



FY 2013 Third Quarter Results

February 4, 2014

Santen Pharmaceutical Co., Ltd



**Financial Results for the FY2013 Third Quarter;
Financial Forecast for the FY2013;**

Kazuo Koshiji

Corporate Officer,

Head of Finance & Administration Division

Med-term Policies FY2011-2013

To become a specialized pharmaceutical company with a global presence

1. Promote global oriented research and development operation.
2. Boost domestic business by maximizing new product value and implementation of sales/marketing strategies.
3. Accelerate growth in both Asia and Europe by reinforcing marketing platform.
4. Establish global product supply system with existing 4 plants which enables to meet the emerging market needs.
5. Develop talents and organizational capabilities to promote “Creation and Innovation” on a globally level.

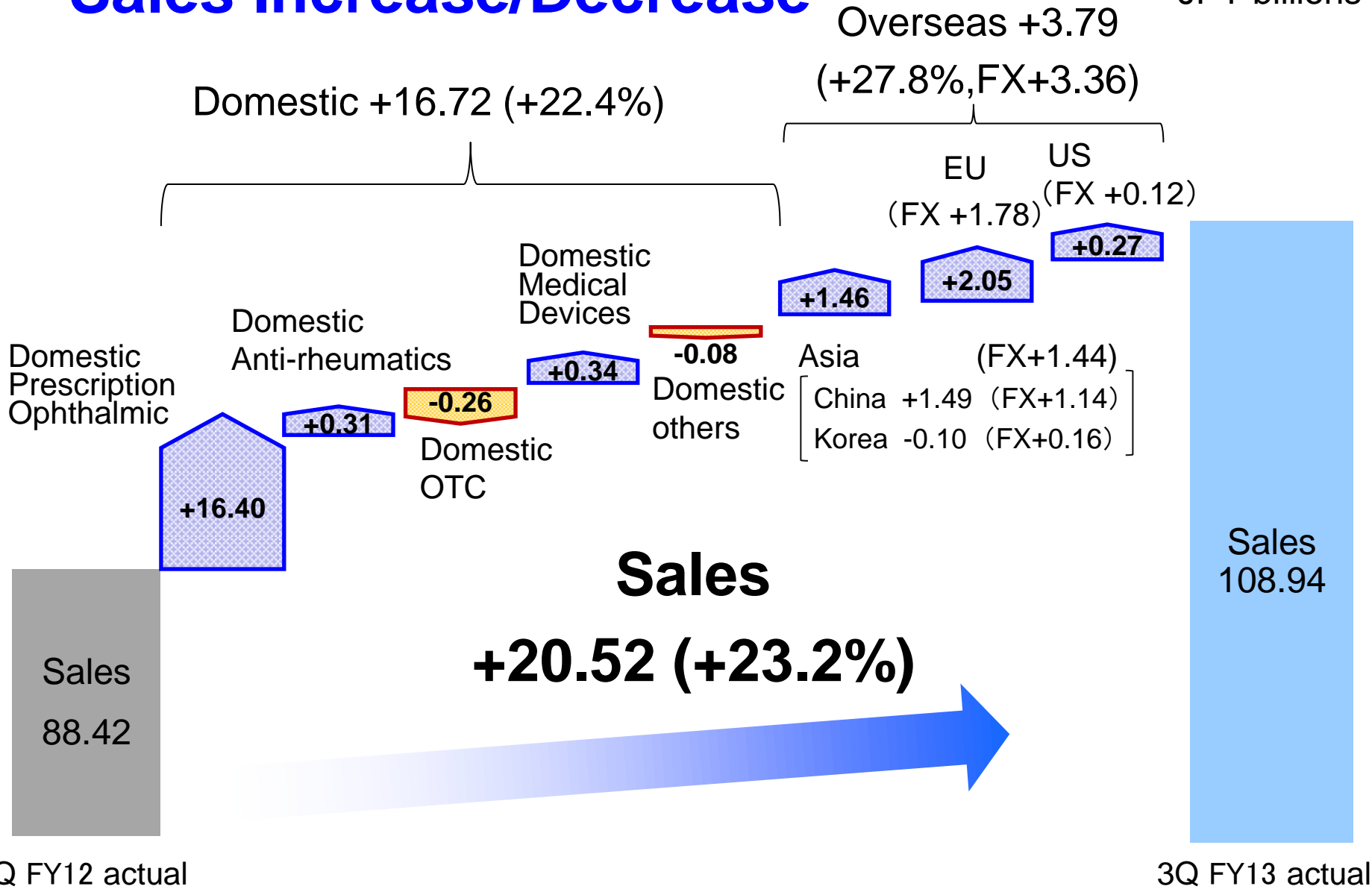
Financial Highlights for 3Q FY2013

(JPY billions)	3Q FY2012 Actual	3Q FY2013 Actual	Var. %
Net Sales	88.42	108.94	+23.2%
Cost of Sales	29.75	42.57	+43.1%
(% of net sales)	33.7%	39.1%	+5.4pt
SGA excluding R&D	25.99	30.24	+16.3%
(% of net sales)	29.4%	27.8%	-1.6pt
R&D Cost	12.09	12.49	+3.3%
(% of net sales)	13.7%	11.5%	-2.2pt
Operating Profit	20.57	23.63	+14.9%
(% of net sales)	23.3%	21.7%	-1.6pt
Ordinary Income	21.26	24.29	+14.2%
Net Income	14.13	15.37	+8.8%

Foreign Exchange	<u>3Q FY12 actual</u>	<u>3QFY13 actual</u>
US \$	JPY 80.01	JPY 99.17
Euro	JPY 102.12	JPY 129.59
RMB	JPY 12.53	JPY 15.49

Sales Increase/Decrease

JPY billions



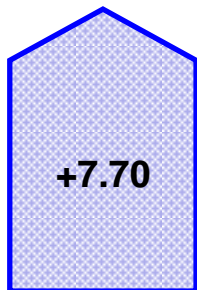
FX=Currency impact

Operating Profit Change

JPY billions

SG&A (excl. R&D cost) +4.24 (+16.3%)

Gross profit



Domestic
+0.81

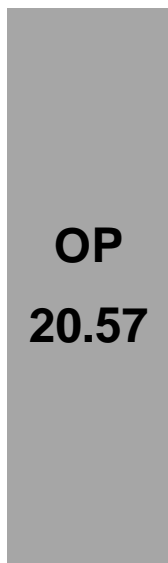
Asia
