



**Santen Pharmaceutical Co., Ltd.
Investor Meeting on FY2013 Results**

**Financial Results for the FY2013
Financial Forecast for the FY2014**

**May 14th, 2014
Akira Kurokawa
President & CEO**

Santen's Values

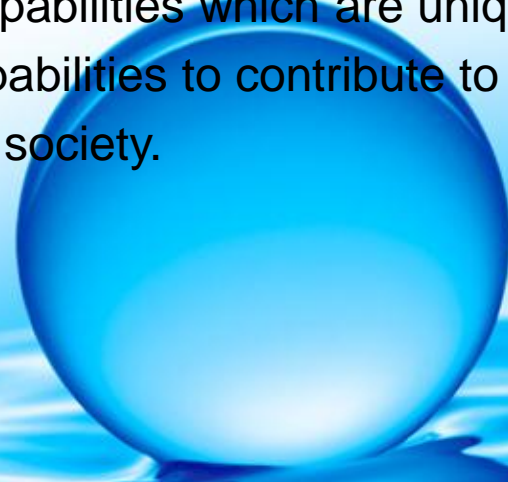
天機に参与する*

“Tenki ni sanyo-suru”

Mission Statement

By focusing our efforts on ophthalmology and related areas, we develop scientific knowledge and organizational capabilities which are unique and original to Santen. We use our unique capabilities to contribute to patients and their loved ones, and consequently to society.

* Santen's original interpretation of a passage from chapter 22 of Zhongyong (The Doctrine of the Mean) by Confucius, meaning “exploring the secrets and mechanisms of nature in order to contribute to people's health.”



Long-term Strategic Vision

A Specialized Pharmaceutical Company with a Global Presence

Prescription Ophthalmics
Business in Market

- #1 in Japan and Asia
- Top 3 position globally

Overseas sales in 2020

- Up to 40 - 50% of Total Sales



FY2011-FY2013 Medium Term Management Plan

Santen group has unified the accounting period from the fiscal year ended March 31, 2014, for voluntary adoption of International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2015.

(JPY billions)	FY2013 (Objectives※)	FY2013* Actual	FY2013** Actual
Net Sales	Over 121.00	148.66	146.01
Operating Profit	Over 31.00	27.41	28.83
Net Income	Over 20.00	17.10	18.92
R&D Cost	15.50	19.04	18.23
DOE (dividend rates for stockholder equity)	Around 5.0%	4.8%	4.7%
ROE	—	9.9%	10.8%

Foreign Exchange	FY13※	FY13 Actual	FY13Actual
US \$	JPY 83.0	JPY 100.04	JPY 100.04
Euro	JPY 110.0	JPY 132.98	JPY 132.34
RMB	JPY 12.5	JPY 15.93	JPY 15.72



Consolidated Results FY2013

Financial Highlights for FY2013

(JPY billions)	FY2012 Actual	FY2013* Actual	Var. %
Net Sales	119.06	148.66	+24.9%
Cost of Sales (% of net sales)	41.50 34.9%	58.10 39.1%	+40.0% +4.2pt
SGA excluding R&D (% of net sales)	36.16 30.4%	44.10 29.7%	+22.0% -0.7pt
R&D Cost (% of net sales)	16.71 14.0%	19.04 12.8%	+13.9% -1.2pt
Operating Profit (% of net sales)	24.68 20.7%	27.41 18.4%	+11.1% -2.3pt
Ordinary Income	25.60	27.92	+9.1%
Net Income	16.52	17.10	+3.6%

FY2013** Actual	Var. %
146.01	+22.6%
57.17 39.2%	+37.8% +4.3pt
41.77 28.6%	+15.5% -1.8pt
18.23 12.5%	+9.1% -1.6pt
28.83 19.7%	+16.8% -1.0pt
29.33	+14.6%
18.92	+14.5%

* Unification of Accounting Period.

** Before Unification of Accounting Period.

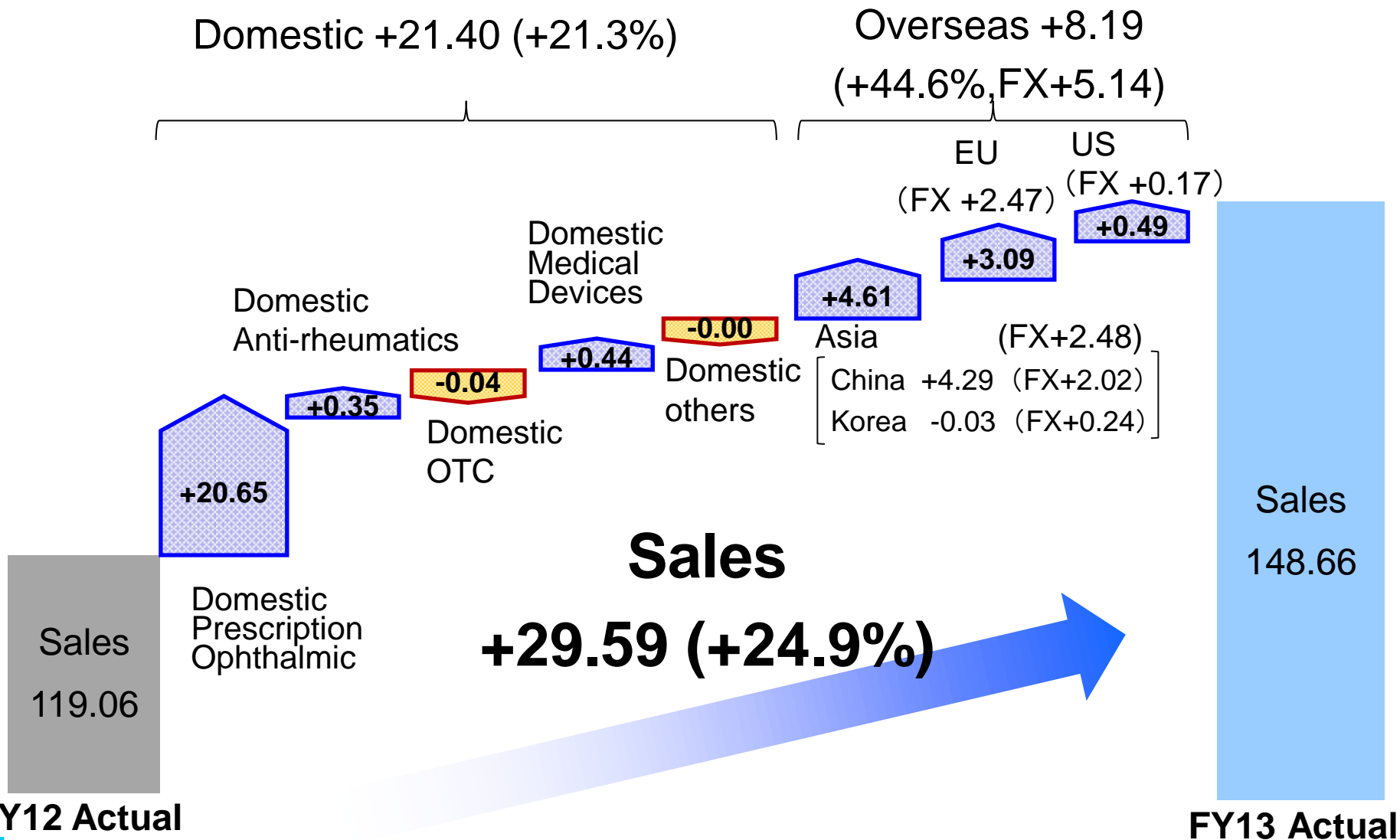
Foreign Exchange	<u>FY12 Actual</u>	<u>FY13 Actual</u>
US \$	JPY 82.91	JPY 100.04
Euro	JPY 106.01	JPY 132.98
RMB	JPY 12.64	JPY 15.93

<u>FY13 Actual</u>
JPY 100.04
JPY 132.34
JPY 15.72

Sales Increase/Decrease

(Reflecting Unification of Accounting Period in FY13)

