)



## **For Your Reference:**

### 1. The Company's Policy and Procedures for the Appointment of Candidates for Director and Corporate Auditor

#### (1) Appointment of Candidates for Director

In the Company, the Nominating Committee, which is a voluntary committee comprised of inside Directors and Outside Directors, deliberates on the selection of candidates for Director, and based on its recommendation, the Board of Directors determines the candidates for Director. Upon deliberation by the Nominating Committee, on the premise that each nominee has an understanding of Santen's Values and the underlying ethos thereof, as set forth in the Skill Matrix which is separately disclosed, the guiding principle for the selection of candidates for inside Director is that each nominee must have credentials such as superb expertise, ability to participate in decision-making from a managerial standpoint and supervise execution of the duties by directors, while the guiding principle for the selection of candidates for Outside Director is that each nominee must have credentials such as being capable of contributing to enhance the quality of the discussions in the Board of Directors with experience in managing companies or a specialized understanding of corporate management, and satisfies the criteria of independence established by the Company.

#### (2) Appointment of Candidates for Corporate Auditor

In the Company, the Nominating Committee, which is a voluntary committee comprised of inside Directors and Outside Directors, discusses the recommendation of candidates for Corporate Auditor, and then the Board of Directors determines the nominees as candidates for Corporate Auditor after it obtains the consent of the Board of Corporate Auditors. Upon consent by the Board of Corporate Auditors, on the premise that each nominee has an understanding of Santen's Values and the underlying ethos thereof, as set forth in the Skill Matrix which is separately disclosed, the guiding principle for the selection of candidates for inside Corporate Auditor is that each nominee must have credentials such as having ethical values and a sense of fairness, while being experienced in performing high-level duties in any field, while the guiding principle for the selection of candidates for Outside Corporate Auditor is that each nominee must have credentials such as being experienced in academic pursuits, the legal profession, accounting or management as well as having a wealth of experience and high expertise in each field, and satisfies the criteria of independence established by the Company.

### 2. Criteria of Independence of Outside Directors and Outside Corporate Auditors

As regards the criteria to determine whether "independence" is retained, the Company has established, from the viewpoint of further strengthening corporate governance as well as enhancing the transparency and objectiveness of management, the following criteria, in addition to the Independence Criteria prescribed by the Tokyo Stock Exchange, Inc., in determining that each of the Outside Directors and Outside Corporate Auditors has no interest in the Company and its affiliate companies (collectively, the "Santen Group"), and that each of them is "independent."

- (1) In the past, the relevant director/corporate auditor has never been a director, corporate auditor or employee of the Santen Group (excluding independent officers).
- (2) The relevant director/corporate auditor is not a consultant, accounting expert or legal expert, regardless of whether he/she/it is an individual or a juridical person, who has ever been directly involved in the business of the Santen Group, and has never obtained money or other assets in an amount of JPY 10 million or more per year therefrom, during the past three (3) years.
- (3) During the past three (3) years, the relevant director/corporate auditor has never been a director and the like (including a corporate officer or other person equivalent thereto; hereinafter, the same shall apply) of a company with sales to the Santen Group amounting to 2% or more of the annual

sales of such company. Also, during the past three (3) years, the relevant director/corporate auditor has never been a director and the like of a company with sales by the Santen Group amounting to 2% or more of the annual sales of the Santen Group.

- (4) The relevant director/corporate auditor is not a director and the like of a company, 10% or more of the aggregate number of outstanding shares of which is held by the Santen Group, or a company holding 10% or more of the aggregate number of outstanding shares of the Company.
- (5) The relevant director/corporate auditor has never taken office as a director and the like of the Santen Group's main bank, lead managing securities companies, main life insurance company or main non-life insurance company.
- (6) The relevant director/corporate auditor is not a director/corporate auditor of the Santen Group (excluding independent officers), a spouse or another relative within the third degree of kinship of any person classified under any of items (1) to (5) above.
- (7) There is no matter concerning the relevant director/corporate auditor that may raise a material conflict of interest in his/her performing the duties of an Outside Director/Outside Corporate Auditor, or any relationship that may affect his/her judgment as an Outside Director/Outside Corporate Auditor.

