

NOTICE: This is a translation of a part of the notice issued on June 2, 2025 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 2, 2025

(The commencement date of the measures for the electronic provision: May 26, 2025)

CONVOCAION NOTICE OF THE 113TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

We hereby inform you of the 113th 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/stock/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 23, 2025 (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 24, 2025 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 113th Business Term (April 1, 2024 to March 31, 2025)
2. Reports on the Audit Reports by the Accounting Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements for the 113th Business Term (April 1, 2024 to March 31, 2025)
Items for Resolution:
Proposal No. 1 Appropriation of Surplus
Proposal No. 2 Appointment of Six (6) Directors
Proposal No. 3 Revision of the Limit of Monetary Remuneration for Directors Excluding Outside Directors
Proposal No. 4 The Partial Revision of the Stock-Based Remuneration Program for Directors Excluding Outside Directors
4. **Matters Determined concerning the Convocation***
Please refer to the information on the exercise of voting rights and other matters.
*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 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**> Matters Regarding Rights to Subscribe for New Shares and the Like; System to Ensure Appropriateness of the Business and Status of the Operation of the Same
 - <**Consolidated Financial Statements**> Consolidated Statements of Changes in Equity; Notes to Consolidated Financial Statements
 - <**Non-Consolidated Financial Statements**> Non-Consolidated Statement of Changes in Net Assets; Notes to Non-Consolidated Financial Statements

Please be informed that the Business Report that has been audited by the Corporate Auditors as well as the Consolidated Financial Statements and the Non-Consolidated Financial Statements that have been audited by the Corporate Auditors and the Accounting Auditors consist of each of the documents described in the delivered documents as well as the matters described above that are posted on the website of the Company.

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:

1. Matters regarding the Term-End Dividends of Profits

Basic Policy on Profit Distribution

We regard returning profits to shareholders as one of the most important management priorities. Our basic policy is to continue a progressive dividend policy in alignment with profit growth. In addition, we will return profits through flexible share buybacks.

Term-End Dividends of Profits for the 113th Business Term

For the 113th Business Term, the Board of Directors proposes term-end dividends of profits at JPY 19 per share.

Consequently, the total dividends for the annual business term, including the interim dividends previously distributed (JPY 17 per share), will be JPY 36 per share, which is a JPY 3 increase of dividend compared with that of 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 19 per share of the common shares of the Company, which amounts to JPY 6,487,043,992 in the aggregate.
- (3) Effective date of distribution of dividends from the surplus: June 25, 2025

2. Matters regarding the Appropriation of Surplus

To enable stable shareholder returns, we will withdraw from the general reserve as described below and transfer the following amount to retained earnings brought forward:

(i) Item of surplus to be decreased and the amount thereof	General reserve	JPY 50.0 billion
(ii) Item of surplus to be increased and the amount thereof	Retained earnings brought forward	JPY 50.0 billion

The term of office of all the eight (8) Directors will expire at the close of this Annual General Meeting of Shareholders.

Concurrently with the start of the “FY 2025 - FY 2029 Medium-Term Management Plan,” which is our new medium-term management plan from FY 2025, the Company has reviewed the composition of the Board of Directors to contribute to the Company’s sustained growth and enhance its medium- and long-term corporate value, and proposes to appoint six (6) Directors decreasing by one (1) inside Director and one (1) Outside Director.

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	Takeshi ITO (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&D Strategic Integration Department</p> <p>December 2002 Head of R&D Integration Department, R&D Division</p> <p>April 2007 Head of Surgical Division</p> <p>April 2012 Corporate Officer, Head of Prescription Pharmaceuticals Sales Department, Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>April 2014 Senior Corporate Officer, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>April 2016 Executive Corporate Officer, Japan Business, Head of Japan Sales & Marketing Division, Prescription Pharmaceuticals</p> <p>June 2017 Director</p> <p>April 2019 Head of Japan Business, Head of Japan Sales & Marketing Division</p> <p>April 2022 Representative Director, Executive Vice President</p> <p>September 2022 Representative Director, President & CEO (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Not applicable</p>	100,222 shares

2	<p>Rie NAKAJIMA (December 12, 1977)</p>	<p>April 2000 August 2008 August 2011 January 2015 June 2016 January 2017 January 2018 January 2019 November 2020 June 2021 March 2023 June 2023 April 2024 June 2024</p> <p>Joined TOYOTA MOTOR CORPORATION Joined Boston Consulting Group Joined MSD K.K. Head of Cardiovascular Lipid and Atherosclerosis 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. Corporate Officer, Head of Corporate Strategy and Commercial Excellence Department and in Charge of Long-Term Listed Product Business of MSD K.K. Corporate Officer, Head of Corporate Strategy and Commercial Excellence Department and in Charge of Long-Term Listed Product Business and Distribution of MSD K.K. President of MSD Taiwan Vice President, Strategy Innovation Lead of Organon of Merck & Co., Inc. Vice President, Strategy Innovation Lead of Organon & Co. Joined the Company Corporate Officer, COO Corporate Officer, COO and Head of North America Business Corporate Officer, COO and Head of China Business Director, Corporate Officer, COO (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Director of Santen Holdings U.S. Inc. Director of Santen Inc. Director of Santen Pharmaceutical (China) Co., Ltd</p>	<p>59,843 shares</p>
3	<p>Ippei KURIHARA (January 2, 1981)</p>	<p>April 2005 March 2008 April 2013 April 2015 April 2018 April 2019 April 2021 September 2022 April 2024 May 2024 June 2024</p> <p>Joined CYBIRD Co., Ltd. Joined A.T. Kearny Inc. Joined K.K. Hay Consulting Group (currently, Korn Ferry (Japan) Ltd.) Joined the Company Head of Surgical Development and Strategy Integration Department, Surgical Division Head of Strategic Planning Department, Japan Business Corporate Officer, Head of Marketing Department Japan Sales and Marketing Division Corporate Officer, Head of Japan Business, Head of Japan Sales and Marketing Division and Head of Marketing Department Corporate Officer, Head of Japan Business Corporate Officer, Head of Japan Business, Global Commercial Strategy Director, Corporate Officer, Head of Japan Business, Global Commercial Strategy (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Not applicable</p>	<p>19,007 shares</p>