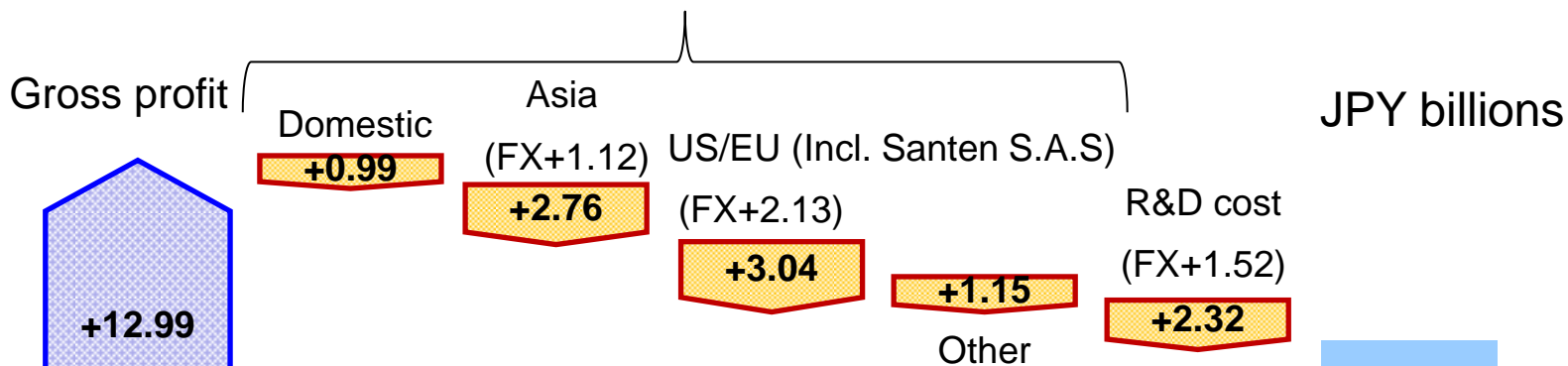
JPY billions



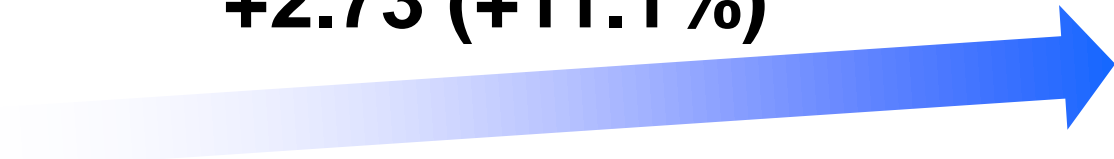
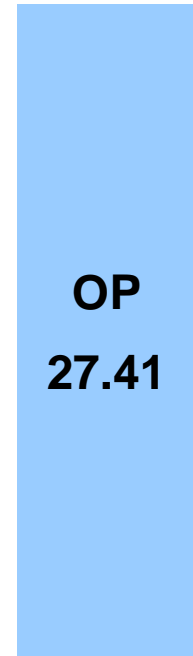
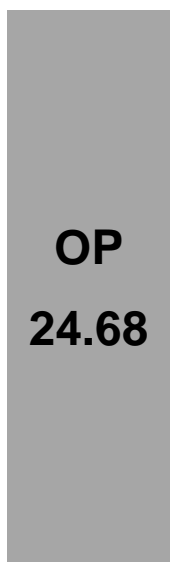
Operating Profit Change

(Reflecting Unification of Accounting Period in FY13)

SG&A (excl. R&D cost) +7.94 (+22.0%)



Operating Profit
+2.73 (+11.1%)





FY2014 Financial Forecast

FY2014 Financial Forecast

(JPY billions)	FY2013* Actual	FY2014 Forecast (Japanese Standard)	Var. %	FY2014 Forecast (IFRS)
Net Sales	148.66	151.00	+1.6%	151.00
Cost of Sales (% of net sales)	58.10 39.1%	57.50 38.1%	-1.0% -1.0pt	57.50 38.1%
SGA excluding R&D (% of net sales)	44.10 29.7%	46.50 30.8%	+5.4% +1.1pt	45.60 30.1%
R&D Cost (% of net sales)	19.04 12.8%	19.00 12.6%	-0.2% -0.2pt	18.80 12.4%
Operating Profit (% of net sales)	27.41 18.4%	28.00 18.5%	+2.1% +0.1pt	29.10* 19.2%
Profit before tax	27.92	28.50	+2.1%	29.60
Net Income	17.10	18.60	+8.7%	19.60
ROE	9.9%	10.0%	+0.1pt	10.2%**

Foreign Exchange	FY13 Actual	FY14 Forecast
US\$	JPY 100.04	JPY 103.00
Euro	JPY 132.98	JPY 141.00
RMB	JPY 15.93	JPY 16.90

* [Variance between J-GAAP and IFRS]

- Goodwill not subject to amortization
- Capitalized expenditures for R&D activities

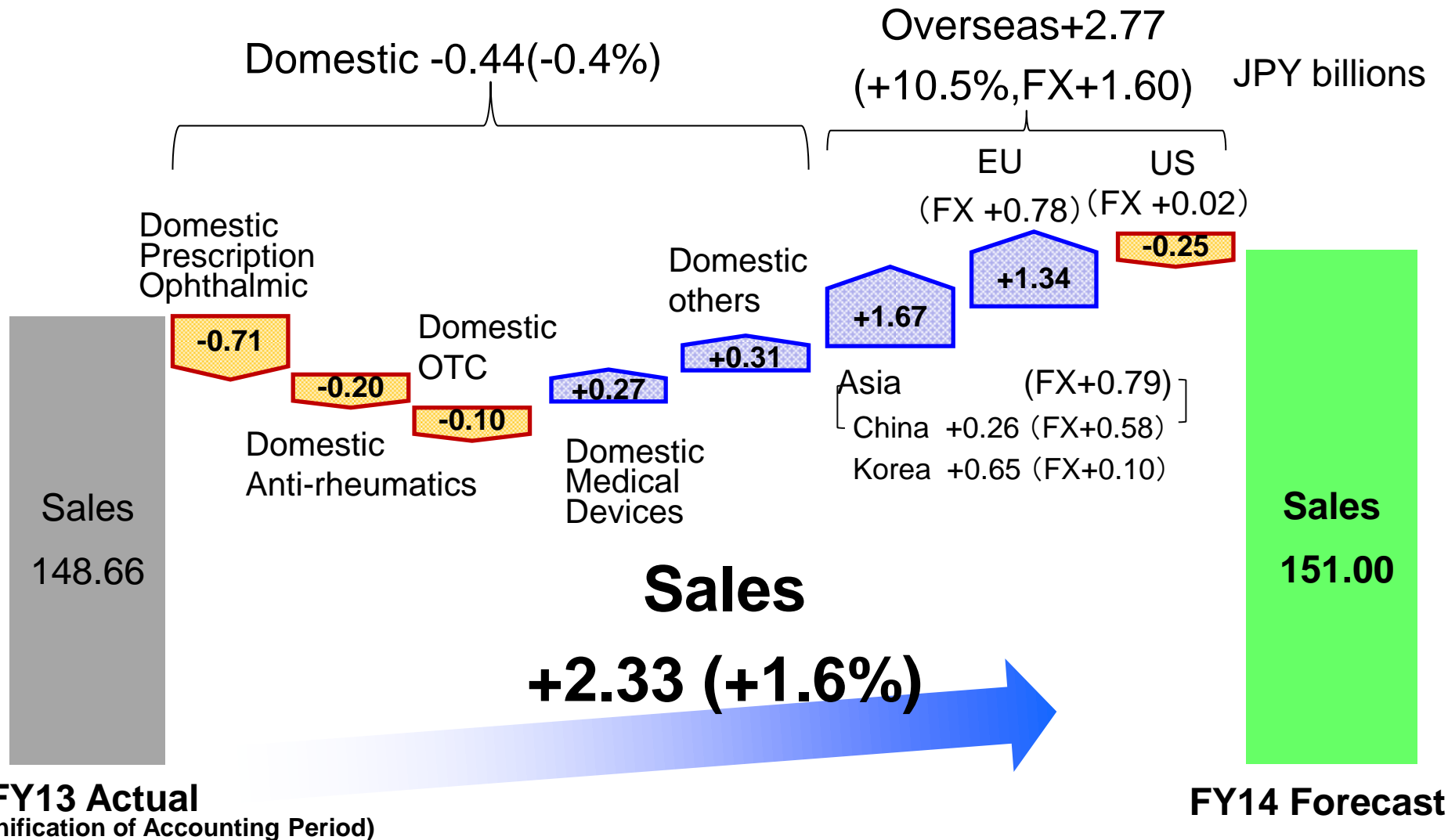
** [Reason of Increase of ROE]

- Due to Increase of Net Income and Net asset by before-mentioned adjustments

* Unification of Accounting Period.

