



**Santen Pharmaceutical Co., Ltd.
Investor Meeting**

**Financial Results for the 3rd Quarter of FY2014
Financial Forecast for the FY2014**

February 3, 2015

Kazuo Koshiji

Corporate Officer,

Chief Financial Officer (CFO)

Head of Finance & Administration Division



**Long-term Strategic Vision,
Medium-term Management Plan for
FY2014-2017**

Long-term Strategic Vision

To Become a Specialized Pharmaceutical Company with a Global Presence

- Deep Understanding of True Customer Needs*
- Distinct Advantage Against Competitors
- Global Competitiveness and Presence

*True customer needs: Unmet medical needs of patients, consumers, doctors and healthcare professionals.

Long-term Growth Targets



- Strengthen the domestic business
- Preparations for business expansion in Asia/Europe

Ranks #5 globally
Overseas sales: 16%
of total sales

Medium-term Goal

- Grow business in Asia/Europe and improve profitability
- Prepare for business expansion in the U.S. and other regions

Overseas sales: 30%
of total sales

What we aim to achieve by 2020

“To become a Specialized Pharmaceutical Company with a Global Presence”

Become global #3

Overseas sales:
40%-50% of total
sales

Basic Policy of Medium-term Management Plan for FY2014-2017

Product development

Transform product development to realize enhanced productivity and achieve sustained growth

Business expansion

Grow business in Asia/Europe and strengthen market presence by entering into new markets

Organization and talents

Develop talents and organization to realize sustained growth and strengthen the global management system



Financial Results for 3rd Quarter of FY2014

Financial Highlights for Q3 FY2014

- Net Sales and Operating Profit increased by 7.2% and 3.0% year-on-year respectively in Q3 FY2014
- Operating Profit before Amortization increased by 13.4% year-on-year
- Net Profit Margin* from Merck boosted the sales and operating profit
- Ikervis (generic name: Ciclosporin)
A severe dry-eye treatment under development in Europe has received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) in January, 2015

*Net Profit Margin(NPM): Profit generated from US Merck ophthalmic products which Santen has acquired and has consigned them to Merck until the completion of transfer of the underlying marketing rights.

Financial Highlights for Q3 FY2014

(JPY billions)	Q3 FY13 Actual	Q3 FY14 Actual	Var. %
Net Sales	108.94	116.84	+7.2%
Cost of Sales (% of net sales)	42.57 39.1%	41.47 35.5%	-2.6% -3.6pt
SGA excluding R&D (% of net sales)	30.24 27.8%	37.91 32.4%	+25.4% +4.7pt
Excluding amortization of intangible asset related Merck (% of net sales)	30.24 27.8%	35.46 30.4%	+17.3% +2.6pt
Amortization of intangible asset related Merck	-	2.44	-
R&D Cost (% of net sales)	12.49 11.5%	13.12 11.2%	+5.0% -0.2pt
Operating Profit (% of net sales)	23.63 21.7%	24.33 20.8%	+3.0% -0.9pt
Ordinary Income	24.29	24.81	+2.1%
Net Income	15.37	16.19	+5.3%
Operating profit before amortization	26.21	29.73	+13.4%

Foreign Exchange	Q3 FY13 actual	Q3 FY14 actual
US\$	JPY 99.17	JPY 107.11
Euro	JPY 129.59	JPY 140.43
CNY	JPY 15.49	JPY 17.35

Q3 FY14

Net Sales Change

JPY billions

Domestic -0.20 (-0.2%)

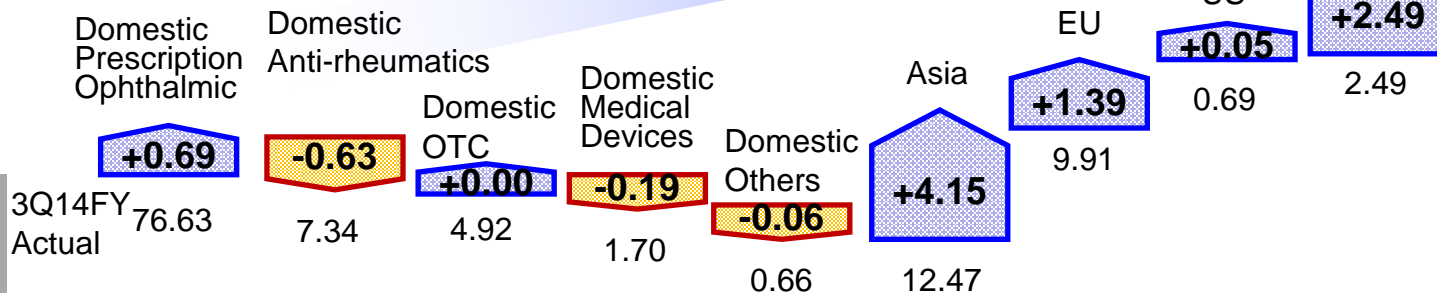
Overseas +8.09
(+46.3%, FX+1.92)

