

<Reference>

Sales of major pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Three months ended December 31, 2007 Actual	Nine months ended December 31, 2007 Actual	Year ended March 31, 2008 Actual	Three months ended December 31, 2008 Actual	Nine months ended December 31, 2008 Actual	Year ending March 31, 2009 Forecasts
Prescription pharmaceuticals		25,442 (5.0)	73,328 (2.9)	95,322 (3.8)	23,810 (6.4)	72,417 (1.2)	96,172 (0.9)
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	3,370 (2.4)	10,238 (4.1)	12,864 (2.2)	2,866 (14.9)	9,875 (3.5)	11,888 (7.6)
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	817 (5.6)	2,646 (5.9)	3,139 (10.9)	628 (23.2)	2,080 (21.4)	2,619 (16.6)
Timoptol timolol maleate/ophthalmic solution	Glaucoma	995 (6.9)	2,872 (5.6)	3,574 (6.3)	786 (21.0)	2,527 (12.0)	3,163 (11.5)
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	950 (1.6)	2,698 (5.8)	3,432 (5.3)	879 (7.5)	2,701 (0.1)	3,606 (5.1)
Detantol bunazosin hydrochloride	Glaucoma	666 (3.0)	1,861 (3.1)	2,337 (2.1)	611 (8.2)	1,793 (3.6)	2,337 (0.0)
Rescula isopropyl unoprostone	Glaucoma	1,404 (6.4)	3,934 (3.9)	4,880 (4.8)	1,186 (15.6)	3,494 (11.2)	4,461 (8.6)
Livostin levocabastine hydrochloride/ ophthalmic solution	Allergy	807 (1.2)	2,280 (7.1)	4,341 (0.8)	707 (12.5)	2,097 (8.0)	3,766 (13.2)
Hyalein sodium hyaluronate/ophthalmic solution	Corneal disease	5,441 (7.5)	15,081 (7.1)	19,521 (9.1)	5,019 (7.8)	15,559 (3.2)	20,536 (5.2)
Fiumetholon fluorometholone/ophthalmic solution	Inflammation	1,162 (3.7)	3,552 (3.3)	4,821 (0.7)	1,016 (12.5)	3,320 (6.5)	4,606 (4.4)
Kary Uni pirenoxine/ophthalmic solution	Early-stage senile cataract	984 (0.1)	2,863 (4.3)	3,652 (5.4)	937 (4.8)	2,789 (2.6)	3,707 (1.5)
PAPILOCK Mini ciclosporin/ophthalmic solution	Vernal keratoconjunctivitis	36 (20.1)	114 (21.5)	153 (26.6)	73 (101.5)	316 (175.8)	1,937 (1,166.1)
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	892 (8.3)	2,524 (12.5)	3,204 (12.9)	863 (3.3)	2,497 (1.1)	3,221 (0.5)
BSS PLUS oxiglutatione/ophthalmic perfusate and lotion	Perfusate / lotion	358 (0.7)	1,007 (0.7)	1,267 (0.8)	331 (7.5)	970 (3.8)	1,196 (5.6)
Rimatil bucillamine/tablet	Rheumatoid arthritis	1,358 (1.9)	3,819 (3.1)	4,767 (3.0)	1,208 (11.0)	3,548 (7.1)	4,633 (2.8)
Azulfidine EN salazosulfapyridine/enteric coated tablet	Rheumatoid arthritis	1,162 (4.1)	3,250 (5.7)	4,121 (6.0)	1,117 (3.8)	3,268 (0.6)	4,254 (3.2)
OTC pharmaceuticals		1,435 (10.3)	4,239 (4.4)	5,451 (2.7)	1,301 (9.3)	4,023 (5.1)	5,615 (3.0)

lower: year on year percentage change

*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, etc..

Reference information

Research & development

Pipeline of prescription pharmaceuticals (Clinical studies)

Generic name	Brand name/dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Levofloxacin (0.5%)	Cravit	Bacterial conjunctivitis	Daiichi Sankyo	Japan						Apr-00
	Quixin			U.S						Nov-00
	Oftaquix			Europe						May-02
Levofloxacin (1.5%)	DE-108	Bacterial conjunctivitis	Daiichi Sankyo	Japan						
Characteristics: Fluoroquinolone antibacterial agent. A higher-concentration product for control of drug resistance.										
Levofloxacin + prednisolone A	DE-094	Infectious keratitis	Daiichi Sankyo	U.S						
Characteristics: A combination treatment of Fluoroquinolone antibacterial agent and steroids.										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Tafluprost	DE-085	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						Dec-08
				Europe						Jun-08
				U.S						
				Asia*						Nov-07
Characteristics: Prostaglandin derivative for treatment of glaucoma and ocular hypertension. Launched in Japan in Dec, 2008, and launched in Germany, Denmark, etc. In the U.S., our future development plan will be decided based on marketability. NDA filed in Korea in Nov, 2007, and Phase III study is ongoing in China. (*excluding Japan)										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Diquafosol sodium	DE-089	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Inspire Pharm.	Japan						May-08
Characteristics: A treatment for corneal and conjunctival epithelial disorder mostly associated with dry eye. that stimulates the ocular surface to secrete tear fluid and components. Expected to be used in combination with existing treatments. A comparative Phase study met the primary objective and we filed for manufacturing and marketing approval for corneal and conjunctival epithelial disorder associated with dry eye, etc.										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Lomerizine HCl	DE-090	Glaucoma	Schering-Plough*	Japan						
Characteristics: A new type of glaucoma treatment studied for inhibiting the progression of visual field defects. The only calcium antagonist in development as an oral glaucoma treatment. Compared with NMDA receptor antagonists, fewer systemic side effects are expected, thus having excellent safety. Marketed by Schering-Plough as a migraine treatment.										