FY2014 Forecast (Japanese Standard)

Sales Increase/Decrease

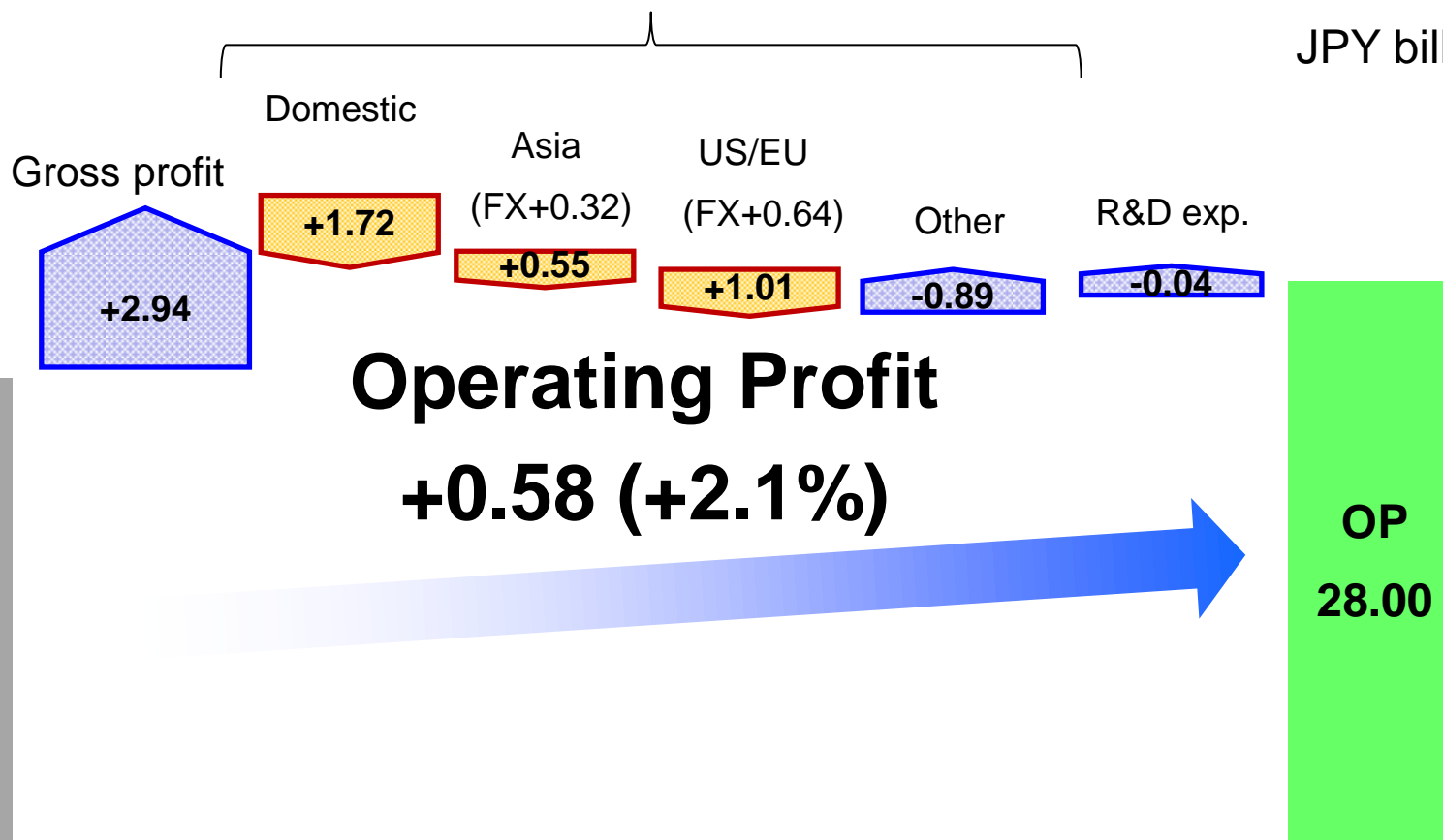


FY2013 Forecast (Japanese Standard)

Operating Profit Change

SG&A (excl. R&D cost) +2.39 (+5.4%)

JPY billions



FY13 Actual

(Unification of Accounting Period)

FY14 Forecast



Dividend for FY2013 Actual and FY2014 Forecast

Dividend for FY2013 Actual and FY2014 Forecast

■ FY2013

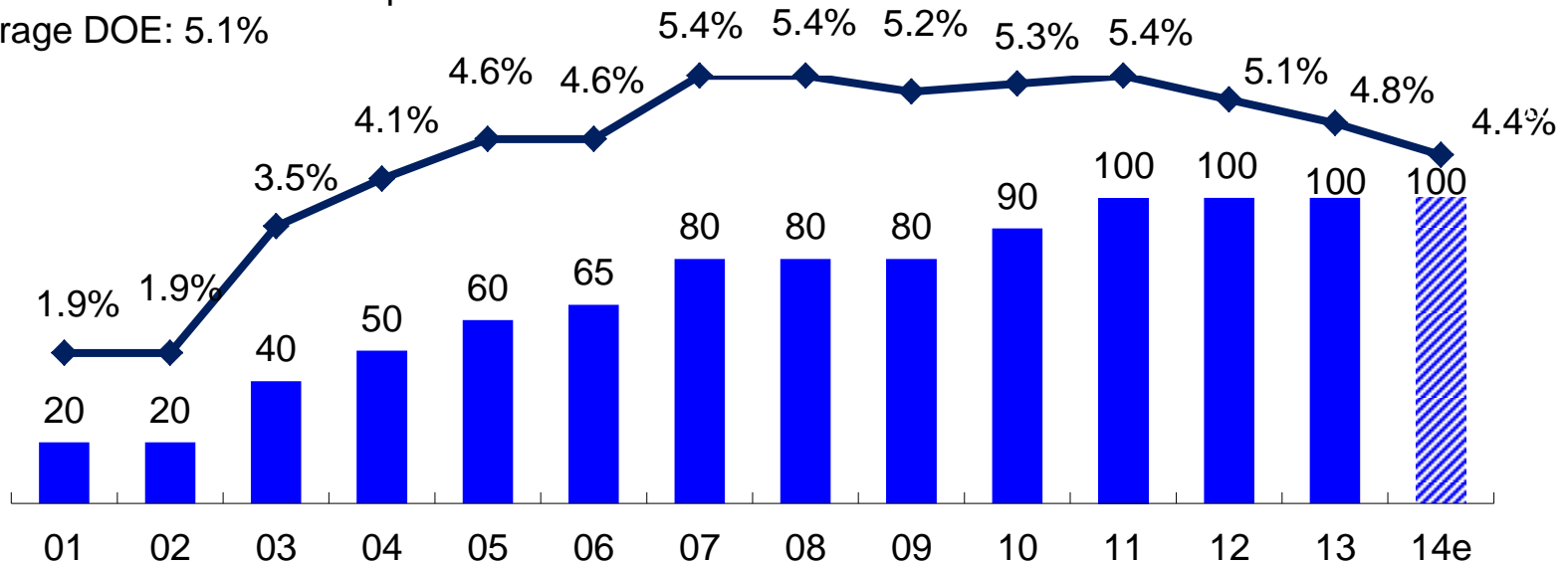
- FY2013 Annual Dividend : JPY 100 per share
- DOE: 4.8%
- Dividend payout ratio:48.2%

■ FY2014

- FY2014 Annual Dividend Forecast : JPY 100 per share
- DOE: 4.4%
- Dividend payout ratio:44.4%

■ FY2011-2013 (Medium-Term Management Plan)

- Annual Dividend : JPY 100 per share
- Average DOE: 5.1%



(¥ 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	44.4
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	36.4	36.7	50.8	137.0	48.2	--