4	<p>Masahiko IKAGA (May 14, 1955)</p>	<p>October 1979 Joined Tohmatsu Awoki & Co. (currently, Deloitte Touche Tohmatsu LLC)</p> <p>March 1988 Registered as Certified Public Accountant</p> <p>May 1988 Director of Tohmatsu Touche Ross Consulting Co., Ltd. (currently, ABeam Consulting Ltd.)</p> <p>May 1990 Partner of Tohmatsu Awoki & Co. (currently, Deloitte Touche Tohmatsu LLC)</p> <p>April 1993 Director of Tohmatsu Consulting Co., Ltd. (currently, Deloitte Tohmatsu Consulting LLC)</p> <p>March 2000 Representative Director and President of Tohmatsu Consulting Co., Ltd.</p> <p>October 2010 Director and Chairman of Tohmatsu Consulting Co., Ltd.</p> <p>November 2013 CSO of Deloitte Touche Tohmatsu LLC</p> <p>March 2016 Retired from Partner of Deloitte Touche Tohmatsu LLC</p> <p>April 2016 Representative Accountant, Masahiko Ikaga Certified Public Accountant Office (incumbent)</p> <p>May 2016 Representative Director of PrajnaLink Co., Ltd. (incumbent)</p> <p>June 2016 External Audit & Supervisory Board Member of MORINAGA MILK INDUSTRY, CO., LTD.</p> <p>March 2017 Outside Audit & Supervisory Board Member of Yamaha Motor Co., Ltd.</p> <p>June 2017 Outside Director of RYOBI LIMITED (incumbent)</p> <p>June 2022 Outside Corporate Auditor of the Company</p> <p>June 2024 Outside Director of the Company (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Representative Accountant, Masahiko Ikaga Certified Public Accountant Office Representative Director of PrajnaLink Co., Ltd. Outside Director of RYOBI LIMITED</p> <p>Total term of office until the close of this Meeting: One (1) year.</p> <p>Number of attendance at Board of Directors' meetings: 13 out 13 meetings (100%), of which he attended 3 meetings as Corporate Auditor.</p>	0 shares
5	<p>Minoru KIKUOKA (September 8, 1962)</p>	<p>September 2004 General Manager, Business Planning Department of Nitto Denko Corporation and Vice President of Nitto Americas</p> <p>April 2006 General Manager, Membrane Business Department of Nitto Denko Corporation and CEO of Hydranautics (U.S.)</p> <p>July 2011 Administration Officer, Business Integration Department of Nitto Denko Corporation</p> <p>October 2014 Corporate Officer of Nippon Densan Co., Ltd. (currently, NIDEC CORPORATION)</p> <p>April 2017 Joined Japan Display Inc.</p> <p>May 2019 Corporate Officer, CFO of Japan Display Inc.</p> <p>September 2019 President, Representative Director and CEO of Japan Display Inc.</p> <p>August 2020 President, Representative Executive Officer and CEO of Japan Display Inc.</p> <p>January 2021 Senior Adviser of Ichigo Asset Management, Ltd.</p> <p>March 2022 Senior Corporate Executive, CFO of Astellas Pharma Inc.</p> <p>April 2023 Senior Adviser of Ichigo Asset Management, Ltd.</p> <p>June 2024 Outside Director of the Company (incumbent)</p> <p>Material posts concurrently held in other juridical persons: Not applicable</p> <p>Total term of office until the close of this Meeting: One (1) year.</p> <p>Number of attendance at Board of Directors' meetings: 10 out 10 meetings (100%)</p>	0 shares

6	* Yukiko KURODA (September 24, 1963)	April 1986	Joined Sony Corporation	0 shares
		January 1991	Representative Director of People Focus Consulting Co., Ltd.	
		June 2010	Outside Corporate Auditor of Astellas Pharma Inc.	
		March 2011	Outside Director of CAC Co., Ltd. (currently, CAC Holdings Corporation)	
		April 2012	Director and Founder of People Focus Consulting Co., Ltd.	
		June 2013	Outside Director of Marubeni Corporation	
		June 2015	Outside Director of Mitsui Chemicals, Inc.	
		June 2018	Outside Director of Seven Bank, Ltd. (incumbent: to resign on June 23, 2025)	
		June 2018	Outside Director of Terumo Corporation	
		June 2022	Independent Director of OBAYASHI CORPORATION (incumbent)	
		August 2022	Outside Director of Oracle Corporation Japan (incumbent)	
		April 2024	Advisor and Founder of People Focus Consulting Co., Ltd. (incumbent)	
		April 2025	Outside Director of Sekisui House, Ltd. (incumbent)	
		Material posts concurrently held in other juridical persons: Advisor and Founder of People Focus Consulting Co., Ltd. Independent Director of OBAYASHI CORPORATION Outside Director of Oracle Corporation Japan Outside Director of Sekisui House, Ltd.		

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

(Note 2) Among the candidates for Director, Masahiko Ikaga, Minoru Kikuoka and Yukiko Kuroda are candidates for Outside Director.

(Note 3) Reasons for the appointment of the candidates for Director:

- (1) 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, 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.
- (2) 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, Head of North America Business since 2023, and as the Director, Corporate Officer & COO since June 2024; and she has contributed to the enhancement of the corporate value of the Company. Furthermore, 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, and she has contributed in the making of decisions thereat. Considering the foregoing, the Board of Directors proposes her continuous appointment as a Director.
- (3) 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 business, Japan business, and has served as the Corporate Officer, 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, and

Director, Corporate Officer, Head of Japan Business and Global Commercial Strategy since June 2024; and he has contributed to the enhancement of the corporate value of the Company. Furthermore, 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, and he has contributed in the making of decisions thereat. Considering the foregoing, the Board of Directors proposes his continuous appointment as a Director.

- (4) As regards Masahiko Ikaga, he has expertise concerning financial and accounting affairs as a certified public accountant, as well as extensive international experience and knowledge including promoting globalization as a corporate executive. Considering that he has given appropriate advice from the company-wide point of view at the meetings of the Board of Directors, and he has contributed to enhance the quality of the discussions therein by expressing his opinions actively throughout the proceedings, the Board of Directors believes that he is well-qualified to be an Outside Director, and proposes his continuous appointment as such.
- (5) As regards Minoru Kikuoka, he has extensive knowledge and business experience concerning financial and accounting affairs as well as corporate management, which includes his leadership exercised as CFO or CEO at multiple global organizations. Considering that he has given appropriate advice towards the Company's global business expansion and the like at the meetings of the Board of Directors, and he has contributed to enhance the quality of the discussions therein by expressing his opinions actively throughout the proceedings, 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 Yukiko Kuroda, she has abundant experience being engaged in corporate management as well as extensive experience and expertise regarding fostering of global human resources. Considering that she is expected to express appropriate opinions at the meetings of the Board of Directors from the viewpoint of a person with an experience in corporate management and based on profound wisdom attained in fostering of global human resources and in the area of sustainability, the Board of Directors believes that she is well-qualified to be an Outside Director, and proposes her appointment as such.
- (7) The full name of Yukiko Kuroda on her family register is Yukiko Matsumoto.

(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 Masahiko Ikaga and Minoru Kikuoka 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 Yukiko Kuroda, the candidate for Outside Director, under this Proposal, the Company is scheduled to enter into the said agreement with her to limit her 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 damages, litigation expenses and the like will be indemnified. Provided, however, that there are a 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.

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.

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 2024, 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 method under which a four-level quantitative evaluation of each question and free writing of comments will be made. 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 2025.

