

Sales of major pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Nine months ended December 31, 2008 Actual	Year ended March 31, 2009 Actual	Nine months ended December 31, 2009 Actual	Year ending March 31, 2010 Forecasts
Prescription pharmaceuticals		72,417 (1.2) %	94,538 (0.8) %	74,833 3.3 %	99,726 5.5 %
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	9,875 (3.5) %	12,443 (3.3) %	9,670 (2.1) %	12,802 2.9 %
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	2,080 (21.4) %	2,488 (20.7) %	1,929 (7.2) %	2,510 0.9 %
Tapros tafluprost/ophthalmic solution	Glaucoma	761 - %	1,058 - %	3,272 329.7 %	4,818 355.2 %
Timoptol timolol maleate/ophthalmic solution	Glaucoma	2,527 (12.0) %	3,213 (10.1) %	2,274 (10.0) %	3,143 (2.2) %
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	2,701 0.1 %	3,477 1.3 %	2,740 1.5 %	3,560 2.4 %
Detantol bunazosin hydrochloride	Glaucoma	1,793 (3.6) %	2,283 (2.3) %	1,705 (4.9) %	2,112 (7.5) %
Rescula isopropyl unoprostone	Glaucoma	3,494 (11.2) %	4,386 (10.1) %	2,986 (14.5) %	3,455 (21.2) %
Livostin levocabastine hydrochloride/ ophthalmic solution	Allergy	2,097 (8.0) %	4,302 (0.9) %	1,909 (9.0) %	3,809 (11.5) %
Hyalein sodium hyaluronate/ophthalmic solution	Corneal disease	15,559 3.2 %	20,030 2.6 %	16,640 6.9 %	21,399 6.8 %
Flumetholon fluorometholone/ophthalmic solution	Inflammation	3,320 (6.5) %	4,671 (3.1) %	3,377 1.7 %	4,757 1.9 %
Kary Uni pirenoxine/ophthalmic solution	Early-stage senile cataract	2,789 (2.6) %	3,572 (2.2) %	2,903 4.1 %	3,855 7.9 %
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	2,497 (1.1) %	3,236 1.0 %	2,701 8.1 %	3,416 5.5 %
BSS PLUS oxiglutatione/ophthalmic perfusate and lotion	Perfusate / lotion	970 (3.8) %	1,241 (2.0) %	964 (0.6) %	1,276 2.8 %
Rimatil bucillamine/tablet	Rheumatoid arthritis	3,548 (7.1) %	4,539 (4.8) %	3,466 (2.3) %	4,333 (4.5) %
Azulfidine EN salazosulfapyridine/enteric coated tablet	Rheumatoid arthritis	3,268 0.6 %	4,187 1.6 %	3,336 2.1 %	4,369 4.3 %
OTC pharmaceuticals		4,023 (5.1) %	5,225 (4.1) %	4,050 0.7 %	5,591 7.0 %

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..

Pipeline of prescription pharmaceuticals (Clinical trials)

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						

A fluoroquinolone antibacterial agent with higher-concentration.

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.					(License out)	
				Asia					Jun-09	

Prostaglandin derivative for treatment of glaucoma and ocular hypertension. Commercially launched in Japan in Dec, 2008. It has also been launched in Europe such as in Germany, Denmark, etc. Development rights in the U.S. have been granted to Merck in April 2009. It has been approved for sale in Korea in June, 2009, and Phase III clinical trials are currently being conducted in China.

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 mostly associated with dry eye	Inspire Pharm.	Japan						May-08
				Asia						

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 III study met the primary objective and we filed for manufacturing and marketing approval. Phase III clinical trials were initiated in China.

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						

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.

Generic name	Dev. code	Indication	Original/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						

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. It has unique mechanism of action which differs from existing treatments.

Generic name	Dev. code	Indication	Original/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 / II)				

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/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.		(Phase I / II)				
				Japan						

A ROCK inhibitor co-developed with Ube Industries for treatment of glaucoma and ocular hypertension 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	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-105	Persistent corneal epithelial defects	Original	U.S.						
				Japan						

Expected to accelerate corneal epithelial migration and demonstrate high safety for intractable persistent corneal epithelial defects compared with existing therapy.

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Sirolimus	DE-109	Wet age related macular degeneration(wet AMD)/ Diabetic macular edema(DME)	MacuSight (U.S)	Japan		(Phase I / II)				

Subconjunctival or intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Phase I 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.

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Pipeline of prescription pharmaceuticals (Clinical trials)

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Centocor	Europe Japan	(Phase I / II)	(Phase I / II)				
Joint injection that induces apoptosis in diseased joints of rheumatoid arthritis patients. Bulk pharmaceutical manufacturing process for actual production scale has been established. The compound had been in-licensed from Centocor. Clinical trials are being conducted in Japan and Europe.										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-110	Allergic conjunctivitis	Original	U.S.						
A new type of anti-allergic agent with non-steroidal chemical structure. A selective glucocorticoid receptor agonist (SEGRA).										

Changes from November 10, 2009

Dev. Code	Indication	Status change	Region of clinical trial
DE-089	Corneal and conjunctival epithelial disorder mostly associated with dry eye	Started Phase III	China

Dev. Code	Indication	Status change	Region of clinical trial
DE-110	Allergic conjunctivitis	Started Phase I	U.S.

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Capital expenditures**(Millions of yen)**

	Nine months ended December 31, 2008 Actual	Year ended March 31, 2009 Actual	Nine months ended December 31, 2009 Actual	Year ending March 31, 2010 Forecasts
Capital expenditures	2,489	2,744	689	1,830

Depreciation and amortization**(Millions of yen)**

	Nine months ended December 31, 2008 Actual	Year ended March 31, 2009 Actual	Nine months ended December 31, 2009 Actual	Year ending March 31, 2010 Forecasts
Consolidated total	2,520	3,391	2,395	3,410
Manufacturing cost	1,368	1,822	1,238	1,740
Selling, general and administrative expenses	469	622	445	610
R&D expenses	683	946	712	1,060

Lease expenses**(Millions of yen)**

	Nine months ended December 31, 2008 Actual	Year ended March 31, 2009 Actual	Nine months ended December 31, 2009 Actual	Year ending March 31, 2010 Forecasts
Consolidated total	716	931	427	520
Manufacturing cost	635	821	358	430

R&D expenses**(Millions of yen)**

	Nine months ended December 31, 2008 Actual	Year ended March 31, 2009 Actual	Nine months ended December 31, 2009 Actual	Year ending March 31, 2010 Forecasts
R&D expenses	15,101	18,457	10,572	15,300
Net sales ratio	19.4%	18.2%	12.3%	13.5%

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