

Notice on the Disposal of Treasury Shares for the Post-delivery Type Performance-Linked Stock Remuneration Plan

Santen Pharmaceutical Co., Ltd. (Head Office: Osaka; President and CEO: Takeshi Ito; hereinafter, the “Company”) announced that its Board of Directors resolved today to dispose of treasury shares (the “Disposal of treasury shares” or the “Disposal”) related to the Performance Share Unit (PSU) plan based on the Post-delivery Type Performance-linked stock remuneration plan, as set out below.

Details

1. Outline of the disposal

(1)	Disposal date	October 31, 2025
(2)	Type and number of shares to be disposed of	57,909 shares of the Company's common stock
(3)	Disposal price	1,639.5 yen per share
(4)	Total amount of share disposal	94,941,804 yen
(5)	Recipients of allotment of shares to be disposed of, number thereof, and number of shares allotted to be disposed of	2 Directors (outside directors excluded): 11,918 shares 4 Corporate officers: 18,529 shares 2 leavers: 27,462 shares
(6)	Other	The Company has submitted a Written Notice of Securities for today's Disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

2. Objectives and reasons for the Disposal

The Company introduced the Restricted Stock (“¹”) and PSU, a form of performance-linked stock remuneration for its directors (excluding outside directors) and corporate officers (all eligible persons to be referred to hereinafter as the “Participants”), for the purposes of providing medium- to long-term incentives and sharing of value with shareholders. In conjunction with the completion of the Performance Assessment Period for the PSU granted to the Participants for the period of FY2022 to FY2024, shares will be delivered based on performance on a post-delivery basis.

The Disposal of treasury shares will be conducted using the aggregate monetary remuneration claims of 94,941,804 yen paid as share remuneration as contributed assets.

The resolution for introducing the plan was approved at the 110th Annual General Meeting of

Shareholders held on June 24, 2022.

*1 At the 113th Annual General Meeting of Shareholders held on June 24, 2025, the introduction of a Restricted Stock Unit (a post-delivery type stock-based remuneration system, RSU) System was approved as a replacement for the Restricted Stock-Based Remuneration System, effective from fiscal year 2025.

3. Performance during Assessment Period and Payout Ratio

The Performance Metrics and the Payout Ratio were determined respectively at the beginning and end of the Assessment Period by the Board of Directors after reviewed by the Executive Compensation Committee, where external directors account for a majority. The Performance Assessment for the period of FY2022 to FY2024 was determined as shown in the table below.

Performance metrics		Weighting	Evaluation criteria and payout ratio	Actual	Payout ratio
Relative total shareholder return (TSR)	Comparison and ranking against 21 global healthcare peer companies (seven companies headquartered in each of Japan, Europe, and the U.S.)	80%	Upper 1/4 (75th percentile): 200% Upper 1/2 (50th percentile): 100% Upper 3/4 (25th percentile): 50% Lowest 1/4: 0%	60.6%ile	142.6%
ESG-related metrics	Improvement of score on Dow Jones Sustainability Indices	20%	Inclusion in "World Index": 200% Inclusion in "Asia Pacific Index": 150% In cases where the company is not selected for either index, the payout ratio will be adjusted based on the Company's relative score among all pharmaceutical participating companies in the DJSI. The minimum score among companies selected for the "Asia Pacific Index" will correspond to a payout ratio of 150%, while a score equivalent to 65% of the highest score among all participating pharmaceutical companies will correspond to a payout ratio of 0%, each of	Score 75pt (no selected for either index)	

			these constituting a reference point. The Company's payout ratio will be calculated based on its relative position on the straight line connecting these two reference points.		
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4. Method of calculating the number of shares to be delivered and the amount of cash to be paid to Participants

The delivery to each Participant is made in accordance with the PSU plan both by share distribution and cash payment. The number of shares to be distributed and the amount of cash to be paid to each Participant are calculated based on the formula below.

1. Number of common shares of the Company to be delivered to each Participant

Base number of share units (*²) x Payout Ratio (*³) x 50%

2. Amount of cash to be paid to each Participant

(Base number of share units (*²) x Payout Ratio (*³) - Number of common shares as calculated in formula 1) x Share price at vesting (*⁴)

*2 The number of units determined by the Company's Board of Directors taking into consideration of the job and grade of each Participant.

*3 The degree of achievement of Performance Metrics during the Assessment Period shall vary from 0% to 200%, to be calculated using a method determined by the Board of Directors. For the Payout Ratio during the period from FY2022 to FY2024, please refer to 3. Performance during Assessment Period and Payout Ratio.

*4 The share price at vesting will be determined by the Board of Directors at a level that will not be particularly favorable to the Participants receiving shares. It will be based on the closing price on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board meeting after the completion of the Assessment Period at which the number of shares to be delivered will be determined.

5. Basis for calculating amount to be paid and details thereof

In order to eliminate arbitrariness in setting the disposal price, the Company will use the closing price for its common shares on the Prime Market of the Tokyo Stock Exchange on September 30, 2025, 1,639.5 yen. This is the market price on the business day immediately prior to the Board of Directors' determination date. The Company believes the price is rational and not particularly favorable to the recipients.

Contact:

Guillaume Sakuma

Global Head of Investor Relations

E-mail: ir@santen.com

About Santen

As a specialized company dedicated to eye health, Santen aspires to contribute to the realization of “Happiness with Vision” by providing products and services to patients, consumers, and medical professionals around the world. Since its establishment, and guided by its CORE PRINCIPLE, “*Tenki ni sanyo suru*,” Santen has been committed to helping people maintain and improve their eye health for more than 130 years. Santen is engaged in the global research and development, manufacturing, and sales and marketing of pharmaceutical products in the field of eye care, supporting the eye health of approximately 50 million people in more than 60 countries and regions worldwide. Santen’s mission is to provide essential and significant value to patients and society in the prevention, diagnosis, and treatment of eye diseases through products and services created from its expertise in the ophthalmology field and from the patient's perspective. To create a future in which as many patients as possible can lead happy and fulfilling lives, Santen is committed to doing its utmost to realize a society in which people around the world can experience “Happiness with Vision.”

For more information, please visit Santen’s website <https://www.santen.com/en>.