[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 2024. 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 proportion of the number of Independent Outside Directors is sufficient, and they can express their opinions as needed towards the executives in a constructive manner to raise the degree of certainty in their execution of duties from the viewpoint of fostering the Santen Group's sustained

growth and enhancing its medium- and long-term corporate value. Also, if necessary, they can express their dissenting views.

- To focus on the deliberations of material proposals such as medium- and long-term managerial strategies, they appropriately delegate their power to the executive side as to proposals related to decision-making on specific execution of operations.

Also, in this evaluation, it was confirmed that efforts were steadily undertaken to address the results of the examination on whether cross-sharing is appropriate or not, and the evaluation on items in relation to corporate ethics and risk management was greatly improved. We recognize that this evaluation reflects our progress, in response to last year's evaluation, in identifying risks, clarifying the locus of responsibility and improving our system.

While the effectiveness is demonstrated as described above, we have returned to the starting point of "The role of the Board of Directors and the discussions at the Board of Directors," and there have been suggestions on how discussions should be enhanced from the viewpoint of content and frequency.

In particular, with regard to nomination and executive compensation, which are the core functions of the Board of Directors from the viewpoint of corporate governance, we recognize that the two main themes are to enhance discussions by the Board of Directors and to appropriately monitor in a timely manner the R&D and product portfolios, as well as the progress of DX promotion and human resource development, which are important measures to realize these goals, as the first year of the Medium-Term Management Plan.

(Initiatives Going Forward)

Based on the foregoing results, an outline of the actions to be taken were acknowledged as follows:

- **Sharing the status of discussions from the Nominating Committee and the Executive Compensation Committee to the Board of Directors**

As to proposals reported by both Committees and submitted to the Board of Directors for deliberation, the background information will be elaborated, such as explaining the background of the review at both Committees and the points of their discussions, to enhance the effectiveness of discussions at the meetings of the Board of Directors. Also, while the annual activity plans of the respective Committees were reported to and shared with the Board of Directors from before, in addition to these efforts, we decided to establish appropriate opportunities from now on, depending on the proposal, to report the reviewing plans and interim progress at the respective Committees further in advance of their submission of proposals for resolution. For example, we expect:

- Nomination of officers and determination of officers' remunerations: make explanations more detailed, in explaining the background that gave rise to the particulars of the submitted proposals, as well as in explaining benchmarks related to remunerations, and other particulars.
 - Situation of their review of candidates for prospective newly appointed Directors: make explanations further in advance and more detailed, such as explaining what sort of skill and expertise is expected to be held by candidates, review plans as well as the progress and other particulars, in light of the skill matrix that the Board of Directors as a whole should have.
 - Situation of their review of the succession plan of the President: make explanations further in advance, such as explaining the basis of selection, review process, timeline and other details, as well as the framework therefor, and other particulars.
- **Revision of monitoring methods for various measures and policies to achieve the Medium-Term Management Plan and Sustained Growth**

While we have exerted efforts from before towards continuous improvement of monitoring of management, we will, at the occasion of this initial year of the Medium-Term Management Plan, endeavor to qualitatively enhance the monitoring methods for various measures and policies

towards the achievement thereof. Among these, the following will be undertaken by the Board of Directors or Corporate Strategy Committee:

- Product portfolio strategies: regularly monitor the increase and decrease in the value of pipeline, the status of progress of main development projects, policies to obtain new assets and activity situation, and concurrently therewith, make discussions more detailed in relation to field strategies and ensuring competitiveness by looking forward to long-term and continuous growth.
- Subjects of importance to achieve the medium-term management plan: in addition to producing the current comprehensive reports on matters such as personnel and DX strategies, produce in-depth reports on especially important subjects to realize the Medium-Term Management Plan, produce reports dealing with issues arising from planning and implementing the Medium-Term Management Plan, and deepen discussions.

In this fiscal year, the Company will focus on the two major themes above as key initiatives, and will endeavor to enhance 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, both of the following (i) and (ii) are important when establishing its effective governance system towards the sustainable enhancement of its corporate value: (i) in the meetings of the Board of Directors, Directors and Corporate Auditors 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 Corporate Auditors conduct the audit of the business execution of the Directors from the perspective of not only legality but also appropriateness of decision-making and effectiveness of governance, and make recommendations to strengthen the function of the Board of Directors and executive divisions.

Also, based on our newly formulated Medium-Term Management Plan, the Company endeavors to, as a global company dedicated to the ophthalmologic field, pursue further sound global growth by product development with a high degree of certainty and ensured profit, provide optimum ophthalmologic medical care through maximizing the product value, and realize innovations in ophthalmologic medical care.

As to Directors and Corporate Auditors, the Company seeks human resources that sympathize with the Core Principle and accord with the aforementioned business orientation, and considers that it is specifically important that such personnel have the knowledge, experience and ability described in the schedule below. In addition to the life science business, global viewpoint and appropriate business management, the Company will, from now on, place further emphasis on fields such as sustainability, 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, half or more 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	Takeshi ITO (Representative Director)	Reappointed	●	●	●				
	Rie NAKAJIMA (Director)	Reappointed		●		●			●
	Ippei KURIHARA (Director)	Reappointed		●	●				
	Masahiko IKAGA (Outside Director)	Reappointed	●				●	●	
	Minoru KIKUOKA (Outside Director)	Reappointed	●			●	●		
	Yukiko KURODA (Outside Director)	Newly Appointed	●			●			●
Corporate Auditor	Hiroshi ISAKA (Standing Corporate Auditor)			●	●				
	Junichi ASATANI (Outside Corporate Auditor)			●			●	●	
	Yaeko HODAKA (Outside Corporate Auditor)					●		●	●
	Yuichiro MUNAKATA (Outside Corporate Auditor)						●	●	●

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.

Cross-Shareholdings

The Company has set 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.

Also, 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 cross-shareholdings if the rationale of keeping these is deemed to be insufficient.

In the fiscal year of 2024, a total sale of one (1) brand of security was implemented, thereby, post such sale, the ratio of cross-shareholdings in net assets has become 2.8%.

The Company's remuneration system for Directors consists of the fixed basic compensation as well as the annual bonus and the stock-based remuneration program solely for Directors excluding Outside Directors (the "**Target Directors**"). Among them, the limit of the amount of monetary remuneration comprised by the basic compensation and annual bonus were approved at the 106th Annual General Meeting of Shareholders held on June 26, 2018 to be no more than 600 million yen per year for the Target Directors (of which no more than 400 million yen shall be the basic compensation, and no more than 200 million yen shall be the annual bonus). Also, the limit of the amount of monetary remuneration for Outside Directors was approved at the 110th Annual General Meeting of Shareholders held on June 24, 2022, apart from the remuneration limit for the Target Directors, to be no more than 100 million yen per year solely comprised by the fixed basic compensation. These limits have been maintained up to now.