91.27

25.56

Sales

+7.89 (+7.2%)



3Q14FY Actual 76.63

Sales
108.94

Sales
116.84

- Asia +4.15 (FX +1.14)
 - China +2.29 (FX +0.88)
 - Korea +1.02 (FX +0.16)
- Europe +1.39 (FX +0.76)
- US +0.05 (FX +0.02)

FX=Currency impact

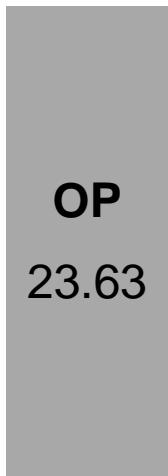
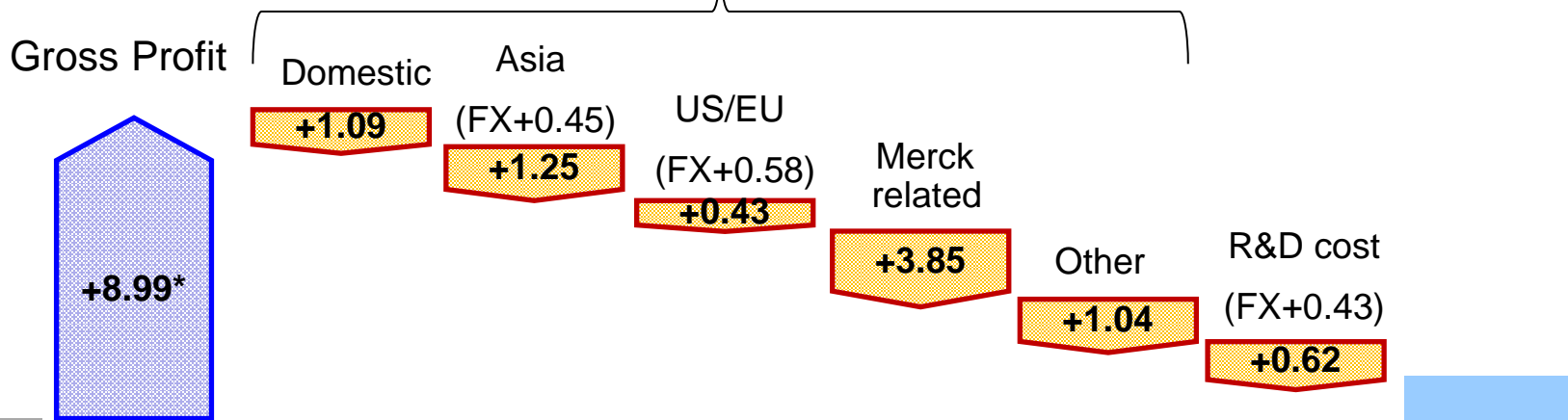
Q3 FY13 Actual

Q3 FY14 Actual

Operating Profit Change

JPY billions

SG&A (excl. R&D cost) +7.66 (+25.4%)



Q3 FY13 Actual

Operating Profit
+0.70 (+3.0%)



Q3 FY14 Actual

*Contribution to Gross Profit from the improvement of the cost of goods sold regarding the Merck assets: +3.86bil

FX=Currency impact



Merck Project Current Status

Merck Project -Financial Result-

(JPY billions)	Q3 FY14 Actual		
	Existing Business	Merck*	Total
Net Sales	112.84	3.99	116.84
NPM	-	2.49	2.49
Other	-	1.50	114.34
Cost of Sales	45.33	-3.86	41.47
Gross Profit	67.50	7.86	75.37
SGA excluding R&D	34.05	3.85	37.91
R&D Cost	13.03	0.08	13.12
Operating Profit	20.41	3.92	24.33

*Merck: US Merck ophthalmic products which Santen has purchased in May 8, 2014.