### **Results of the Evaluation of the Board of Director's Effectiveness**

The Company's Board of Directors has conducted an evaluation of its effectiveness in the fiscal year of 2023, with the aim of further enhancing the role and function of the Board of Directors. The overview of the results of the same is as follows:

#### **(Evaluation Method)**

At first, an assessment questionnaire to Directors and Corporate Auditors was conducted on the items described below. The said questionnaire took a form that allowed a four-level quantitative evaluation of each question and the free writing of comments. Additionally, to further understand in more depth the contents of the responses to the questionnaire, individual interviews of all of the Outside Directors and Outside Corporate Auditors were made; and based on the foregoing, the evaluation results were discussed at the meeting of the Board of Directors held in March 2024.

[Major Categories of the Questionnaire Items]

1. The constitution and operation of the Board of Directors
2. The managerial strategy and business strategy
3. Corporate ethics and risk control
4. The monitoring of achievements and evaluation-based remuneration for the executives
5. Conversations with shareholders and other stakeholders

Measures were taken to make qualitative progress in the evaluation by earning the support of third party organizations in the implementation and analysis of the evaluation of effectiveness.

#### **(Summary of Results)**

The Company's Board of Directors has assessed that its effectiveness was confirmed for the fiscal year of 2023. The reason therefor is that the overall average evaluation mark response was "mostly effective," and responses for each questionnaire item indicated "effective" and "mostly effective" at a high rate (more than 80%). Among all the responses, the following items obtained a high evaluation in the questionnaire and the individual interviews:

- The Board of Directors is composed of Outside Officers that make up majority of both the Directors and Corporate Auditors, and constituted by human resources to be diverse.
- Independent Outside Directors can express their unfettered opinions openly under any circumstances, and fulfil their roles.

Also, in this evaluation, the evaluation items that improved the most were the items classified as monitoring of achievements and evaluation-based remuneration for the executives. We recognize that this shows that our efforts undertaken to address last year's evaluation towards further strengthening of cooperation between the committee and the Board of Directors in the aspect of remuneration, the strengthening of the evaluation indicator for investment matter/progress as well as conducting satisfactory discussions and other efforts are producing results. We intend to strengthen the foundation for the Board of Directors and governance which the Company aims to achieve, while moving ahead gradually on other items as well.

On the other hand, as stated below, some aspects for which further enhancement of discussions and other aspects which require further ingenuity were acknowledged in the Board of Directors. The Board of Directors intends to suggest and direct the executives while clarifying its priorities. Concurrently therewith, the Board of Directors will make efforts to work with the executives in an integrated manner to achieve the benefits of such improvements.

### **(Initiatives Going Forward)**

Based on the circumstances that the Company is facing, high-priority matters for enhancing decision-making at and the supervisory functions of the Board of Directors were discussed. Specific issues and an outline of the actions to be taken towards improvement were acknowledged as follows:

- **Enhancing medium-and-long term strategic discussions and qualitative enhancement thereof the monitoring of progress in strategic matters as well as research and development matters**

As to the monitoring, while we achieved an evaluation that there was improvement in terms of the quality of information and the timing of reporting as a result of prior continuous efforts, we reached a recognition that further qualitative enhancement of the monitoring of research and development as well as pipelines is integral in the light of the role to be fulfilled by the Board of Directors. Also, based on the recognition that it is necessary for such qualitative enhancement of the monitoring to enhance discussions from the medium-to-long term business viewpoint which serves as a foundation, the Board of Directors decided to make the following efforts:

- ✓ Enhance discussions more satisfactory on medium-and-long term strategies on business/pipelines and create occasions and opportunities for inputs thereon (in the Corporate Strategy Committee or the Board of Directors).
- ✓ Continue to develop and improve the provision of materials/information in deliberations on respective agenda to present more clearly the positioning thereof in the whole business and impact to the whole performance and the like.

- **Strengthen systems for corporate ethics, internal control and risk management**

As to the strengthening of systems for corporate ethics, internal control and risk management, based on changes of the Company's internal and external environment and recognizing that the time is right for us to strengthen them from every perspective of the organizational structure, work responsibilities, personnel distribution and functioning of the system, the Board of Directors decided to make the following efforts:

- ✓ Formulate a construction of organizational structure/system as proposed by the executives covering the perspective of compliance
- ✓ Verify the effectiveness of the organizational structure/system, and concurrently therewith, discuss the modality of the monitoring to be performed by the Board of Directors

- **Make efforts on personnel resources/strategy**

Recognizing that it is necessary for the Board of Directors to enhance discussions on personnel strategy, the Board of Directors decided to make the following efforts:

- ✓ Establish a structure to review personnel strategy, formulate a plan focusing on "personnel

strategy needed to realize business strategy” and discuss the same at the meetings of the Board of Directors

- ✓ Thereafter, continuously report the PDCA (plan-do-check-act) of the progress of the strategy

In this fiscal year, the Company will focus on the three points above as key initiatives, and review and implement measures that contribute to enhancing the effectiveness of the Board of Directors.