Now, concurrently with the start of the "FY 2025 - FY 2029 Medium-Term Management Plan" which is our new medium-term management plan from FY 2025, the Company is reviewing the remuneration system for the Target Directors. Specifically, we will increase the ratio of the performance-linked remuneration to the entire remuneration to allow the Target Directors to proactively engage in achieving the strategic objectives presented in the "FY 2025 - FY 2029 Medium-Term Management Plan," and in order to promote the Company's continued growth and to enhance its medium- and long-term corporate value. In accordance therewith, to allow the Target Directors to more steadily accumulate results by achieving their performance objectives for each fiscal year, it is hereby proposed that the limit of monetary remuneration for the Target Directors be revised to no more than 700 million yen per year (of which no more than 400 million yen shall continue to be the basic compensation, and no more than 300 million yen shall be the annual bonus). There is no change in the limit of the monetary remuneration for Outside Directors.

As to this proposed revision, the Board of Directors passed a resolution thereon based on the report submitted by the Executive Compensation Committee, majority of the members of which are Outside Directors, after their deliberations. Considering that the particulars of the said report are reasonable in light of the purpose of the revision of the remuneration system as well as trends of other companies (i.e., healthcare companies expanding their business globally) competing in the same business and securing talented personnel or other circumstances, such revision is judged as appropriate.

While the current number of Directors are eight (8) (four (4) of which are Outside Directors), upon approval of Proposal No. 2 without any amendment, the number of Directors will be six (6) (three (3) of which are Outside Directors).

Among the Company's remuneration system for Directors, the stock-based remuneration program solely for Directors excluding Outside Directors (the "**Target Directors**") was approved at the 106th Annual General Meeting of Shareholders held on June 26, 2018 which consists of two types of systems, namely, the Performance Share Unit System (a post-delivery type performance-linked stock remuneration system, the "**PSU System**") and the Restricted Stock-Based Remuneration System. Also, the revision of the structure of the PSU System, focusing on a change to a form in which the Performance Evaluation Period is comprised of consecutive multiple fiscal years that commence every fiscal year, was approved at the 110th Annual General Meeting of Shareholders held on June 24, 2022.

As explained in Proposal No. 3, the Company will review the remuneration system for the Target Directors concurrently with the start of the "FY 2025 - FY 2029 Medium-Term Management Plan" which is our new medium-term management plan from FY 2025. Specifically, we will raise the upper limit of remuneration relating to the PSU System in order to increase the ratio of the performance-linked remuneration within the entire remuneration and change the performance evaluation indicators such that the Target Directors are encouraged to proactively engage in achieving the strategic objectives presented in the "FY 2025 - FY 2029 Medium-Term Management Plan" and to contribute to the Company's continued growth and enhancement of its medium- and long-term corporate value. Concurrently therewith, to secure excellent human resources, including those with global talent, it is hereby proposed to abolish the current Restricted Stock-Based Remuneration System, and in lieu thereof, introduce the Restricted Stock Unit System (a post-delivery type stock-based remuneration system, the "**RSU System**") for the Target Directors, which is a commonly utilized stock-based global remuneration system that has an effect similar to the Restricted Stock-Based Remuneration System. The outline of the PSU System expected to be revised and the outline of the RSU System expected to be introduced are as described in the "Outline of the PSU System and RSU System" below.

As to this proposed revision, the Board of Directors passed a resolution thereon based on the report submitted by the Executive Compensation Committee, majority of the members of which are Outside Directors, after their deliberations. Considering that the particulars of the said report are reasonable in light of the purpose of the revision of the remuneration system as well as trends of other companies competing in business (*i.e.*, healthcare companies expanding their business globally) and securing talented personnel or other circumstances and that dilution ratio is de-minimis (*i.e.*, the ratio of the upper limit of the Company's common shares (250 thousand shares) to be issued based on the both systems in a single fiscal year to the aggregate number of outstanding shares (342,055,554 shares as of the end of March 2025) is approximately 0.073%), such revisions are judged as appropriate.

While the current number of Directors are eight (8) (four (4) of which are Outside Directors), upon approval of Proposal No. 2 without any amendment, the number of Directors will be six (6) (three (3) of which are Outside Directors).

Overview of the PSU System and the RSU System

I. The PSU System

1. Overview of the System

The PSU System is a performance-linked stock remuneration system for the Target Directors wherein evaluation indices such as the Company's business performance and individual evaluation period for each evaluation index are predetermined by the Board of Directors for the performance evaluation period, which consists of several consecutive fiscal years (decided by the Company between three (3) and five (5) years) of the Company (the "**Performance Evaluation Period**"), and which grants monetary remuneration claims for the issuance of a number of common shares of the Company (the "**Company Shares**") based on the achievement rate of said evaluation indices as well as pays cash to secure funds for the purpose of paying tax that will accrue due to the issuance of the Company Shares ("**Cash for Tax Payment Purposes**") as remuneration for the Performance Evaluation Period in every fiscal year. Accordingly, in principle, the grant of such monetary remuneration claims for the issuance of Company Shares to the Target Directors and the payment of Cash for Tax Payment Purposes will be made after the end of each Performance Evaluation Period. Considering that the PSU System involves granting of monetary remuneration claims for the issuance of Company Shares and payment of Cash for Tax Payment Purposes based on the achievement rate of the subject evaluation indices, whether or not such grants or payments will be made to each Target Director as well as the specific number of Company Shares to be issued (the "**Number of Shares to be Issued**") or the amount of the monetary remuneration claims for the issuance of Company Shares or the Cash for Tax Payment Purposes to be granted and paid will not be fixed at the time of the implementation of the PSU System.

If this Proposal is approved, the total amount of monetary remuneration claims and Cash for Tax Payment Purposes to be granted or paid per single fiscal year for each Performance Evaluation Period shall be within the amount after multiplying a maximum of 300 thousand shares per year by the "Share Price on Issuance" described below (as defined in "3. The Manner of Calculating the Number of Company Shares to be Issued and the Amount of Money to be Paid to the Target Directors" below), and the upper limit of the Number of Shares to be Issued per single fiscal year shall be capped at 150 thousand shares (per fiscal year, which will be equivalent to approximately 0.044% of 342,055,554 shares, the number of shares outstanding as of the end of March 2025).

*Under the current PSU System, we have set the total amount of monetary remuneration claim to be granted for each Performance Evaluation Period at no more than 100 million yen per fiscal year; the upper limit of the Number of Shares to be Issued at no more than 100 thousand shares per fiscal year; and the total amount of Cash for Tax Payment Purposes to be paid per fiscal year at no more than the amount after multiplying 100 thousand shares, which is the limit of the Number of Shares to be Issued per fiscal year, by the Share Price on Issuance described below.