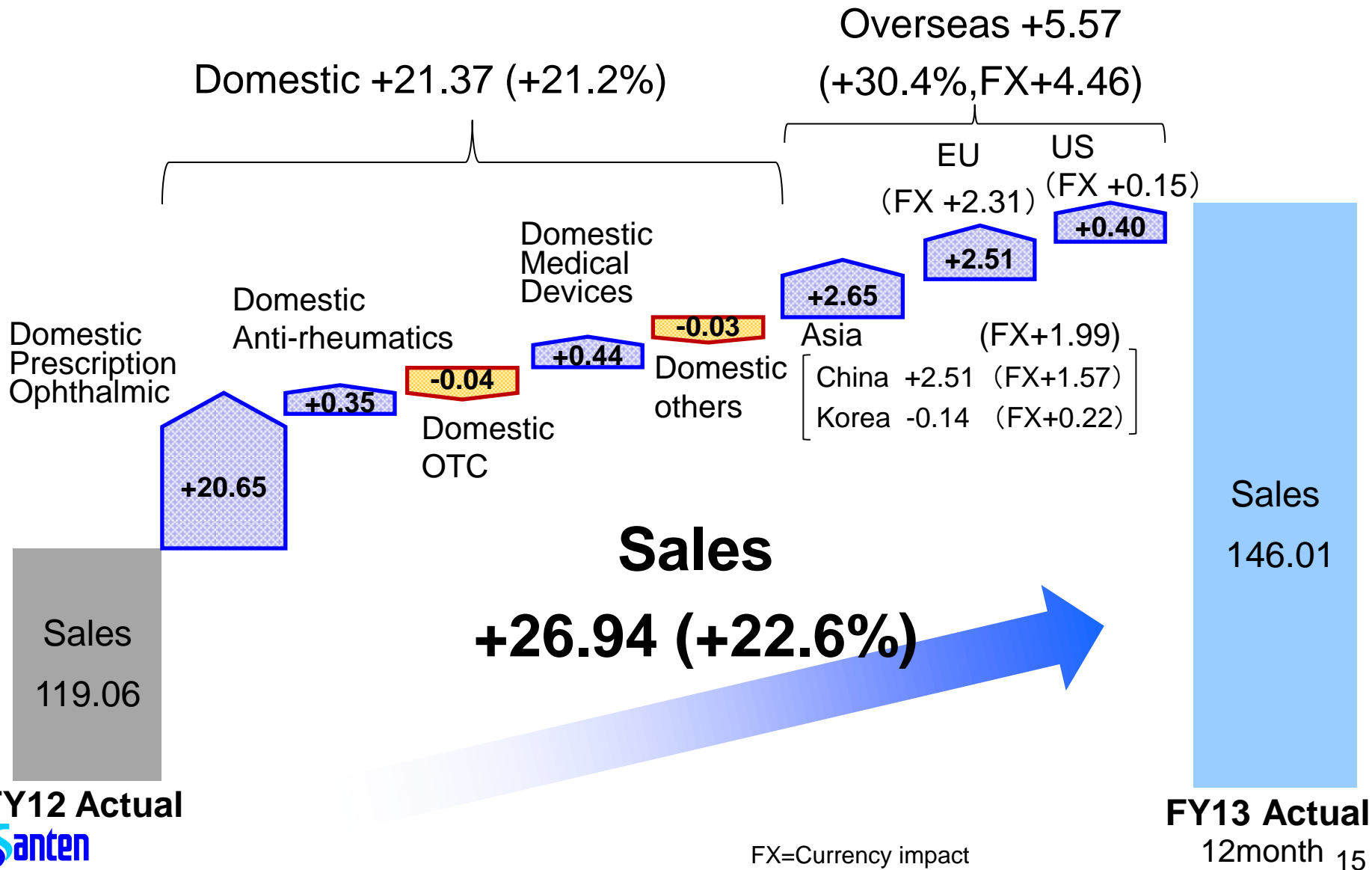


**Reference:
Consolidated Results
FY2013**

Sales Increase/Decrease

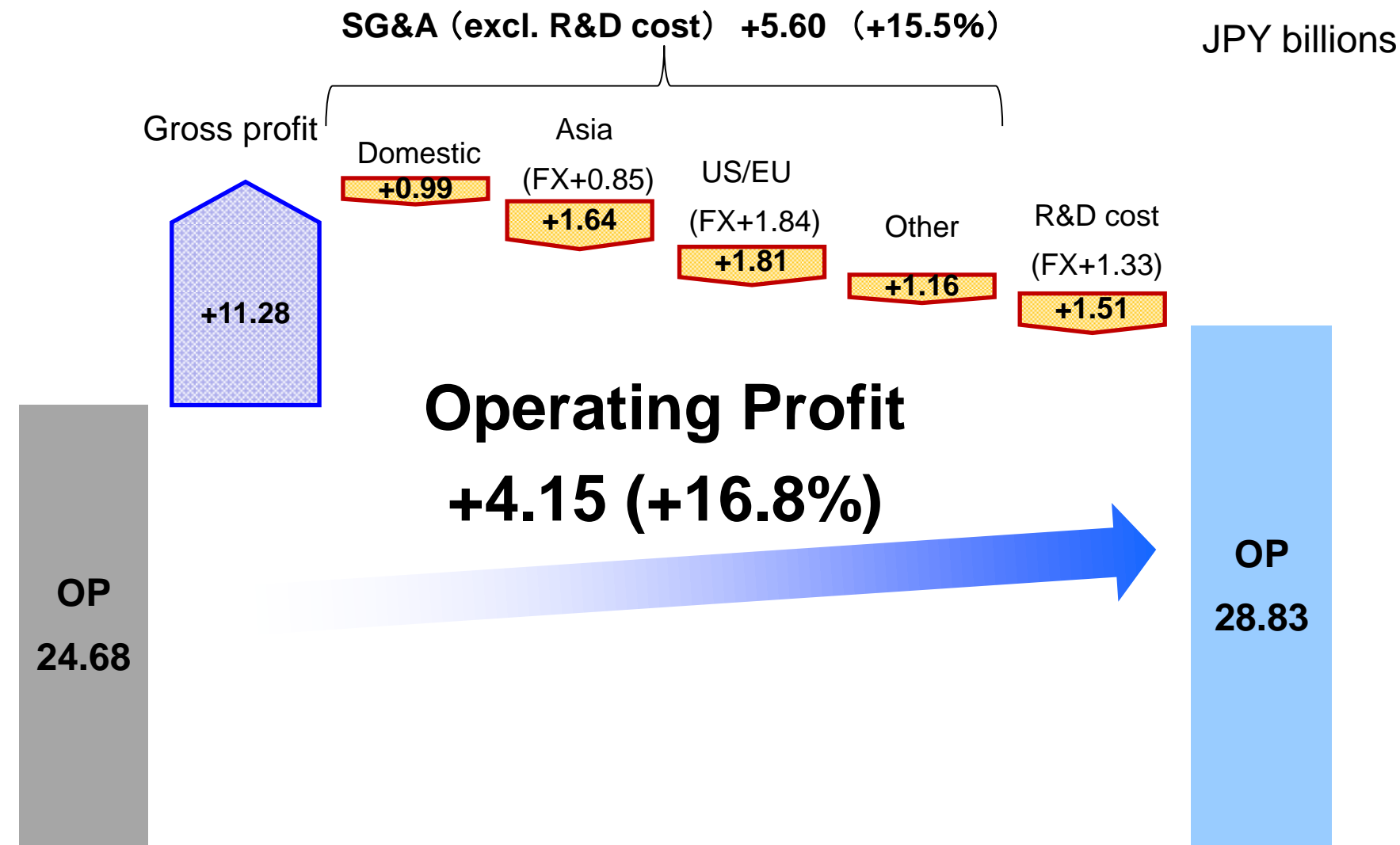
JPY billions

(Before Reflecting Unification of Accounting Period in FY13)



Operating Profit Change

(Before Reflecting Unification of Accounting Period in FY13)



Net Sales by Business Segment

(Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2013 Actual					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	119.21	+21.0%	26.49	+44.9%	145.71	+24.7%
Prescription Pharmaceuticals	112.79	+22.5%	26.45	+44.8%	139.25	+26.2%
Ophthalmic	101.77	+25.5%	25.61	+43.5%	127.39	+28.7%
Anti-RA	10.16	+3.6%	0.08	+40.1%	10.25	+3.8%
Others	0.85	-24.0%	0.75	+113.0%	1.61	+8.8%
OTC Pharmaceuticals	6.41	-0.6%	0.03	+150.9%	6.45	-0.3%
Others	2.89	+32.3%	0.05	-20.3%	2.95	+30.8%
Medical Devices	2.62	+20.5%	0.05	-20.3%	2.67	+19.3%
Others*	0.27*	--	--	--	0.27*	--
Total	122.11	+21.3%	26.55	+44.6%	148.66	+24.9%

*Others in "Others" business segment include sales of supplement ¥0.26 billion which was included in Others in "Prescription Pharmaceuticals" through FY2012.

Net Sales by Business Segment

(Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2013 Actual					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	119.18	+21.0%	23.87	+30.6%	143.06	+22.5%
Prescription Pharmaceuticals	112.76	+22.5%	23.84	+30.5%	136.61	+23.8%
Ophthalmic	101.77	+25.5%	23.01	+28.9%	124.79	+26.1%
Anti-RA	10.16	+3.6%	0.08	+40.1%	10.25	+3.8%
Others	0.82	-26.7%	0.74	+110.0%	1.56	+6.0%
OTC Pharmaceuticals	6.41	-0.6%	0.03	+136.3%	6.45	-0.3%
Others	2.89	+32.3%	0.05	-20.3%	2.95	+30.8%
Medical Devices	2.62	+20.5%	0.05	-20.3%	2.67	+19.3%
Others*	0.27*	--	--	--	0.27*	--
Total	122.08	+21.2%	23.93	+30.4%	146.01	+22.6%

*Others in "Others" business segment include sales of supplement ¥0.26 billion which was included in Others in "Prescription Pharmaceuticals" through FY2012.