The Company believes that, for the continued enhancement of its corporate value as it addresses internal and external changes, it is crucial to improve the governance of the Board of Directors and other corporate organs. Based on these evaluation results, the Company endeavors to continuously improve the functions of the Board of Directors.

## Skill Matrix of Directors and Corporate Auditors

The Company believes that, upon nomination of its candidates for Directors and Corporate Auditors, it is important to establish its effective governance system towards the sustainable enhancement of its corporate value through both of the following: (i) in the meetings of the Board of Directors, Directors and Corporate Auditors that attend are engaged in multifaceted deliberations on the appropriateness of business strategies, risks upon realization thereof and other aspects, and also they appropriately supervise the status of execution thereof; and (ii) the Board of Corporate Auditors conducts the audit from the perspective of not only legality but also appropriateness and effectiveness of the Board of Directors and other executive divisions, and thereby fully exerts its function.

Meanwhile, based on the Medium-Term Management Plan, we are focusing on maximizing the prescription pharmaceuticals business. We will expand our sales based on a clear regional strategy and strengthen commercial excellence globally. In addition, we will develop businesses that contribute to sales growth in each region and engage in new businesses that generate synergies in the prescription pharmaceuticals business.

The Company considers that the knowledge, experience and ability described in the schedule below are specifically important from the viewpoint of the aforementioned principles and business orientation of the Company. In addition to the life science business, global viewpoint and appropriate business management, the Company will continuously place emphasis on fields such as Sustainability. Upon appointment of Directors and Corporate Auditors, the Company shall ensure balance and diversity by appointing personnel from various backgrounds, including those with expert knowledge and experience, to allow them to provide advice to and supervision of the management from a multifaceted point of view, and shall place importance on valuing individuals without any other distinctions such as gender, age, nationality, race or ethnic group. In addition, in order to increase the objectivity of discussions at meetings of the Board of Directors and the independence and neutrality of the audit by the Corporate Auditors, more than half of the members are outside officers.

Directors and Corporate Auditors (both incumbent and candidates)			Corporate Management	Life Science Business	Understanding Medical Field and Patients	Global Leadership	Finance and Accounting	Legal Affairs and Risk Control	Sustainability
Director	Akira KUROKAWA (Director)	Reappointed	●	●	●				
	Takeshi ITO (Representative Director)	Reappointed	●	●	●				
	Rie NAKAJIMA (Director)	Newly Appointed		●		●			●
	Ippei KURIHARA (Director)	Newly Appointed		●	●				
	Noboru KOTANI (Outside Director)	Reappointed	●	●					
	Tamie MINAMI* (Outside Director)	Reappointed		●		●			
	Masahiko IKAGA (Outside Director)	Newly Appointed	●				●	●	
	Minoru KIKUOKA (Outside Director)	Newly Appointed	●			●	●		
Corporate Auditor	Hiroshi ISAKA (Standing Corporate Auditor)	Reappointed		●	●				
	Junichi ASATANI (Outside Corporate Auditor)			●			●	●	
	Yaeko HODAKA (Outside Corporate Auditor)					●		●	●
	Yuichiro MUNAKATA (Outside Corporate Auditor)	Newly Appointed					●	●	●

Among skills respectively held, two to three skills (maximum three skills), which are specifically advantageous or those with strong relevance to the business of the Company, are described.

\*Australian nationality.

## **Strategic-Shareholdings**

The Company shall hold shares as strategic-shareholdings only when it determines that doing so will lead to stronger business relationships with the Company over the medium- to long-term and contribute to enhancing its corporate value. The Company sets a maximum threshold amount for its overall holdings of investment securities, and within that scope, holds only the shares of business partners that are imperative for its business development as strategic-shareholdings. At least once a year, the Board of Directors verifies whether or not such shareholdings are within the threshold based on these criteria, and for each individual security, evaluates the priority placed on the benefit of holding the shares to strengthen business relationships with the Company, taking into account the investment amount and investment risks involved therein. The Company will liquidate securities held as strategic-shareholdings if the rationale of keeping these is deemed to be insufficient.

In the fiscal year of 2023, a total sale of one (1) brand of security and a partial sale of three (3) brands of securities were implemented, thereby, post such sale, the ratio of strategic-shareholdings in net assets has become 4.5%.