Merck Project -Current Status-

■ July, 2014

- 1st closing was completed for underlying assets for Japan, Asia and a part of Europe

■ September, 2014

- Completed Marketing Authorization (MA) transfer to Santen Japan

■ October, 2014

- 2nd closing was completed. All the underlying assets under the agreement have been closed
- Established wholly owned subsidiaries in Italy and the UK

■ December, 2014

- Established a wholly owned subsidiary in Spain
- Completed MA transfer to Santen in Sweden and Norway

■ January, 2015

- Completed MA transfer to Santen in Finland and Germany

■ Q1 FY2015

- Planning to complete MA transfer in Italy and Spain



Consolidated Forecast of FY2014

FY2014 Financial Forecast

(JPY billions)	FY2013 Actual (Japanese Standard)	FY2014 Forecast				FY2014 Forecast (IFRS)**
		Existing Business	Merck*	Total	Var. %	
Net Sales	148.66	151.00	5.00	156.00	+4.9%	156.00
Cost of Sales (% of net sales)	58.10 39.1%	57.50 38.1%	-5.50 -	52.00 33.3%	-10.5% -5.8pt	52.00 33.3%
SGA excluding R&D (% of net sales)	44.10 29.7%	46.50 30.8%	8.20 -	54.70 35.1%	+24.0% +5.4pt	***53.80 34.5%
R&D Cost (% of net sales)	19.04 12.8%	19.00 12.6%	0.30 -	19.30 12.4%	+1.4% -0.4pt	19.10 12.2%
Operating Profit (% of net sales)	27.41 18.4%	28.00 18.5%	2.00 40.0%	30.00 19.2%	+9.4% +0.8pt	31.10 19.9%
Ordinary Income	27.92	28.50	1.50	30.00	+7.4%	31.10
Net Income	17.10	18.60	0.90	19.50	+14.0%	20.50
Operating Profit before Amortization	31.20	32.00	5.70	37.70	+20.8%	-
Cash ROE (JPY)	-	-	-	14.6%	-	-
ROE	9.9%	-	-	10.5%	+0.6pt	10.6%

* Merck project is indicated the contribution from acquisition of Merck's ophthalmology asset which Santen contracted as of May 8th, 2014.

** 【Difference between Japanese Standard forecast and IFRS】

- ・Including the depreciation of intangible asset
- ・Reported asset of license in payment

*** Including Merck depreciate of intangible asset, ¥3.7bil

< Foreign exchange >	FY13 Actual	FY14 Forecast
US \$	JPY 100.04	JPY 103.00
Euro	JPY 132.98	JPY 141.00
CNY	JPY 15.93	JPY 16.90

Dividend for 1H FY2014 Actual and FY2014 Forecast

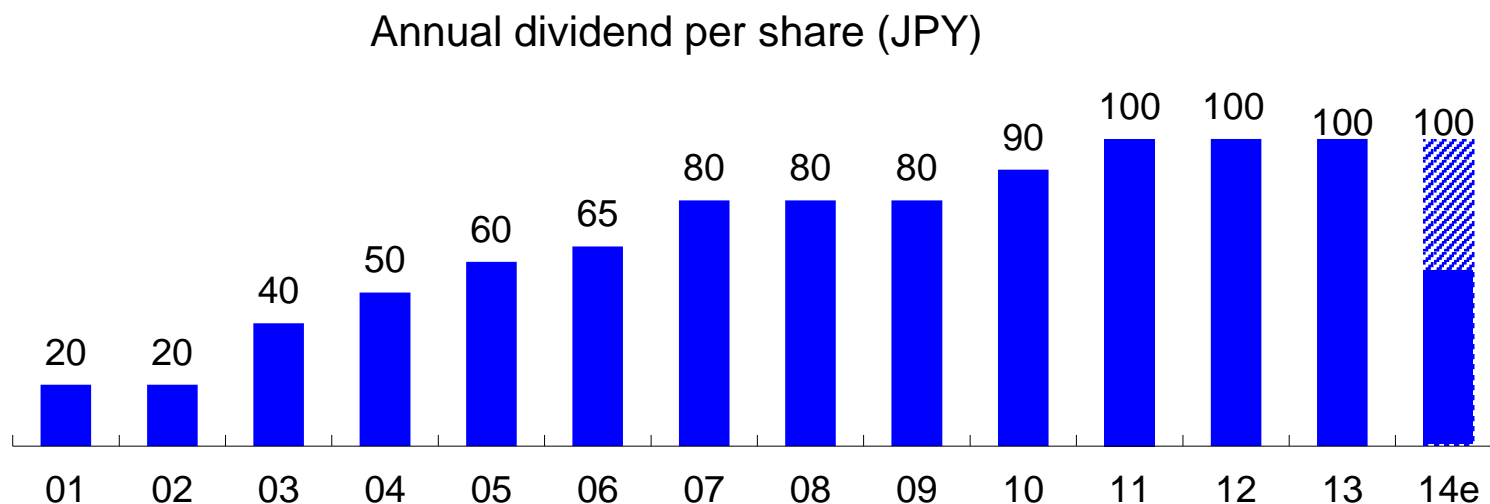
Dividend for 1H FY2014 Actual and FY2014 Forecast