Overseas Sales

(Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013		
		Actual	Var.	Var. %
U.S.	0.58	1.07	+0.49	+84.3%
Europe	9.20	12.29	+3.09	+33.6%
Asia	8.55	13.17	+4.61	+53.9%
<i>China</i>	5.50	9.79	+4.29	+78.1%
<i>Korea</i>	2.14	2.10	-0.03	-1.7%
Others	0.01	0.00	-0.00	-16.0%
Total	18.35	26.55	+8.19	+44.6%

Overseas sales/total sales	15.4%	17.9%	+2.4pt	--
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Overseas Sales

(Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013		
		Actual	Var.	Var. %
U.S.	0.58	0.98	+0.40	+69.6%
Europe	9.20	11.71	+2.51	+27.3%
Asia	8.55	11.21	+2.65	+31.1%
<i>China</i>	5.50	8.01	+2.51	+45.7%
<i>Korea</i>	2.14	1.99	-0.14	-6.7%
Others	0.01	0.00	-0.00	-16.9%
Total	18.35	23.93	+5.57	+30.4%

Overseas sales/total sales	15.4%	16.4%	+1.0pt	--
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Summery of Balance Sheet

(JPY billions)	As of March 31, 2013		As of March 31, 2014		
	Actual	% of Total	Actual	% of Total	Var.
Current Asset	132.58	66.4%	156.00	67.5%	+23.42
Fixed Asset	67.05	33.6%	75.09	32.5%	+8.04
Total Asset	199.64	100.0%	231.10	100.0%	+31.46
Current Liabilities	27.01	13.5%	39.09	16.9%	+12.08
Non-current Liabilities	7.49	3.8%	10.80	4.7%	+3.30
Total Liabilities	34.50	17.3%	49.89	21.6%	+15.38
Total Net Asset	165.13	82.7%*	181.20	78.4%	+16.07
Total Liabilities Net Assets	199.64	100.0%	231.10	100.0%	+31.46

*Capital adequacy ratio: End of March, 2013: 82.6% → End of March, 2014: 78.2%,
 Issued shares: End of March, 2013: 82,469 thousands → End of March, 2014: 82,582 thousands

Major Changes

- **Current Asset:** Cash and deposits +¥12.62bil, Notes and account receivable +¥8.24bil, Securities +¥2.10bil, Products -¥0.48bil
- **Fixed Asset :** Buildings and structures +¥0.71bil, Machinery, equipment and vehicles+¥0.62bil, Construction in progress -¥1.63bil, Goodwill +¥0.36bil, In-Process R&D +¥1.58bil, Software +¥0.67, Investment securities +¥3.56bil, Deferred tax assets +¥1.02bil
- **Current Liabilities:** Accounts payable +¥5.00bil, Income tax payable +¥5.13bil, Reserve for bonus +¥0.48bil,
- **Fixed Liabilities:** LT deferred tax debt +¥0.52bil, Liabilities relating to retirement +¥1.73bil, Restructuring fee allowance +¥0.80bil
- **Net asset :** Retained earnings +¥9.11bil, Unrealized gains on securities +¥2.11bil, Foreign currency translation adjustments +¥5.54bil, Cumulative adjustment to retirement benefits - ¥1.12bil

Summary of Income Statement

(Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013		Major Changes												
		Actual	YoY %													
Net Sales	119.06	148.66	+24.9%													
Cost of Sales (% of net sales)	41.50 34.9%	58.10 39.1%	+40.0% +4.2pt	<ul style="list-style-type: none"> • Impact of product mix change +4.9pt • Decrease of Sales cost ratio -0.5pt 												
SGA excluding R&D (% of net sales)	36.16 30.4%	44.10 29.7%	+22.0% -0.7pt	<ul style="list-style-type: none"> • Domestic +0.99 • Asia +2.76 (FX +1.12) • US/EU +3.04 (FX +2.13) 												
R&D Expenses (% of net sales)	16.71 14.0%	19.04 12.8%	+13.9% -1.2pt	<ul style="list-style-type: none"> • Domestic +0.52 • Overseas +1.79 (FX +1.52) 												
Operating Profit (% of net sales)	24.68 20.7%	27.41 18.4%	+11.1% -2.3pt	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><Currency Rates></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>FY12 Actual</u></th> <th style="text-align: center;"><u>FY13 Actual</u></th> </tr> </thead> <tbody> <tr> <td>US\$</td> <td style="text-align: right;">JPY 82.91</td> <td style="text-align: right;">JPY 100.04</td> </tr> <tr> <td>Euro</td> <td style="text-align: right;">JPY 106.01</td> <td style="text-align: right;">JPY 132.98</td> </tr> <tr> <td>CNY</td> <td style="text-align: right;">JPY 12.64</td> <td style="text-align: right;">JPY 15.93</td> </tr> </tbody> </table> </div>		<u>FY12 Actual</u>	<u>FY13 Actual</u>	US\$	JPY 82.91	JPY 100.04	Euro	JPY 106.01	JPY 132.98	CNY	JPY 12.64	JPY 15.93
	<u>FY12 Actual</u>	<u>FY13 Actual</u>														
US\$	JPY 82.91	JPY 100.04														
Euro	JPY 106.01	JPY 132.98														
CNY	JPY 12.64	JPY 15.93														
Non-operating Income	1.00	0.97	-3.2%													
Non-operating Expense	0.08	0.46	+437.5%													
Ordinary Income	25.60	27.92	+9.1%	• Gain on sale of investment securities +0.47												
Extraordinary Gain	0.01	0.47	-	• Provision of restructuring fee regarding Santen Oy +1.32												
Extraordinary Loss	0.02	1.50	-													
Net Income before Tax	25.59	26.89	+5.1%													
Corporate Tax	9.07	9.78	+7.9%													
Net Profit	16.52	17.10	+3.6%													

Summary of Income Statement

(Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013		Major Changes												
		Actual	YoY %													
Net Sales	119.06	146.01	+22.6%													
Cost of Sales (% of net sales)	41.50 34.9%	57.17 39.2%	+37.8% +4.3pt	<ul style="list-style-type: none"> • Change of product mix +4.9pt • Decrease of Sales cost ratio -0.5pt 												
SGA excluding R&D (% of net sales)	36.16 30.4%	41.77 28.6%	+15.5% -1.8pt	<ul style="list-style-type: none"> • Domestic +0.99 • Asia +1.64 (FX +0.85) • US/EU +1.81 (FX +1.84) 												
R&D Expenses (% of net sales)	16.71 14.0%	18.23 12.5%	+9.1% -1.6pt	<ul style="list-style-type: none"> • Domestic +0.52 • Overseas +0.99 (FX +1.33) 												
Operating Profit (% of net sales)	24.68 20.7%	28.83 19.7%	+16.8% -1.0pt	<div style="border: 1px solid black; padding: 5px;"> <p><Currency Rates></p> <table> <thead> <tr> <th></th> <th><u>FY12 Actual</u></th> <th><u>FY13 Actual</u></th> </tr> </thead> <tbody> <tr> <td>US\$</td> <td>JPY 82.91</td> <td>JPY 100.04</td> </tr> <tr> <td>Euro</td> <td>JPY 106.01</td> <td>JPY 132.34</td> </tr> <tr> <td>CNY</td> <td>JPY 12.64</td> <td>JPY 15.72</td> </tr> </tbody> </table> </div>		<u>FY12 Actual</u>	<u>FY13 Actual</u>	US\$	JPY 82.91	JPY 100.04	Euro	JPY 106.01	JPY 132.34	CNY	JPY 12.64	JPY 15.72
	<u>FY12 Actual</u>	<u>FY13 Actual</u>														
US\$	JPY 82.91	JPY 100.04														
Euro	JPY 106.01	JPY 132.34														
CNY	JPY 12.64	JPY 15.72														
Non-operating Income	1.00	0.90	-10.4%													
Non-operating Expense	0.08	0.40	+368.8%													
Ordinary Income	25.60	29.33	+14.6%													
Extraordinary Gain	0.01	0.47	-	<ul style="list-style-type: none"> • Gain on sale of investment securities +0.47 • Provision of restructuring fee regarding Santen Oy +0.84 												
Extraordinary Loss	0.02	1.01	-													
Net Income before Tax	25.59	28.79	+12.5%													
Corporate Tax	9.07	9.86	+8.8%													
Net Profit	16.52	18.92	+14.5%													

Summary of Cash Flows

(Reflecting Unification of Accounting Period in FY13)

(JPY billions)		FY2013 Actual
Cash and cash equivalents at the beginning of FY13		59.79
Net increase/decrease in cash and cash equivalents		+12.59
	Cash flows from operating activities	+25.95
	Cash flows from investing activities	-6.69
	Cash flows from financial activities	-7.95
	Effect of exchange rate changes on cash and cash equivalents	+1.28
Cash and cash equivalents at the end of FY13		72.39

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

Capital Expenditures / Depreciation & Amortization

(Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012	FY2013	
	Actual	Actual	Var.
Capital Expenditures	4.20	3.15	-1.04
Depreciation and Amortization	2.53	2.61	+0.08