If a split of the Company Shares (including an allotment thereof without contribution) or a consolidation thereof is made after the day of the resolution on this Proposal, then the number of shares to be used as a basis for the calculation of the aforementioned total amount and the total number (upper limit) of Company Shares to be allotted to each of the Target Directors shall be adjusted based on the ratio of such split or consolidation.

2. The Structure of the System

The specific structure of the PSU System is as follows:

- (i) The Company establishes each of the evaluation indices, evaluation weights, and individual evaluation periods to be used in the PSU System pursuant to the resolution at the Board of Directors. The initial respective items upon approval of this Proposal will be established as described in the table below :

Evaluation indices	Evaluation weight	Individual evaluation period
The relative TSR (*1)	70%	Three (3) years
Strategic objectives (including indices in relation to ESG) (*2)	30%	One (1) year (*3)

- (ii) After the end of the Performance Evaluation Period, the Company shall determine the number of Company Shares to be allotted to each of the Target Directors based on the achievement rate of each of the evaluation indices determined based on item (i) above in each of the individual evaluation periods during the relevant Performance Evaluation Period.
- (iii) Based on a resolution of the Board of Directors, the Company shall grant, as remuneration under the PSU System, to each of the Target Directors their monetary remuneration claims within the aforesaid limit of the total amount to be granted for each Performance Evaluation Period based on the number of Company Shares to be allotted to each of the Target Directors as determined under item (ii) above, and each of the Target Directors shall receive an allotment of such number of Company Shares upon payment by way of a contribution in kind of all of their monetary remuneration claims. The amount of the payment for the Company Shares shall be determined by the Board of Directors based on the closing price thereof at the Tokyo Stock Exchange on the business day immediately before the day of the resolution of the Board of Directors on the aforesaid allotment (or, if no trading is made on that day, then the closing price on the trading day immediately before that day), and shall be within a range that is not particularly advantageous to any of the Target Directors who will subscribe to the Company Shares.
- (iv) As each of the Target Directors will incur expenses to pay the tax associated with the allotment of the Company Shares described in item (iii) above, in order to secure funds to pay such tax expenses, in addition to granting the aforesaid monetary remuneration claims, upon such allotment, the Company shall pay Cash for Tax Payment Purposes in an amount taking into consideration the expenses needed to pay the taxes to be incurred thereon.
- (v) The requirements for the issuance of the Company Shares to each of the Target Directors and other details shall be determined by the Board of Directors. In cases where misconduct or the like occurs, the right to receive the grant may be extinguished, or a claim to demand for return of the remuneration may be allowed depending on when such misconduct took place or when it was found. The said extinguishment of the right to receive the grant or return of the remuneration shall be determined by the Board of Directors after deliberations by the Executive Compensation Committee.

*1 Global life-science companies are set as peer group. In cases where the ranking of the Company's total shareholder return (relative TSR) is in the top one half (50th percentile) amongst the companies used for comparison, the rate of the provision is stipulated as 100%; the rate of the provision is stipulated as 200% for cases where the ranking in the top one quarter (75th percentile) is achieved. The threshold is the bottom one quarter (25th percentile), above which the rate of the provision will be 50%. In cases where the performance is lower than that threshold, the rate of the provision will be 0%.

*2 The strategic objectives are expected to be reviewed every fiscal year. The initial strategic objectives (for FY 2025) upon approval of this Proposal have been established as: (i) realization of a market-creating-type growth model in the areas of myopia and

blepharoptosis; (ii) establishment of a position of leadership in the overseas market; (iii) innovation towards a high-added value Rx portfolio; (iv) stable supply and sustained optimization of costs, and (v) enhancement of the value of working at the Company and strengthening its personnel and organizational capability.

*3 Based on the viewpoint that the strategic objectives evaluate the efforts made in every fiscal year towards enhancing the Company's medium- and long-term corporate value, the individual evaluation period is set as one (1) year (*i.e.*, the initial fiscal year of the Performance Evaluation Period). While it thus represents an evaluation of a single fiscal year, the issuance of the Company Shares shall be after the end of the Performance Evaluation Period.

3. The Manner of Calculating the Number of Company Shares to be Issued and the Amount of Money to be Paid to the Target Directors

The Company shall calculate the number of Company Shares to be issued to each of the Target Directors based on the formula described in item (i) below (any fraction less than one (1) share shall be rounded down), and the amount of money to be paid to each of the Target Directors based on the formula described in item (ii) below. In case of any resignation or new appointment during the Performance Evaluation Period, the number of Company Shares to be issued or the amount of money to be paid to the relevant Target Director or his or her heir(s) and the like may be reasonably adjusted as determined by the Board of Directors. If the aforesaid total number of Company Shares to be allotted to the Target Directors (150 thousand shares) will be exceeded due to the allotment of such number of Company Shares determined under item (i) below, then, to the extent that will not exceed the aforesaid total number, the number of Company Shares to be allotted to each of the Target Directors shall be reduced by way of a proportional distribution or other reasonable means to be determined by the Board of Directors.

(i) The Number of Company Shares to be Issued to Each of the Target Directors

The number of the Base Share Unit (*1) x Payment Rate (*2) x 50%

(ii) The Amount of Money to be Paid to Each of the Target Directors

(The number of the Base Share Unit (*1) x Payment Rate (*2) – the number of Company Shares calculated under item (i) above) x the Share Price on Issuance (*3)

*1: to be granted as determined by the Board of Directors taking into consideration the evaluation of duties of each of the Target Directors.

*2: to be calculated in a manner to be determined by the Board of Directors within the range between 0% and 200% based on the achievement rate of each of the evaluation indices and other elements during the Performance Evaluation Period.

*3: the amount to be determined by the Board of Directors, after the end of the Performance Evaluation Period, based on the closing price of the Company Shares at the Tokyo Stock Exchange on the business day immediately before the day of the resolution of the Board of Directors on the aforesaid allotment (or, if no trading is made on that day, then the closing price on the trading day immediately before that day) under the PSU System, and which is within a range that is not particularly advantageous to any of the Target Directors who will subscribe to the Company Shares.

* If any matter concerning a merger agreement, where the Company will be the company absorbed, or any other organizational restructuring as determined by the Board of Directors (a “**Material Organizational Restructuring**”) is approved at the Company's general meeting of shareholders (or by the Board of Directors if such Material Organization Restructuring does not require an approval at the Company's general meeting of shareholders) during the Performance Evaluation Period (limited to cases where the effective date of such Material Organization Restructuring is scheduled to take place before the day of the issuance of the Company Shares under the PSU System), then on the effective

date of such Material Organization Restructuring, the Company shall pay to the Target Directors the amount to be adjusted in a reasonable manner to be determined by the Board of Directors.