- **FY2014 1st Half**

- FY2014 First Half Dividend : JPY 50 per share

- **FY2014**

- FY2014 Annual Dividend : JPY 100 per share
 - Target dividend payout ratio: 40.0%



(¥ billion)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e
Payout-ratio (%)	34.9	21.4	55.8	39.7	39.9	42.9	54.7	67.2	36.3	36.0	50.8	51.1	48.2	42.3
Share Buy-back	3.2	3.2	0	2.6	0	0	4.8	0	0	0	0	13.7	0	-
Total Return (%)	96.4	59.5	55.8	63.3	39.9	42.9	85.8	67.2	36.3	36.0	50.8	134.4	48.2	-



**Reference:
Consolidated Results
3rd Quarter of FY2014**

Net Sales by Business Segment

(JPY billions)	Q3 FY14 Actual					
	Japan		Overseas		Total	
	Sales	Var. %	Sales	Var. %	Sales	Var. %
Pharmaceuticals	89.38	+0.0%	25.54	+46.5%	114.92	+7.6%
Prescription Pharmaceuticals	84.46	+0.0%	25.49	+46.4%	109.95	+7.9%
Ophthalmic	76.63	+0.9%	22.29	+31.9%	98.93	+6.6%
Anti-RA	7.34	-8.0%	0.03	-51.8%	7.37	-8.4%
Others	0.48	-10.9%	3.16	+631.1%	3.64	+274.6%
OTC Pharmaceuticals	4.92	+0.0%	0.05	+83.6%	4.97	+0.5%
Others	1.89	-9.5%	0.02	-38.3%	1.91	-10.0%
Medical Devices	1.70	-10.2%	0.02	-38.3%	1.72	-10.7%
Others	0.18	-2.3%	-	-	0.18	-2.3%
Total	91.27	-0.2%	25.56	+46.3%	116.84	+7.2%

Overseas Sales

(JPY billions)	Q3 FY13 Actual	Q3 FY14		
		Actual	Var.	Var. %
U.S.	0.63	3.18	+2.54	+401.8%
Europe	8.51	9.91	+1.39	+16.4%
Asia	8.31	12.47	+4.15	+50.0%
China	5.97	8.27	+2.29	+38.5%
Korea	1.52	2.54	+1.02	+66.8%
Others	0.01	0.00	-0.00	-79.1%
Total	17.47	25.56	+8.09	+46.3%
Overseas sale/sales	16.0%	21.9%	+5.8pt	-

Summary of Balance Sheet

(JPY billions)	As of March 31, 2014		As of December 31, 2014		
	Actual	% of Total	Actual	% of Total	Var.
Current Asset	156.00	67.5%	139.43	50.2%	-16.56
Fixed Asset	75.09	32.5%	138.58	49.8%	+63.48
Total Asset	231.10	100.0%	278.02	100.0%	+46.91
Current Liabilities	39.09	16.9%	43.22	15.5%	+4.13
Non-current Liabilities	10.80	4.7%	39.27	14.1%	+28.47
Total Liabilities	49.89	21.6%	82.50	29.7%	+32.60
Total Net Asset	181.20	78.4%*	195.51	70.3%*	+14.30
Total Liabilities Net Assets	231.10	100.0%	278.02	100.0%	+46.91

*Net Worth Ratio: End of March, 2014: 78.2% → End of December, 2014: 70.1%,
 Issued shares: End of March, 2014: 82,582 thousands → End of December, 2014: 82,619 thousands

Major Changes

- **Current Asset:** Cash and deposits -¥5.20bil, Notes and accounts receivable +¥4.49bil, Securities -¥11.91bil, Products -¥2.81bil
- **Fixed Asset:** Right of approval for manufacture and sales +¥59.68bil, Investment securities +¥4.00bil,
- **Current Liabilities:** Notes and accounts payable -¥3.21bil, Short term borrowing +¥11.76bil, Income tax payable -¥5.64bil
- **Non-current Liabilities:** Long term borrowing +¥28.21bil
- **Net asset:** Earned surpluses +¥7.96bil, Valuation difference on available for sale securities +¥2.52bil, Foreign currency translation adjustments +¥3.41bil