**Reference :
FY2014 Financial Forecasts**

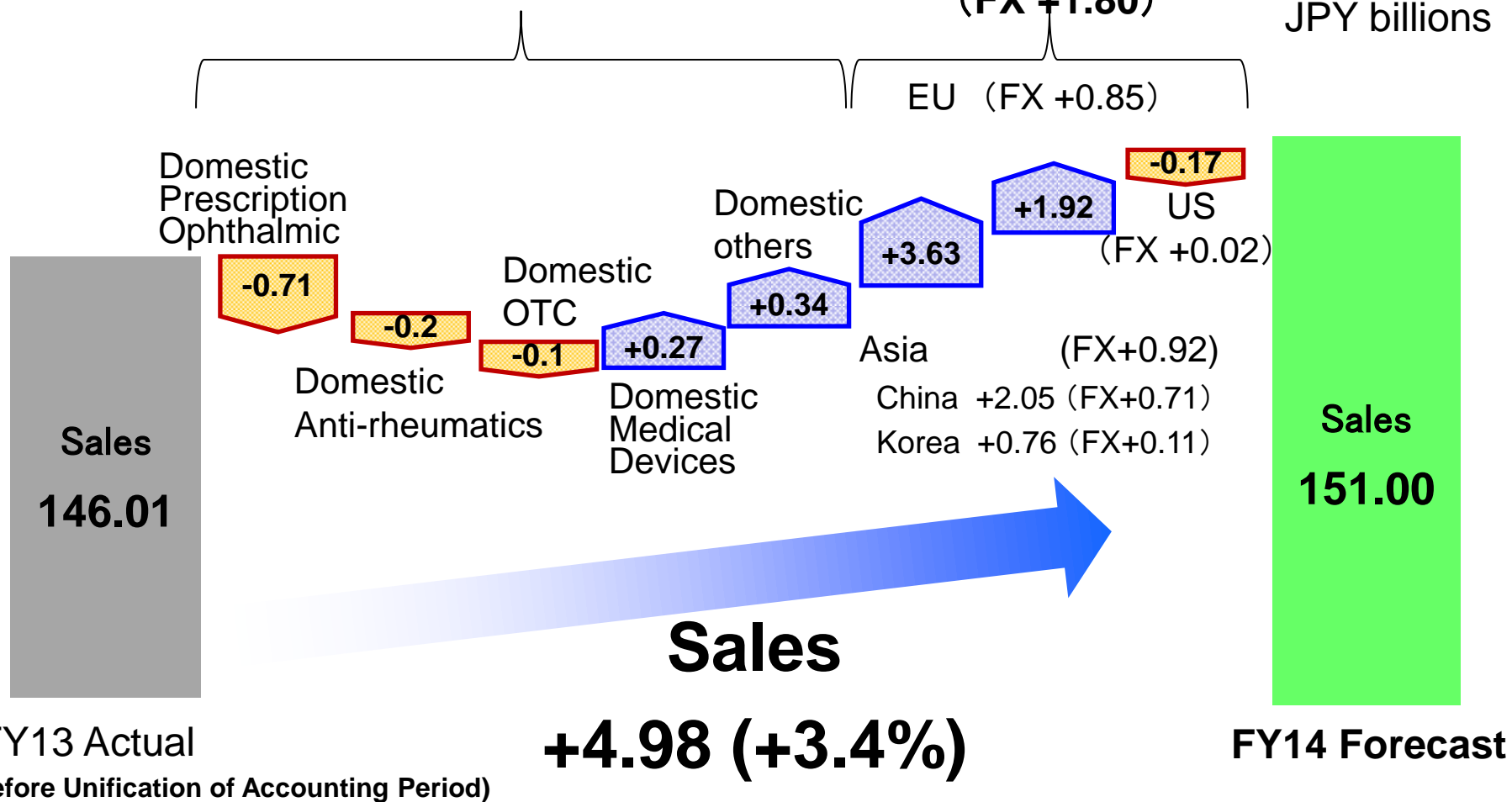
FY2014 Forecast (Japanese Standard)

Sales Increase/Decrease

Domestic -4.1 (-0.3%)

Overseas +5.39
(+22.6%)
(FX +1.80)

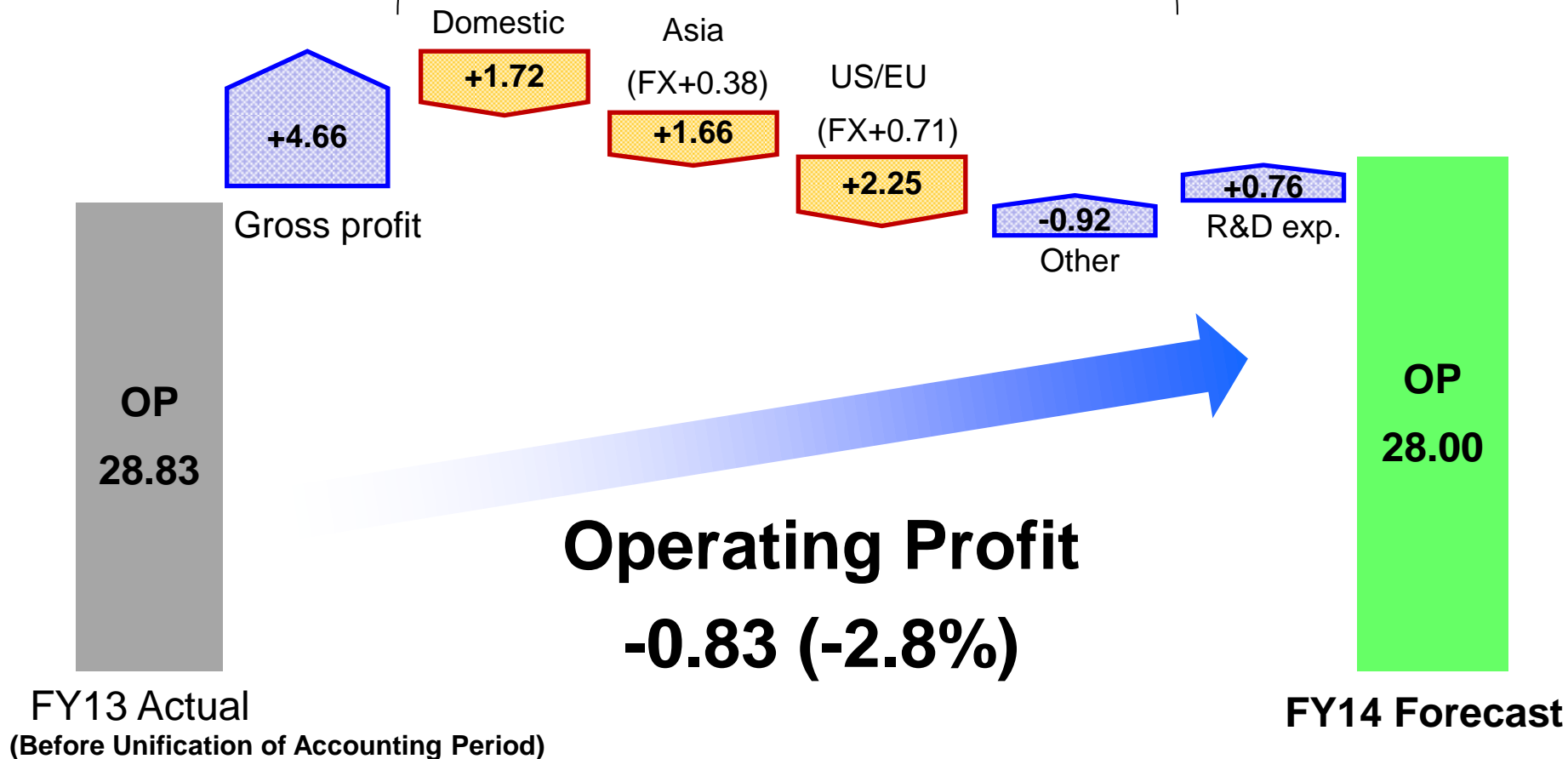
JPY billions



FY2014 Forecast (Japanese Standard) Operating Profit Change

SG&A (excl. R&D cost) +4.72 (+11.3%)