II. The RSU System

1. Overview of the System

The RSU System is a stock remuneration system for the Target Directors which grants monetary remuneration claims for the issuance of a number of Company Shares predetermined by the Board of Directors and Cash for Tax Payment Purposes that will accrue due to the issuance of the Company Shares as remuneration for the Target Period (defined below) in every fiscal year, conditioned on continuous service for the period, which consists of several consecutive fiscal years (decided by the Company between three (3) and five (5) years) (the “**Target Period**”). Accordingly, in principle, the grant of such monetary remuneration claims for the issuance of Company Shares to the Target Directors and the payment of Cash for Tax Payment Purposes will be made after the end of each Target Period. Considering that the RSU System involves granting of monetary remuneration claims for the issuance of Company Shares and payment of Cash for Tax Payment Purposes conditioned on continuous service for the Target Period, whether or not such grants or payments will be made to each Target Director as well as the amount of the monetary remuneration claims for the issuance of the Company Shares or the Cash for Tax Payment Purposes to be granted and paid will not be fixed at the time of the implementation of the RSU System.

The total amount of monetary remuneration claims and Cash for Tax Payment Purposes to be granted or paid per single fiscal year for each Target Period shall be within the amount after multiplying a maximum of 200 thousand shares per year by the “Share Price on Issuance” described below (as defined in “3. The Manner of Calculating the Number of Company Shares to be Issued and the Amount of Money to be Paid to the Target Directors” below), and the upper limit of the number of Company Shares to be issued per single fiscal year shall be capped at 100 thousand shares (per fiscal year, which will be equivalent to approximately 0.029% of 342,055,554 shares, the number of shares outstanding as of the end of March 2025).

If a split of the Company Shares (including an allotment thereof without contribution) or a consolidation thereof is made after the day of the resolution on this Proposal, then the number of shares as a basis for the calculation of the aforementioned total amount and the total number (upper limit) of such Company Shares to be allotted to the Target Director shall be adjusted based on the ratio of such split or consolidation.

2. Structure of the RSU System

The specific structure of the RSU System is as follows:

- (i) The Company shall pre-determine the number of Company Shares expected to be allotted to each Target Director pursuant to the resolution of the Board of Directors in accordance with the significance of their respective duties and responsibilities.
- (ii) Based on a resolution of the Board of Directors, as remuneration under the RSU System, the Company shall grant to each of the Target Directors their monetary remuneration claims within the aforesaid limit of the total amount to be granted for each Target Period based on the number of Company Shares expected to be allotted to each of the Target Directors as determined under item (i) above, and each of the Target Directors shall receive an allotment of such number of Company Shares upon payment by way of a contribution in kind of all of their monetary remuneration claims. The amount of the payment of the Company Shares shall be determined by the Board of Directors based on the closing price thereof at the Tokyo Stock Exchange on the business day immediately before the day of the resolution of the Board of Directors on the aforesaid allotment (or, if no trading is made on that day, then the closing price on the trading day immediately before that day), and shall be within a range that is not particularly

advantageous to any of the Target Directors who will subscribe to the Company Shares.

- (iii) As each of the Target Directors will incur expenses pay tax associated with the allotment of the Company Shares described in item (ii) above, in order to secure funds to pay such tax expenses, in addition to granting the aforesaid monetary remuneration claims, upon such allotment, the Company shall pay Cash for Tax Payment Purposes in an amount taking into consideration the expenses needed to pay the taxes to be incurred thereon.
- (iv) The requirements for the issuance of the Company Shares to each of the Target Directors and other details shall be determined by the Board of Directors. In cases where misconduct or the like occurs, the right to receive the grant may be extinguished, or a claim to demand for return of the remuneration may be allowed depending on when such misconduct took place or when it was found. The said extinguishment of the right to receive the grant or return of the remuneration shall be determined by the Board of Directors after deliberations by the Executive Compensation Committee.

3. The Manner of Calculating the Number of Company Shares to be Issued and the Amount of Money to be Paid to the Target Directors

The Company shall calculate the number of Company Shares to be issued to each of the Target Directors based on the formula described in item (i) below (any fraction less than one (1) share shall be rounded down), and the amount of money to be paid to each of the Target Directors based on the formula described in item (ii) below. In case of any resignation or new appointment during the Target Period, the number of Company Shares to be issued or the amount of money to be paid to the relevant Target Director or his or her heir(s) and the like may be reasonably adjusted as determined by the Board of Directors. If the aforesaid total number of Company Shares to be allotted to the Target Directors (100 thousand shares) will be exceeded due to the allotment of such number of Company Shares determined under item (i) below, then, to the extent that will not exceed the aforesaid total number, the number of Company Shares to be allotted to each of the Target Directors shall be reduced by way of a proportional distribution or other reasonable means to be determined by the Board of Directors.

(i) The Number of Company Shares to be Issued to Each of the Target Directors

The number of the Base Share Unit (*1) x 50%

(ii) The Amount of Money to be Paid to Each of the Target Directors

(The number of the Base Share Unit (*1) x 50% x the Share Price on Issuance (*2))

*1 to be granted as determined by the Board of Directors taking into consideration the significance of their respective duties and responsibilities of each of the Target Directors.

*2 the amount to be determined by the Board of Directors, after the end of the Target Period, based on the closing price of the Company Shares at the Tokyo Stock Exchange on the business day immediately before the day of the resolution of the Board of Directors on the aforesaid allotment (or, if no trading is made on that day, then the closing price on the trading day immediately before that day) under the RSU System, and which is within a range that is not particularly advantageous to any of the Target Directors who will subscribe to the Company Shares.

* If any matter concerning Material Organizational Restructuring is approved at the Company's general meeting of shareholders (or by the Board of Directors if such Material Organization Restructuring does not require an approval at the Company's general meeting of shareholders) during the Target Period (limited to cases where the effective date of such Material Organization Restructuring is scheduled to take place before the day of the issuance of the Company Shares under the RSU System), then on the effective date of such Material Organization Restructuring, the Company shall pay to the Target Directors the amount to be adjusted in a reasonable manner to be determined by the Board of Directors.

<For your reference>

While the Company has also introduced the Performance Stock Unit System and the Restricted Stock-Based Remuneration System for Corporate Officers located in Japan who do not concurrently hold the position of a Director of the Company, if this Proposal is approved, it is expected to abolish the Restricted Stock-Based Remuneration System for Corporate Officers as well, and in lieu thereof, introduce the Restricted Stock Unit System. As to Corporate Officers located overseas who do not concurrently hold the position of a Director of the Company, the Restricted Stock Unit System has been already introduced.

Also, while the Company has determined at its Board of Directors its decision-making policy pertaining to particulars of remuneration and the like for individual Directors after deliberation thereon at the Executive Compensation Committee, if Proposals Nos. 4 and 3 are approved, it is expected that the said policy will be revised at the meeting of the Board of Directors to be held after the close of this General Meeting such that it will be aligned with the particulars approved hereunder. As to the outline of the decision-making policy pertaining to particulars of remuneration and the like for individual Directors upon approval of Proposals Nos. 4 and 3, please refer to the “Proposed Revision of the Decision-Making Policy pertaining to Particulars of Remuneration and the Like for Individual Directors” below.