Changes in Income Statement

(JPY billions)	Q3 FY13	Q3 FY14		Major Changes												
	Actual	Actual	Var. %													
Net Sales	108.94	116.84	+7.2%													
Cost of Sales (% of net sales)	42.57 39.1%	41.47 35.5%	-2.6% -3.6pt	<ul style="list-style-type: none"> Merck -4.7pt Product mix change +2.1pt NHI price revision +0.4pt 												
SGA excluding R&D (% of net sales)	30.24 27.8%	37.91 32.4%	+25.4% +4.7pt													
Excluding amortization of intangible asset related Merck (% of net sales)	30.24 27.8%	35.46 30.4%	+17.3% +2.6pt	<ul style="list-style-type: none"> Japan +1.09 Asia +1.25 (FX+0.45) US/EU +0.43 (FX+0.58) Merck related +1.41 Amortization of Merck's asset +2.44 												
Amortization of intangible asset related Merck (% of net sales)	- -	2.44 2.1%	- +2.1pt													
R&D Expenses (% of net sales)	12.49 11.5%	13.12 11.2%	+5.0% -0.2pt	<ul style="list-style-type: none"> Japan -0.12 Overseas +0.66 (FX+0.43) 												
Operating Profit (% of net sales)	23.63 21.7%	24.33 20.8%	+3.0% -0.9pt													
Non-operating Income	0.86	0.92	+7.0%													
Non-operating Expense	0.20	0.45	+124.5%													
Ordinary Income	24.29	24.81	+2.1%													
Extraordinary Gain	0.47	0.05	-87.5%													
Extraordinary Loss	0.89	0.03	-96.3%													
Net Income before Tax	23.87	24.83	+4.0%													
Corporate Tax	8.49	8.64	+1.8%													
Net Profit	15.37	16.19	+5.3%													
				<div style="border: 1px solid black; padding: 5px;"> <p><Currency Rates></p> <table> <thead> <tr> <th></th> <th>3Q FY13 actual</th> <th>3Q FY14 actual</th> </tr> </thead> <tbody> <tr> <td>US\$</td> <td>JPY 99.17</td> <td>JPY 107.11</td> </tr> <tr> <td>Euro</td> <td>JPY 129.59</td> <td>JPY 140.43</td> </tr> <tr> <td>CNY</td> <td>JPY 15.49</td> <td>JPY 17.35</td> </tr> </tbody> </table> </div>		3Q FY13 actual	3Q FY14 actual	US\$	JPY 99.17	JPY 107.11	Euro	JPY 129.59	JPY 140.43	CNY	JPY 15.49	JPY 17.35
	3Q FY13 actual	3Q FY14 actual														
US\$	JPY 99.17	JPY 107.11														
Euro	JPY 129.59	JPY 140.43														
CNY	JPY 15.49	JPY 17.35														
Operating profit before amortization (% of net sales)	26.21 24.1%	29.73 25.4%	+13.4% +1.4pt													

Summary of Cash Flows

(JPY billions)		Q3 FY14 Actual
Cash and cash equivalents at the beginning of 3Q FY14		72.39
Net increase/decrease in cash and cash equivalents		-14.11
	Cash flows from operating activities	+13.43
	Cash flows from investing activities	-61.12
	Cash flows from financial activities	+31.89
	Effect of exchange rate changes on cash and cash equivalents	+1.68
Cash and cash equivalents at the end of 3Q FY14		58.28

Note: "Cash and cash equivalents" include cash equivalents thus differ from "cash and deposits" in the Balance Sheets.

Capital Expenditures / Depreciation & Amortization

(JPY billions)	Q3 FY13	Q3 FY14	
	Actual	Actual	Var.
Capital Expenditures	2.08	2.55	+0.47
Depreciation and Amortization	1.83	4.57	+2.74



**Reference:
Consolidated Forecast of FY2014**

Sales Forecast by Business Segment / Overseas Sales (Japanese Standard)

(JPY billions)	FY2014 Forecast					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var. %	Sales	Var. %
Pharmaceuticals	121.10	+1.6%	31.56	+19.1%	152.66	+4.8%
Prescription Pharmaceuticals	114.79	+1.8%	31.54	+19.2%	146.33	+5.1%
Ophthalmic	103.77	+2.0%	28.35	+10.7%	132.12	+3.7%
Anti-RA	9.95	-2.0%	0.03	-61.4%	9.99	-2.5%
Others	1.06	+23.9%	3.15	+318.1%	4.21	+161.7%
OTC Pharmaceuticals	6.30	-1.7%	0.02	-36.6%	6.33	-1.9%
Others	3.28	+13.3%	0.04	-6.7%	3.33	+12.9%
Medical Devices	2.90	+10.5%	0.04	-20.7%	2.94	+9.8%
Others	0.38	+40.7%	0.00	-	0.39	+43.4%
Total	124.38	+1.9%	31.61	+19.1%	156.00	+4.9%

Overseas Sales Revised Forecast (Japanese Standard)