JPY billions



FY2014 Financial Forecast 1st Half - 2nd Half

(JPY billions)	FY2014 Forecast (J-GAAP)					
	1 st Half	Var.	2 nd Half	Var.	FY2014	Var.*
Net Sales	71.50	+3.2%	79.50	+0.1%	151.00	+1.6%
Cost of Sales (% of net sales)	27.90 39.0%	+2.7% -0.2pt	29.60 37.2%	-4.3% -1.7pt	57.50 38.1%	-1.0% -1.0pt
SGA excluding R & D (% of net sales)	22.00 30.8%	+12.4% +2.5pt	24.50 30.8%	-0.2% -0.1pt	46.50 30.8%	+5.4% +1.1pt
R & D Cost (% of net sales)	9.00 12.6%	+11.4% +0.9pt	10.00 12.6%	-8.8% -1.2pt	19.00 12.6%	-0.2% -0.2pt
Operating Profit (% of net sales)	12.60 17.6%	-12.8% -3.3pt	15.40 19.4%	+18.9% +3.1pt	28.00 18.5%	+2.1% +0.1pt
Ordinary Income	12.90	-13.2%	15.60	+19.4%	28.50	+2.1%
Net Income	8.40	-6.6%	10.20	+25.7%	18.60	+8.7%

* Unification of Accounting Period

Foreign Exchange	FY14 Forecast	
US \$	JPY	103.00
Euro	JPY	141.00
RMB	JPY	16.90

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

(JPY billions)	FY2014 Forecast					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	118.75	-0.4%	29.27	+10.5%	148.03	+1.6%
Prescription Pharmaceuticals	112.45	-0.3%	29.25	+10.6%	141.70	+1.8%
Ophthalmic	101.06	-0.7%	28.35	+10.7%	129.41	+1.6%
Anti-RA	9.95	-2.0%	0.03	-61.4%	9.99	-2.5%
Others	1.43	+67.2%	0.86	+15.0%	2.29	+42.8%
OTC Pharmaceuticals	6.30	-1.7%	0.02	-36.6%	6.33	-1.9%
Others	2.91	+0.5%	0.04	-6.7%	2.96	+0.4%
Medical Devices	2.90	+10.5%	0.04	-20.7%	2.94	+9.8%
Others	0.01	-95.6%	0.00	--	0.01	-92.8%
Total	121.67	-0.4%	29.32	+10.5%	151.00	+1.6%

Overseas Sales Forecast (Japanese Standard)

(JPY billions)	FY2013 Actual	FY2014 Forecast		
		Forecast	Var.	Var. %
U.S.	1.07	0.81	-0.25	-23.8%
Europe	12.29	13.64	+1.34	+11.0%
Asia	13.17	14.85	+1.67	+12.8%
<i>China</i>	9.79	10.06	+0.26	+2.7%
<i>Korea</i>	2.10	2.75	+0.65	+31.1%
Others	0.00	0.01	+0.00	+71.9%
Total	26.55	29.32	+2.77	+10.5%
Overseas sale/sales	17.9%	19.4%	+1.6pt	--

Capital Expenditures / Depreciation & Amortization (Japanese Standard)

(JPY billions)	FY2013 Actual	FY2014	
		Forecast	Var.
Capital Expenditures	3.15	6.69	+3.53
Depreciation and Amortization	2.61	3.00	+0.39



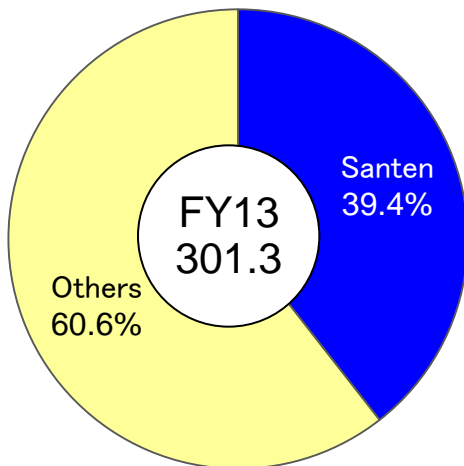
Reference:
Market Overview of
Prescription Ophthalmic in Japan

Japan: Trend & Competition in Ophthalmics (1)

- **Ophthalmology Total:** Market grew by 10.2% Y on Y in FY13. The growth of retinal, and corneal segment continued. Santen's market share was 39.4%.
- **Anti-Glaucoma:** Market grew by 10.5% Y on Y in FY13. Santen's sales grew by 10.7%. Santen held 30.5% share of the anti-glaucoma market by the contribution of Tapros and Cosopt.
- **Corneal:** Market grew by 11.5% Y on Y in FY13. Santen's sales grew by 5.4% led by the sales increase of Diquas and Santen's market share was 70.5%.

Market Size:
billions of yen
%: Value Share

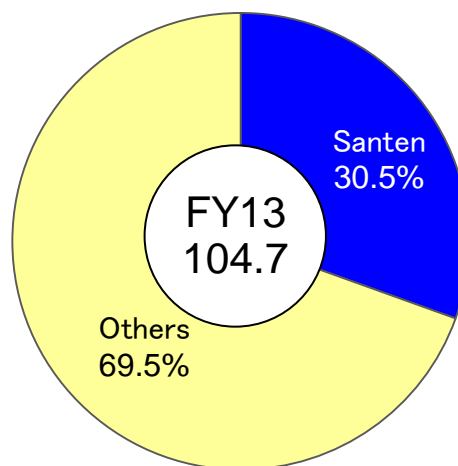
Ophthalmology Total



FY12 FY13

YoY change	Market	+7.3%	+10.2%
	Santen	+4.9%	+23.1%
Santen's Share		35.3%	39.4%

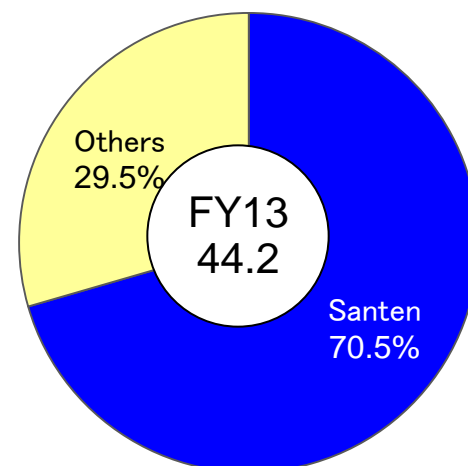
Anti-glaucoma



FY12 FY13

Market	+2.8%	+10.5%
Santen	+10.2%	+10.7%
Santen's Share	30.4%	30.5%

Corneal: Dry Eye



FY12 FY13

Market	+11.3%	+11.5%
Santen	+7.1%	+5.4%
Santen's Share	74.6%	70.5%

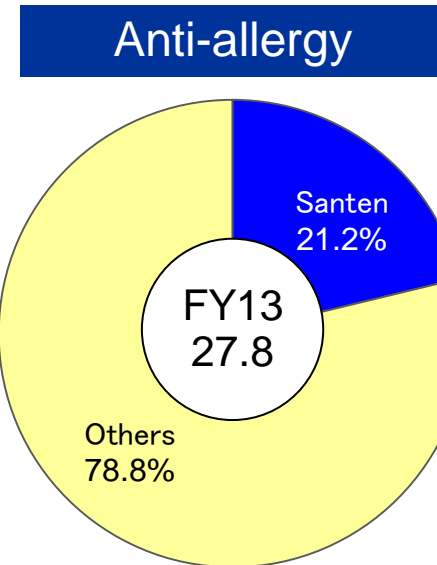
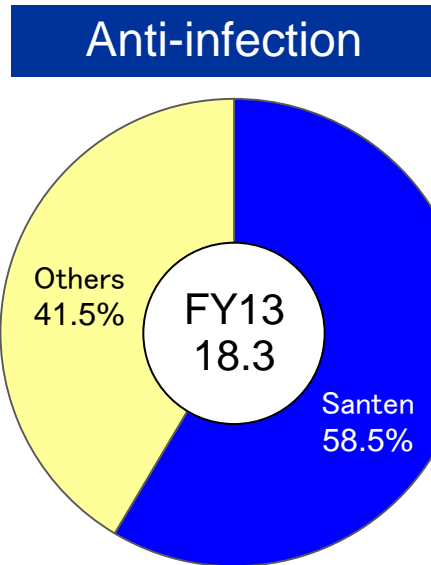
-Santen:
 - Anti-Glaucoma : Tapros, Cosopt, Timoptol/XE, Rescula, Detantol
 - Cornea / Dry Eye : Hyalein, Diquas

Source: ©2014 IMS Health
 IMS-JPM 2011-14
 Santen analysis based on IMS data
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Japan: Trend & Competition in Ophthalmics (2)

- **Anti-infection:** Market declined by -3.0% Y on Y in FY13. Santen maintained 58.5% of market share with primary contribution by Cravit.
- **Anti-allergy:** Market declined by -9.7% Y on Y in FY13. Santen's share was 21.2%.
The launch of Alesion generated the increase of Santen market share.