* Nippon Organon was merged in Schering-Plough.

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Rivoglitazone	DE-101	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Daiichi Sankyo	U.S						
				Japan						
Characteristics: Expected to show a potent effect on corneal and conjunctival epithelial disorder mostly associated with dry eye. by directly acting on the corneal and conjunctival epithelial cells. Unique mechanism of action which differs from existing treatments. Clinical study has currently been conducted as an oral anti-diabetic drug by Daiichi Sankyo in Japan and the U.S.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-102	Diabetic macular edema	Co-development with Oakwood (U.S)	Japan		(Phase I / IIa)				
Characteristics: A steroid microsphere product for a sustained release injection. Animal studies demonstrated sustained efficacy when injected around the affected area. Collaborated with Oakwood Laboratories (U.S.) for technical development in commercial scale.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-104	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S Japan						
Characteristics: A ROCK inhibitor co-developed with Ube Industries for treatment of glaucoma and ocular hypertension which has a different action mechanism from any other existing drugs. Expected to show a strong IOP-reduction by promoting aqueous humor outflow by directly acting on trabecular meshwork cells.										

Generic name (U.S.)	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-105	Persistent corneal epithelial defects	Original	U.S						
Characteristics: Expected to accelerate corneal epithelial migration and demonstrate high safety for intractable persistent corneal epithelial defects compared with existing therapy.										

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Reference information

Research & development

Pipeline of prescription pharmaceuticals (In preparation for clinical trials)

Generic name	Brand name	Indication	Original/in-licensor
Bucillamine	Rimatil	Osteoarthritis (additional indication)	Original

Characteristics: Confirmed to be effective on joint inflammation caused by osteoarthritis.

Generic name	Dev. Code	Indication	Original/in-licensor
Sirolimus	DE-109	Wet age related macular degeneration(wet AMD)/ Diabetic macular edema(DME)	MacuSight (U.S)

Characteristics: Subconjunctival or intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Phase clinical trials in patients with wet AMD and DME have shown improvements in visual acuity that were consistent with morphological changes following a single administration of sirolimus. Santen made a research and development collaboration and license agreement with MacuSight for the Japanese and Asian development and commercialization of sirolimus for the treatment of ocular diseases.

License out

Dev. code	Indication	Licensee	Status	in-licensor
DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Argenes	Phase I / IIa	Centocor

Characteristics: Joint injection that induces apoptosis in diseased joints of rheumatoid arthritis patients. Bulk pharmaceutical manufacturing process for actual production scale has been established. Santen granted the domestic development rights to Argenes, Inc. The compound had been in-licensed from Centocor. In Japan and Europe, the clinical study has been started. Santen continues to hold the marketing rights in Japan and the overseas marketing and development rights.

Changes from Nov. 5, 2008

[Progress]

Dev. code	Indication	Status change	Clinical trial, NDA filing, Launch Region
DE-108	Bacterial conjunctivitis	Phase I Phase III	Japan
DE-085	Glaucoma/ Ocular hypertension	Approved Launched	Japan

[Discontinued]

Dev. code	Indication	Clinical trial Region	Status before cancellation
DE-092	Glaucoma/ Ocular hypertension	Japan/U.S./Europe	Phase II (Pilot study)

The result of P2 pilot study, with revised formulation in Europe, demonstrated that it is difficult to meet certain criteria based on its expected drug positioning for clinical treatment.

Dev. code	Indication	Clinical trial Region	Status before cancellation
DE-103	Allergic conjunctivitis	Japan	Phase II

The result of P2 study in Japan demonstrated that it is difficult to meet certain criteria based on its expected drug positioning for clinical treatment.

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Capital expenditures

(Millions of yen)

	Three months ended December 31, 2007	Nine months ended December 31, 2007	Year ended March 31, 2008	Three months ended December 31, 2008	Nine months ended December 31, 2008	Year ending March 31, 2009
	Actual	Actual	Actual	Actual	Actual	Forecasts
Capital expenditures	444	2,209	2,758	1,483	2,489	2,380

Depreciation and amortization

(Millions of yen)

	Three months ended December 31, 2007	Nine months ended December 31, 2007	Year ended March 31, 2008	Three months ended December 31, 2008	Nine months ended December 31, 2008	Year ending March 31, 2009
	Actual	Actual	Actual	Actual	Actual	Forecasts
Consolidated total	854	2,487	3,353	874	2,520	3,700
Manufacturing cost	409	1,199	1,635	469	1,368	2,010
Selling, general and administrative expenses	132	467	626	145	469	590
R&D expenses	312	820	1,091	259	683	1,100

Lease expenses

(Millions of yen)

	Three months ended December 31, 2007	Nine months ended December 31, 2007	Year ended March 31, 2008	Three months ended December 31, 2008	Nine months ended December 31, 2008	Year ending March 31, 2009
	Actual	Actual	Actual	Actual	Actual	Forecasts
Consolidated total	264	790	1,042	230	716	950
Manufacturing cost	233	699	925	203	635	830

R&D expenses

(Millions of yen)

	Three months ended December 31, 2007	Nine months ended December 31, 2007	Year ended March 31, 2008	Three months ended December 31, 2008	Nine months ended December 31, 2008	Year ending March 31, 2009
	Actual	Actual	Actual	Actual	Actual	Forecasts
R&D expenses	3,387	9,742	12,941	3,269	15,101	19,400
Net sales ratio	12.4%	12.3%	12.5%	12.8%	19.4%	18.7%

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