(JPY billions)	FY2013 Actual (Unification of Accounting Period)	FY2014 Forecast		
		Forecast	Var.	Var. %
U.S.	1.07	3.10	+2.03	+189.1%
Europe	12.29	13.64	+1.34	+11.0%
Asia	13.17	14.85	+1.68	+12.8%
<i>China</i>	<i>9.79</i>	<i>10.06</i>	<i>+0.26</i>	<i>+2.7%</i>
<i>Korea</i>	<i>2.10</i>	<i>2.75</i>	<i>+0.65</i>	<i>+31.1%</i>
Others	0.00	0.01	+0.00	+71.9%
Total	26.55	31.61	+5.06	+19.1%
Overseas sale/sales	17.9%	20.3%	+2.4pt	-

Capital Expenditures / Depreciation & Amortization (Japanese Standard)

(JPY billions)	FY2013 Actual (Unification of Accounting Period)	FY2014	
		Forecast	Var.
Capital Expenditures	3.15	4.50	+1.34
Depreciation and Amortization	2.61	6.70	+4.08



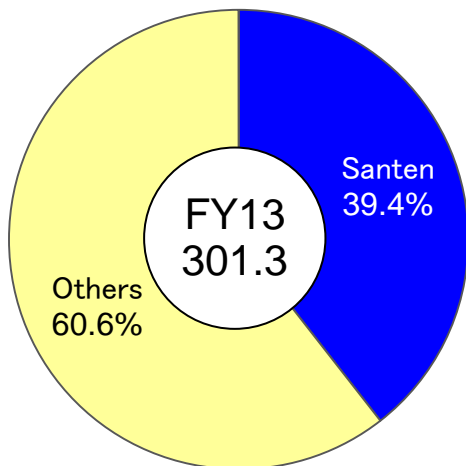
Reference:

**Market Overview of
Prescription Ophthalmic in Japan**

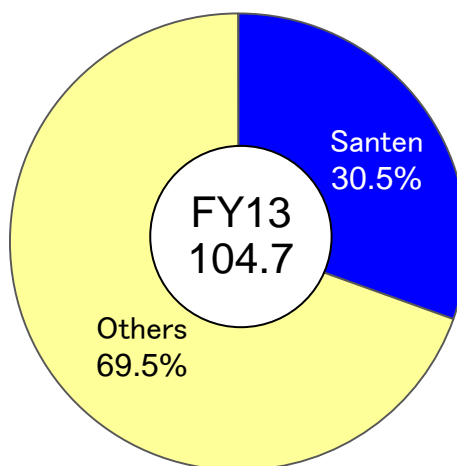
Japan: Trend & Competition in Ophthalmics (1)

Market Size:
billions of yen
%: Value Share

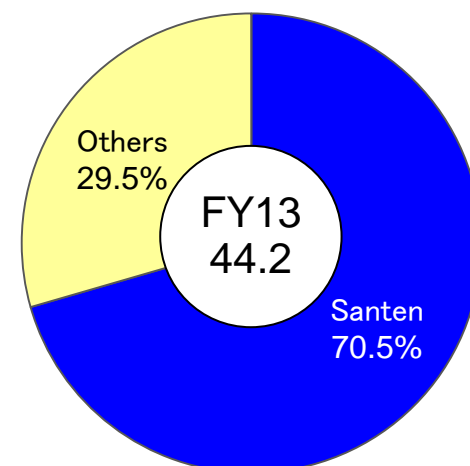
Ophthalmology Total



Anti-glaucoma



Corneal: Dry Eye



		FY13	Q3 FY14
YoY change	Market	+10.2%	+8.0%
	Santen	+23.1%	+7.2%
Santen's Share		39.4%	39.9%

		FY13	Q3 FY14
		+10.5%	+1.8%
		+10.7%	+5.3%
Santen's Share		30.5%	31.7%

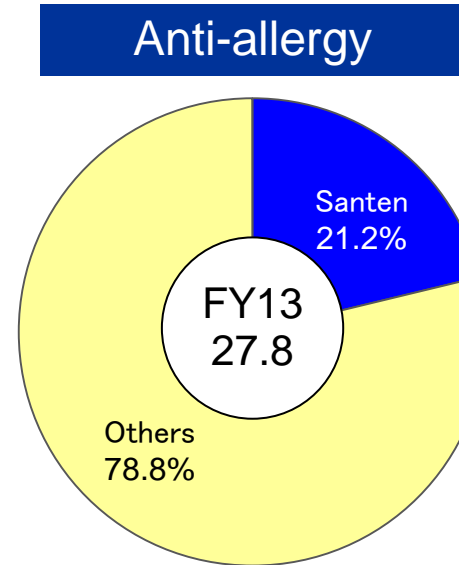
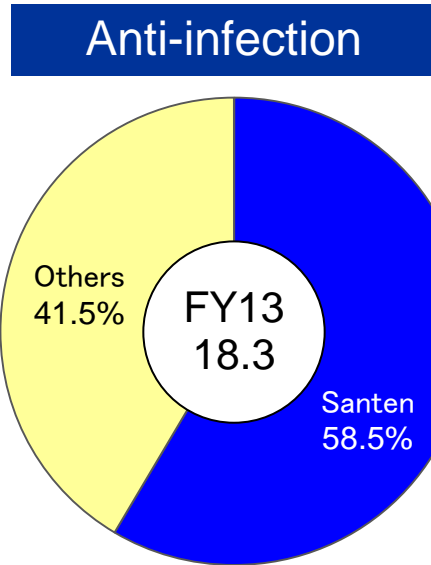
		FY13	Q3 FY14
		+11.5%	+0.8%
		+5.4%	-6.6%
Santen's Share		70.5%	66.0%