Market Size:
billions of yen
%: Value Share



		FY12	FY13
YOY change	Market	-11.9%	-3.0%
	Santen	-19.6%	-7.8%
Santen's Share		61.6%	58.5%

		FY12	FY13
		+16.8%	-9.7%
		+6.4%	+19.7%
		16.0%	21.2%

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

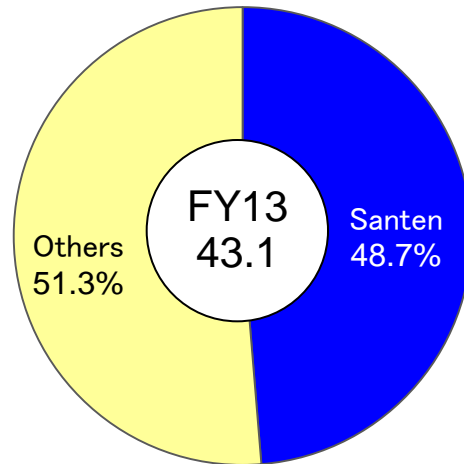
Source: ©2014 IMS Health
IMS-JPM 2011-14
Santen analysis based on IMS data
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Japan: Trend & Competition in Ophthalmics (3)

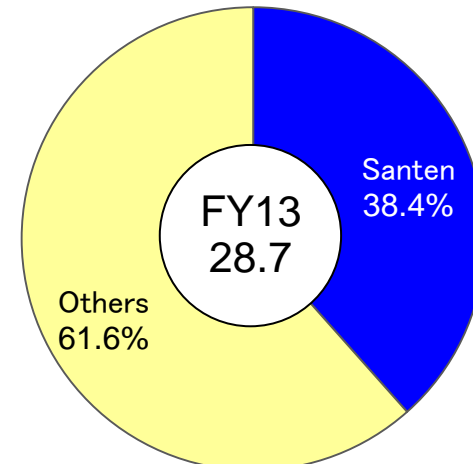
- **Anti-VEGF:** Market increased by 52.6% Y on Y in FY13. Eylea has continued the strong growth. Santen's share was 48.7%.
- **Anti-RA(DMARDs):** Market slightly increased by 5.5% in FY13. Santen maintained 38.4% of market share.

Market Size:
billions of yen
%: Value Share

Anti-VEGF



Anti-RA(DMARDs)



		FY12	FY13
YoY change	Market	+30.1%	+52.6%
	Santen	-	-
Santen's Share		10.9%	48.7%

		FY12	FY13
Market		+0.3%	+5.5%
Santen		-2.8%	+2.0%
Santen's Share		39.7%	38.4%

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

Source: ©2014 IMS Health
IMS-JPM 2011-14
Santen analysis based on IMS data
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FY2013 Status of Clinical Development

Naveed Shams, Ph.D.
Corporate Officer,
Chief Scientific Officer

Major Clinical Pipeline List (1) [by Disease]

(Red underlined: Change from 3Q FY13 Presentation)

Global Product

Japan (Asia)Product

Disease	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Glaucoma/ Ocular Hypertension		P2b prep DE-117 EP2 Receptor Agonist		China DE-085 Tafluprost	DE-118 Tafluprost UD
		DE-090 Lomerizine HCl		EU DE-111 Tafluprost/Timolol	JP
Corneal/ Conjunctival Disease				China DE-089 Diquafosol Sodium	
		U.S. Cyclokat Ciclosporin		Cyclokat Ciclosporin	EU
Retina/ Uveitis	U.S. DE-120 VEGF/PDGF inhibitor		DE-109 Sirolimus		
			DE-102 Betamethasone		
Other Infection, Allergy, RA			Vekacia Ciclosporin		DE-114 Epinastine HCl

Major Clinical Pipeline List (2) [by Region]

(Red underlined: Change from 3Q FY13 Presentation)

Global Product

Japan (Asia)Product

Region	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Japan			DE-102 Betamethasone		DE-118 Tafluprost UD
		DE-090 Lomerizine HCl			DE-111 Tafluprost/Timolol
			DE-109 Sirolimus		DE-114 Epinastine HCl
North America (Including Latin America)		P2b prep DE-117 EP2 Receptor Agonist	DE-109 Sirolimus		
		DE-120 VEGF/PDGF inhibitor			
		Cyclokot Ciclosporin			
Asia (including Oceania)				China DE-085 Tafluprost	
				China DE-089 Diquafosol Sodium	Korea
EU			DE-109 Sirolimus	DE-111 Tafluprost/Timolol	
			Vekacia Ciclosporin	Cyclokot Ciclosporin	

Major Clinical Projects Update - Glaucoma / Ocular hypertension -

■ DE-085 (Glaucoma / Ocular hypertension)

hypertension -

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
China	NDA Filed	NDA Filed	Generic name: Tafluprost

■ DE-090 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Japan	P2	P2	Generic name: Lomerizine HCl

■ DE-111 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Japan	Approved	Approved	Generic name: Tafluprost/ Timolol maleate (Combination drug)
Europe	NDA Filed	NDA Filed	

Major Clinical Projects Update

- Glaucoma -
- Corenal disease-
- Allergy-

■ DE-117 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
U.S.	P2b preparation	P2b preparation	EP2 receptor agonist

■ DE-089 (Dry eye)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Asia	China: NDA filed Korea: Launched	China: NDA filed Korea: Launched	Generic name: Diquafosol Sodium

■ DE-114 (Allergic conjunctivitis)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Japan	Launched	Launched	Generic name: Epinastine HCl

Major Clinical Projects Update - Retinal Disease -

- **DE-102** (Macular edema associated with diabetes or branch. Uveitis - retinal vein occlusion (BRVO))

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Japan	P2/3 Completed	P2/3	Generic name: Betamethasone

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

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
U.S.	P1/2a	P1/2a	VEGF/PDGF dual inhibitor

*Drug Delivery System: A system (technology) for ensuring that drugs reach the targeted tissue site.

- **DE-109** (Uveitis)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
U.S.	P3	P3	Generic name: Sirolimus
Japan	P3	P3	
EU	P3	P3	

Major Clinical Projects Update - Arthritis -

■ DE-098 (Rheumatoid arthritis)

Region	Development Stage		Remarks
	As of May 13, 2014	As of February 4, 2014 (Previous announcement)	
Japan	Discontinued	P2 Completed	Anti-APO-1 Antibody

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

■ Cyclokat (Severe Dry Eye)

Region	Development Stage		Remarks
	As of May 13, 2014	Feb 4, 2014 (Previous)	
EU	NDA filed	NDA filed	Generic Name: Ciclosporin
U.S.	P2 Completed	P2 Completed	

■ Vekacia (Vernal Keratoconjunctivitis)

Region	Development Stage		Remarks
	As of May 13, 2014	Feb 4, 2014 (Previous)	
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

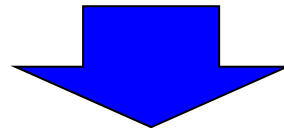
About DE-109:Sakura Study 1

■ Sakura Study

- Subjects are 347 patients with non-infectious uveitis posterior, intermediate or panuveitis.
- The first of two Global Phase III studies evaluating intravitreal injections of sirolimus (DE-109) in patients with non-infectious posterior segment uveitis.

■ Clinical Trial

- Primary endpoint: vitreous haze score (Standardized Uveitis Nomenclature [SUN] Photographic scale)
- The proportion of patients achieving a vitreous haze score of zero at month five
- Eligible patients were randomized into three treatment arms, each receiving different doses (44 μ g, 440 μ g and 880 μ g) of sirolimus by intravitreal injection.
- Comparisons are being made between 44 μ g vs 440 μ g, or 880 μ g.




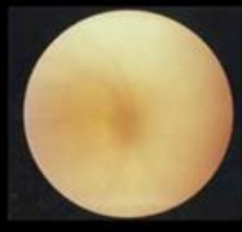
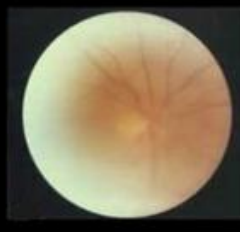

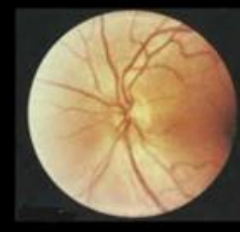

- Study 1 met its primary endpoint.

What is Vitreous Haze Score ?

■ Vitreous Haze Score (VH Score)

- Standardized Uveitis Nomenclature [SUN] Photographic scale
- It is used to evaluate the vitreous haze. The score range from Grade 0 to Grade 4.

Vitreous Haze

Vitreous Haze Score	4+	3+	2+	1+	Trace	0
						
Evaluation	No optic nerve head not visible	Optic nerve head border blurry, but still visible	Moderate blurring of optic nerve and vessels	Slight blurring of optic nerve and vessels	Slight blurring of optic disc area (Trace Inflammation)	No Haze

※Score 0.5 in Sakura Study1 is same as Trace

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.