

Notice Regarding the Petition for Commencement of Bankruptcy Proceedings of a Consolidated Subsidiary

Santen Pharmaceutical Co., Ltd. (Head Office: Osaka; President and CEO: Takeshi Ito, hereinafter the “Company”) hereby announces that Chongqing Santen Kerui Pharmaceutical Co., Ltd. (Head Office: Chongqing, China), a consolidated subsidiary of the Company currently under liquidation, resolved at its shareholders’ meeting held on October 16, 2026 local time to file a petition for commencement of bankruptcy proceedings under Chinese Company Law and Enterprise Bankruptcy Law.

1. Background

With the aim of providing high-quality prescription ophthalmic pharmaceuticals at appropriate prices to a wider range of patients in China, the Company entered into a strategic alliance with Chongqing Kerui Pharmaceutical (Group) Co., Ltd. and established the joint venture, Chongqing Santen Kerui Pharmaceutical Co., Ltd. in August 2016 in Chongqing, one of the four municipalities directly under the central government of China. Subsequently, due to changes in the business environment, including reforms to China’s healthcare system, it became difficult to continue pursuing this business strategy. As a result, in October 2024, the Company’s Board of Directors resolved to liquidate the consolidated subsidiary. Since then, the liquidation process has proceeded with the aim of fully repaying liabilities through measures such as asset sales; however, because the prospects for asset sales and full repayment of liabilities have become uncertain, Chongqing Santen Kerui Pharmaceutical Co., Ltd. will file a petition for commencement of bankruptcy proceedings with the local court under Chinese Company Law and Enterprise Bankruptcy Law.

2. Total Liabilities

RMB 143 million (approximately JPY 3.3 billion)

(of which RMB 100 million (approximately JPY 2.3 billion) represents liabilities owed to the Company and its subsidiary, Santen Pharmaceutical (China) Co., Ltd.)

Note: Converted at an exchange rate of RMB 1 = JPY 23.40 as of September 30, 2026.

3. Overview of the Consolidated Subsidiary (as of March 31, 2026)

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| (1) Name | Chongqing Santen Kerui Pharmaceutical Co., Ltd. |
| (2) Location | Chongqing, China |

- (3) Job title and name of representative Chairman: Jianxiang Lv
Director and General Manager: Ya Jin
- (4) Description of business Manufacturing and sales of ophthalmic products
- (5) Share capital RMB 200 million
- (6) Date of establishment August 22, 2016
- (7) Major shareholders (shareholding ratios) Chongqing Kerui Pharmaceutical (Group) Co., Ltd. (51%)
Santen Pharmaceutical (China) Co., Ltd. (49%)
- (8) Relationship with the Company
- | | |
|----------------------------|--|
| Capital relationship | The Company indirectly holds 49% of shares through Santen Pharmaceutical (China) Co., Ltd., a consolidated subsidiary |
| Personnel relationship | Of the seven officers of the subsidiary, four are employees of the Company or Santen Pharmaceutical (China) Co., Ltd. |
| Business relationship | Not applicable |
| Receivables/Payables | The Company has receivables in the form of loans to the subsidiary amounting to JPY 2.0 billion, for which an allowance for doubtful accounts has already been recorded in full. |
| Related party relationship | The subsidiary is a consolidated subsidiary of the Company and qualifies as a related party. In October 2024, the Company's Board of Directors resolved to liquidate the consolidated subsidiary, and the liquidation process is currently underway. |

(9) Financial Condition and Operating Results (as of fiscal year ended)

(Unit: RMB millions)	March 31, 2024	March 31, 2025	March 31, 2026
Net assets	-111	-143	-126
Total assets	40	28	26
Net sales	—	—	—
Operating profit/loss	-40	-33	15
Net profit/loss	-40	-33	16

4. Valuation amount of the Consolidated Subsidiary's Shares

Santen Pharmaceutical (China) Co., Ltd., a shareholder of Chongqing Santen Kerui Pharmaceutical Co., Ltd., has already recorded a valuation loss in full on the shares it holds in Chongqing Santen Kerui Pharmaceutical Co., Ltd., and the valuation amount of such shares is JPY 0.

5. Future Outlook

If the court accepts the petition for commencement of bankruptcy proceedings, these will be

conducted in accordance with applicable laws and regulations, and following the court's declaration of bankruptcy, the assets of Chongqing Santen Kerui Pharmaceutical Co., Ltd. are expected to be disposed of and distributed to creditors.

6. Impact on the Company and Its Consolidated Financial Results

The Company has loans receivable from the consolidated subsidiary; however, as a full allowance for doubtful accounts has already been recorded, no additional loss will be incurred. In addition, the impact of this matter on the Company's consolidated financial results for fiscal 2026 is expected to be immaterial.

Contact:

Guillaume Sakuma

Global Head of Investor Relations

E-mail: ir@santen.com

About Santen

Santen is a global pharmaceutical company committed to advancing eye health and improving lives through better vision. Founded in 1890 in Osaka, Japan, Santen makes use of more than 135 years of experience in research and development, manufacturing, and marketing of pharmaceuticals and medical devices to help people around the globe maintain and improve their eye health. Santen focuses exclusively on eye health and its portfolio includes glaucoma, dry eye, infection, allergy, age-related macular degeneration, and myopia. Santen's products and services are available in more than 60 countries and regions. Guided by its Core Principle "*Tenki ni sanyo suru*" – Exploring the secrets and mechanisms of nature in order to contribute to people's health – Santen combines its expertise with deep patient focus to contribute to the realization of "Happiness with Vision."

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