- Santen:
 - Anti-Glaucoma : Tapros, Cosopt, Timoptol/XE, Trusopt, Rescula, Detantol
 - Cornea / Dry Eye : Hyalein, Diquas

Source: ©2014 IMS Health
IMS-JPM 2012-14
Santen analysis based on IMS data
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Japan: Trend & Competition in Ophthalmics (2)

Market Size:
billions of yen
%: Value Share



		FY13	Q3 FY14
YoY change	Market	-3.0%	-7.6%
	Santen	-7.8%	-15.2%
Santen's Share		58.5%	54.6%

		FY13	Q3 FY14
YoY change		-9.7%	+15.9%
Santen's Share		21.2%	31.8%

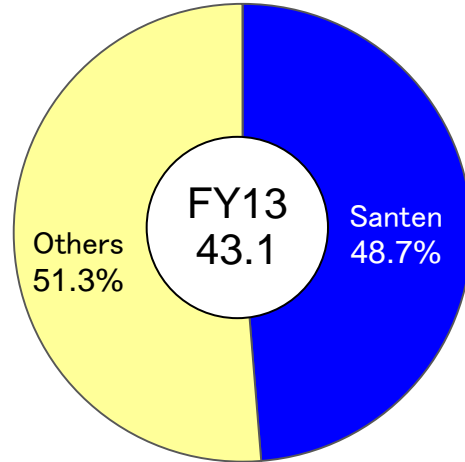
- Santen:
 - Anti-infection: Cravit, Tarivid
 - Anti-allergy: Alesion, Livostin, Alegysal

Source: ©2014 IMS Health
IMS-JPM 2012-14
Santen analysis based on IMS data
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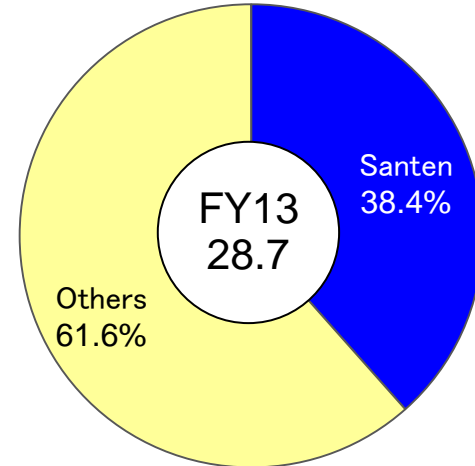
Japan: Trend & Competition in Ophthalmics (3)

Market Size:
billions of yen
%: Value Share

Anti-VEGF



Anti-RA(DMARDs)



		FY13	Q3 FY14
YoY change	Market	+52.6%	+52.4%
	Santen	-	+43.8%
Santen's Share		48.7%	46.8%

		FY13	Q3 FY14
		+5.5%	-1.3%
		+2.0%	-5.5%
		38.4%	37.1%

-Santen:
- Anti-VEGF: Eylea
- Anti-RA(DMARDs): Rimatil, Azulfidine, Metolate

Source: ©2014 IMS Health
IMS-JPM 2012-14
Santen analysis based on IMS data
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Status of Clinical Development 3rd Quarter of FY2014

Naveed Shams, M.D. Ph.D.