Proposed Revision of the Decision-Making Policy pertaining to Particulars of Remuneration and the Like for Individual Directors

The outline of the proposed revision of the Company’s “Decision-Making Policy pertaining to Particulars of Remuneration and the Like for Individual Directors” upon approval of Proposals Nos. 4 and 3 is as described below.

[The major modifications in and after FY 2025]

Concurrently with the start of the “FY 2025 - FY 2029 Medium-Term Management Plan” which is our new medium-term management plan from FY 2025, the Company is reviewing its remuneration system for Directors (excluding Outside Directors). Specifically, we have increased the ratio of the performance-linked remuneration within the entire remuneration and reviewed the performance evaluation indices and evaluation weight of annual bonus (STI) and stock-based remuneration (LTI), such that Directors (excluding Outside Directors) are encouraged to proactively engage in achieving the strategic objectives presented in the “FY 2025 - FY 2029 Medium-Term Management Plan” and to contribute to the Company’s continued growth and enhancement of its medium- and long-term corporate value.

Also, in order to secure excellent human resources including those with global talent, the Company has decided to review the companies used as a reference for comparison, and concurrently therewith, introduce the Restricted Stock Unit System, which is a commonly utilized stock-based global remuneration system in lieu of our previous Restricted Stock-Based Remuneration System.

Item	Before modification	After modification (in and after FY 2025)
Companies used as a reference for comparison	Pharmaceutical companies	Healthcare companies expanding their business globally
Remuneration component ratio (Based on base amount) Basic compensation : STI : LTI	1:0.25:0.5	1:0.5:0.8
Performance	Revenue; full operating profit rate;	Revenue; the amount of core operating

evaluation indicators for annual bonus	full ROE	profit; full ROE
LTI: Performance evaluation indicators for the Performance Share Unit	The relative TSR (comparison with global life science companies) • Indices in relation to ESG (the degree of improvement of the score on the Dow Jones Sustainability Indices (DJSI))	The relative TSR (comparison with global life science companies) • Strategic objectives based on “FY 2025 – FY 2029 Medium-Term Management Plan,” which is our new medium-term management plan (including goals in relation to ESG)
LTI: Introduction of the Restricted Stock Unit System	N/A	Introduced the Restricted Stock Unit System in lieu of the previous Restricted Stock-Based Remuneration System

(Remuneration Philosophy)

The Company has determined the following basic policies regarding decisions on the amount of remuneration and the like for Directors, Corporate Auditors and Corporate Officers.

<Inside Directors and Corporate Officers (Internal executive personnel)>

- Ensure effectiveness that contributes to Santen’s suitable growth and enhancement of medium-long term corporate value to enable them to be engaged in the achievement of Santen’s VISION and medium-term strategic objectives with high motivation.
- Deepen the sharing of values with broad-ranging stakeholders.
- Objectiveness is secured through a highly transparent process for making decisions on remunerations to ensure high accountability to stakeholders.
- Provide a competitive level of compensation capable of recruiting global and other outstanding human resources in various countries and regions.
- Under the globally unified system of evaluation and compensation, further foster a performance culture equipped with strict discipline, and encourage the exertion of efforts towards the achievement of objectives.

<Outside Directors and Corporate Auditors>

- To support Santen’s sustainable growth from their independent positions which are distinct from internal executive personnel, set a level of remuneration appropriate to their prominent roles, and through a system which is not indicative of an achievement target in common with internal executive personnel, encourage fulfillment of their functions efficiently in supervising the management.

(Particulars of the individual remunerations and the like for Directors (excluding Outside Directors))

The remunerations for the Company’s Directors (excluding Outside Directors) are comprised of, in principle, basic compensation, annual bonus and stock-based remuneration. The component ratio in the base aggregate amount shall be: 1/0.5/0.8 respectively for basic compensation/annual bonus/stock-based remuneration, and the level of the aggregate remuneration is decided in reference to the results of benchmarks and the like, of healthcare companies which are globally expanding business. The outline of the above is as described below (Schedules 1 to 4). Provided, however, that there may be cases where individual adjustment is made in accordance with an individual’s role, responsibility and the like.

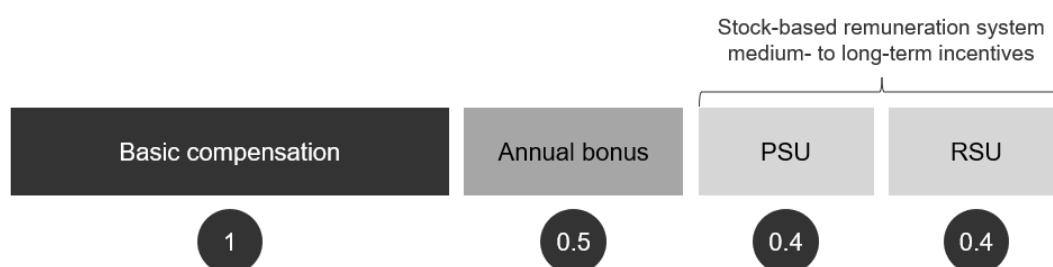
Schedule 1: Purpose and outline of the system

Category of remuneration		Purpose and outline
Fixed	Basic compensation	• Monthly fixed compensation which is graded based on job evaluation
Variable	Annual bonus (Annual Incentive)	• Performance-based remuneration encouraging the steady accumulation of results towards an achievement of targets for every fiscal year, whereby the base amount is set in the

		<p>ratio of 0.5 against basic compensation.</p> <ul style="list-style-type: none"> • The annual bonus is comprised of a portion linked to the Company's performance, which are linked to single-year performance metrics, and a portion linked to individual achievements. For each portion, the payment amount will be decided within the range of 0% to 200% of the base amount. However, for the CEO, it shall consist of only the portion linked to the Company's performance. • As for CEO, 100% of the entire annual bonus shall be weighted on the portion linked to the Company's performance. As for Directors (excluding Outside Directors) other than the CEO, 80% shall be weighed thereon. The portion linked to the Company's performance are linked to the level of the achievement of the managerially important indices for revenue, core operating profit amount, and full ROE, and then the payout ratio shall be decided. The assessment of each metric is weighed as described in Schedule 3. • For the portion based on individual performance for Directors (excluding Outside Directors) other than the CEO, 20 % of the entire annual bonus will be weighted thereon. The payout ratio will be determined after the establishment of the targets at the beginning of the fiscal year and the evaluation thereof at the end of the fiscal year in the interview of each Director with the CEO. • The payment amount will be determined based on the payout ratio described above, and paid after the end of each fiscal year.
	<p>Stock-based remuneration (Medium- and long-term incentive)</p>	<ul style="list-style-type: none"> • For the purposes of encouraging the Target Directors to proactively engage in achieving the Company's vision and strategy and further sharing value with the shareholders, it is comprised of the following two systems, and each base amount, as the base number of shares to be issued under the respective systems, shall be decided at the ratio of 0.4 against basic compensation. <p>(The Performance Share Unit System)</p> <ul style="list-style-type: none"> • A performance-linked stock remuneration system wherein evaluation indices such as the Company's business performance and individual evaluation period for each evaluation index are predetermined for certain period of time ("Performance Evaluation Period") to be determined from time to time such as the period of the medium-term management plan, and in which the number of shares to be issued and the amount of money to be paid fluctuates in accordance with the level of achievement of such evaluation indices. • The ratio of the grant of shares shall be determined in the range of 0% to 200% in accordance with the level of achievement of the relative TSR (weighted on 70%), which was established by referring to global life-science companies as a peer group, and the strategic objectives (weighted on 30%) (details of which are as described in Schedule 4). • The shares and money will be issued and paid after the end of the Performance Evaluation Period, subject to conditions including that the grantee remains in the position of the target Director at the time of the expiry of the Performance Evaluation Period.