Senior Corporate Officer

Chief Scientific Officer (CSO)

Head of Global Research & Development

Major Clinical Pipeline List (1) [by Disease]

(Red underlined: Change from 1H of FY14 Presentation)

Global Product

Japan (Asia)Product

Disease	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Glaucoma/ Ocular Hypertension		DE-117 ^{P2b} EP2 Receptor Agonist		China DE-085 Tafluprost	
		DE-090 Lomerizine HCl		Korea <u>DE-111</u> Tafluprost/Timolol	JP, EU
				Asia DE-118 Tafluprost UD	JP
Corneal/ Conjunctival Disease				China DE-089 Diquafosol Sodium	
		U.S. Cyclokat Ciclosporin		EU Cyclokat Ciclosporin	
Retina/ Uveitis	U.S. DE-120 VEGF/PDGF inhibitor		DE-109 Sirolimus		
Other Infection, Allergy, RA			Vekacia Ciclosporin		

Major Clinical Pipeline List (2) [by Region]

(Red underlined: Change from 1H of FY14 Presentation)

Global Product

Japan (Asia)Product

Region	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Japan		DE-090 Lomerizine HCl	DE-109 Sirolimus		DE-111 Tafluprost/Timolol
					DE-118 Tafluprost UD
North America (Including Latin America)		DE-117 P2b EP2 Receptor Agonist	DE-109 Sirolimus		
	DE-120 VEGF/PDGF inhibitor				
		Cyclokot Ciclosporin			
Asia (including Oceania)				DE-085 China Tafluprost	
				China DE-089 Diquafosol Sodium	
				Korea DE-111 Tafluprost/Timolol	
				DE-118 Tafluprost UD	
EU			DE-109 Sirolimus	Cyclokot Ciclosporin	DE-111 Tafluprost/Timolol
			Vekacia Ciclosporin		

Major Clinical Projects Update -Glaucoma / Ocular hypertension-

■ DE-085 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
China	NDA Filed	NDA Filed	Generic name: Tafluprost

■ DE-090 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
Japan	P2	P2	Generic name: Lomerizine HCl

■ DE-111 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
Japan	Launched	Approved	Generic name: Tafluprost/ Timolol maleate (Combination drug)
Europe	Launched (Germany)	NDA Filed	
Korea	NDA Filed	—	

Major Clinical Projects Update

-Glaucoma /
Ocular hypertension-
-Corneal disease-

■ DE-117 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
U.S.	P2b	P2b	EP2 receptor agonist

■ DE-089 (Dry eye)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
Asia	China: NDA filed	China: NDA filed	Generic name: Diquafosol Sodium

Major Clinical Projects Update

-Retinal Disease-
-Uveitis-

■ **DE-120** (Wet Age-related Macular Degeneration (w-AMD))

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
U.S.	P1/2a	P1/2a	VEGF/PDGF dual inhibitor

■ **DE-109** (Uveitis)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
U.S.	P3	P3	Generic name: Sirolimus
Japan	P3	P3	
EU	P3	P3	

Major Clinical Projects Update -Santen S.A.S.-

■ Cyclokot (Severe Dry Eye)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
EU	NDA filed	NDA filed	Generic Name: Ciclosporin
U.S.	P2 Completed	P2 Completed	

■ Vekacia (Vernal Keratoconjunctivitis)

Region	Development Stage		Remarks
	As of February 3, 2015	As of November 5, 2014 (Previous announcement)	
EU	P3	P3	Generic Name: Ciclosporin

*Project evaluations are ongoing for the products below.

Development Name	Indication	Region	Stage	Remarks
Catioprost	Glaucoma/ Ocular hypertension	EU	P2	Generic Name: Latanoprost
Cortiject	Diabetic macular edema	U.S.	P1/2	Generic Name: Dexamethasone Palmitate

Forward-Looking Statements

- Information given in this announcement and accompanying documentation contains certain forward-looking statements concerning forecasts, projections and plans whose realization is subject to risk and uncertainty from a variety of sources. Actual results may differ significantly from forecasts.
- Business performance and financial condition are subject to the effects of medical regulatory changes made by the governments of Japan and other nations concerning medical insurance, drug pricing and other systems, and to fluctuations in market variables such as interest rates and foreign exchange rates.
- The process of drug research and development from discovery to final approval and sales is long, complex and uncertain. Individual compounds are subject to a multitude of uncertainties, including the termination of clinical development at various stages and the non-approval of products after a regulatory filing has been submitted. Forecasts and projections concerning new products take into account assumptions concerning the development pipelines of other companies and any co-promotion agreements, existing or planned. The success or failure of such agreements could affect business performance and financial condition significantly.
- Business performance and financial conditions could be affected significantly by a substantial drop in sales of a major drug, either currently marketed or expected to be launched, due to termination of sales as a result of factors such as patent expiry and complications, product defects or unforeseen side effects. Santen Pharmaceutical also sells numerous products under sales and/or manufacturing license from other companies. Business performance could be affected significantly by changes in the terms and conditions of agreements and/or the non-renewal of agreements.
- Santen Pharmaceutical is reliant on specific companies for supplies of certain raw materials used in production. Business performance could be affected significantly by the suspension or termination of supplies of such raw materials if such an event were to adversely affect supply capabilities for related final products.

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