		(The Restricted Stock Unit System) <ul style="list-style-type: none"> A stock unit equivalent to the base amount shall be granted every fiscal year, and the Company's shares in a number equivalent thereto and money shall be issued and paid subject to fulfillment of conditions such as the grantee's continued service for three (3) years.
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Schedule 2: Composition ratio of basic compensation, annual bonus, and stock-based remuneration in the base aggregate amount



Schedule 3: Performance indicators for annual bonus and evaluation weight

Annual bonus	Performance indicators		Evaluation weight	
			CEO	Directors (excluding Outside Directors) other than the CEO
Portions linked to the Company's performance	Revenue		25%	20%
	Core operating profit amount		50%	40%
	Full ROE		25%	20%
Portions linked to the individual performance	Individual evaluation		—	20%

Schedule 4: Performance indicators, evaluation weight, and individual evaluation period for the Performance Share Unit

	Performance indicators	Evaluation weight	Individual Evaluation Period
Performance Share Unit	The relative TSR (Note 1)	70%	Three (3) years
	Strategic objectives (including indices in relation to ESG) (Note 2)	30%	One (1) year (Note 3)

(Note 1) The companies to be referred to as the comparison for the relative TSR pertaining to the Performance Share Unit System to be granted for FY 2025 are the following 13 companies:

Companies and other entities the head office of which is located in Japan	Astellas Pharma Inc.; Chugai Pharmaceutical Co., Ltd.; Daiichi Sankyo Co., Ltd.; Eisai Co., Ltd.; Kyowa Kirin Co., Ltd.; ONO PHARMACEUTICAL CO., LTD.; Otsuka Holdings Co., Ltd.; Shionogi & Co., Ltd.; Takeda Pharmaceutical Company Limited
Companies and other entities the head office of which is located in Europe	Alcon AG
Companies and other entities the head office of which is located in the Americas	AbbVie Allergan; Bausch Health Companies Inc.; Johnson & Johnson

The rate of the provision is stipulated as 100% for cases where the rank is in the top one half (50th percentile) amongst the companies used for comparison; the rate of the provision is stipulated as 200% for cases where the rank is in the top one quarter (75th percentile). The threshold is the bottom one quarter (25th percentile), above which the rate of the provision will be 50%. In cases where the performance is lower than that threshold, the rate of the provision will be 0%.

(Note 2) The outline of the strategic objectives pertaining to the Performance Share Unit to be granted for FY 2025 is as described below. The evaluation items are expected to be reviewed every fiscal year.

Strategic objectives pertaining to the Performance Share Unit System (FY 2025)	Realization of a market-creating-type growth model in the areas of myopia and blepharoptosis
	Establishment of a position of leadership in the overseas market
	Innovation towards a high-added value Rx portfolio
	Stable supply and sustained optimization of costs
	Enhancement of the value of working at Santen and strengthening its personnel and organizational capability

(Note 3) From the viewpoint that the strategic objectives evaluate efforts in every fiscal year towards enhancing the Company's medium- and long-term corporate value, the individual evaluation period is set as one (1) year (*i.e.*, the initial fiscal year of the Performance Evaluation Period). While it thus represents an evaluation of a single fiscal year, the issuance of the Company's share shall be after the end of the Performance Evaluation Period.

With the aim of preventing any incentive remuneration from causing excessive risk taking and to ensure the soundness of the executive compensation system, the Company has provided a clause that requires an officer to return, or claw back, all or part of the incentive remuneration pursuant to a decision of the Board of Directors after deliberations of the Executive Compensation Committee, regardless of whether it is applied before or after the payment or release of such remuneration (the so-called malus and clawback clause), upon the occurrence of certain events, such as misconduct or a retroactive adjustment of the financial statements due to accounting fraud.

(Particulars of the individual remunerations and the like for Outside Directors)

Remuneration for Outside Directors, who are independent from business execution, consists only of fixed monthly compensation, and is decided in reference to the results of benchmarks and the like of healthcare companies which are globally expanding business. Also, an allowance is paid to the Outside Director who serves as the chair of a voluntary committee, including the Executive Compensation Committee.

Performance-linked remuneration is not paid stemming from the perspective of encouraging proper demonstration of Outside Directors' supervisory functions.

(Matters regarding the decision of the particulars of individual remunerations and the like for Directors)

The Company has established the Executive Compensation Committee as an advisory body for the Board of Directors to ensure independence and objectivity upon deliberations and determinations by the Board of Directors on basic policy regarding remunerations, the remuneration system, level of remunerations and other items, as well as to strengthen the Board of Directors' supervisory function and its ability to fulfill accountability.

The Executive Compensation Committee is to be composed by members, the majority of which is Outside Directors, and its chairperson is appointed from the members who are Independent Outside Directors to ensure effective operation of the committee from the viewpoint of strengthening its independence, objectivity and ability to fulfill accountability.

The Company's Executive Compensation Committee appointed Willis Towers Watson Public Limited Company ("WTW"), an independent compensation consulting company, as an advisor. In accordance with the "Management Compensation Database" run by WTW, the Executive Compensation Committee sets a

benchmark every year concerning companies or other entities of a business size and business category / business field analogous to those of the Company, verifies the appropriateness of the level of remuneration and the ratio of the performance-linked remunerations for Directors of the Company, and concurrently therewith, engages in appropriate deliberations based on necessary and sufficient information provided by WTW.

As to determination of remuneration for Directors, individual payment amounts are determined within the scope of each remuneration limitation as per resolutions of the General Meeting of Shareholders by the Board of Directors, and upon deliberation by the Executive Compensation Committee. In the event an unforeseeable event such as a change in business environment or some misconduct has occurred in the course of the determination of individual amounts for respective Directors, the Board of Directors may make adjustments on a discretionary basis regarding the same after deliberations, as needed, by the Executive Compensation Committee.

(End of proposals.)