(FX+0.57)
+1.16

US/EU
(FX+1.40)
+1.39

Other
+0.88

R&D cost
(FX+1.02)
+0.39

Operating Profit
+3.06 (+14.9%)



R&D cost breakdown

• Domestic	-0.43
• Overseas	+0.82

3Q FY12 actual

3Q FY13 actual



FY2013 Financial Forecasts

Revised Financial Forecast for FY2013 (Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013 Forecast*	Var. %	Previous FY2013 Forecast
Net Sales	119.06	146.00	+22.6%	141.50
Cost of Sales (% of net sales)	41.50 34.9%	57.00 39.0%	+37.3% +4.2pt	55.00 38.9%
SGA excluding R&D (% of net sales)	36.16 30.4%	43.00 29.5%	+18.9% -0.9pt	42.00 29.7%
R&D cost (% of net sales)	16.71 14.0%	18.50 12.7%	+10.6% -1.4pt	18.20 12.9%
Operating Profit (% of net sales)	24.68 20.7%	27.50 18.8%	+11.4% -1.9pt	26.30 18.6%
Ordinary Income	25.60	28.50	+11.3%	26.80
Net Income	16.52	18.50	+12.0%	18.20
ROE	10.0%	10.6%	+0.6pt	10.7%

Foreign Exchange	FY12 actual	FY13 forecast
US \$	JPY 82.91	JPY 100.42
Euro	JPY 106.01	JPY 132.68
RMB	JPY 12.64	JPY 15.72

* 12month period

Revised Financial Forecast for FY2013 (After Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013 Forecast	Var. %
Net Sales	119.06	149.00	+25.1%
Cost of Sales (% of net sales)	41.50 34.9%	58.00 38.9%	+39.8% +4.1pt
SGA excluding R&D (% of net sales)	36.16 30.4%	45.00 30.2%	+24.4% -0.2pt
R&D cost (% of net sales)	16.71 14.0%	19.50 13.1%	+16.6% -1.0pt
Operating Profit (% of net sales)	24.68 20.7%	26.50 17.8%	+7.4% -2.9pt
Ordinary Income	25.60	27.50	+7.4%
Net Income	16.52	17.50	+5.9%
ROE	10.0%	10.1%	+0.1pt
Foreign Exchange	<u>FY12 actual</u>	<u>FY13 forecast</u>	
US \$	JPY 82.91	JPY 100.42	
Euro	JPY 106.01	JPY 133.37	
RMB	JPY 12.64	JPY 16.00	

Dividend for 1H FY2013 Actual and FY2013 Forecast

Dividend for 1H FY2013 Actual and FY2013 Forecast

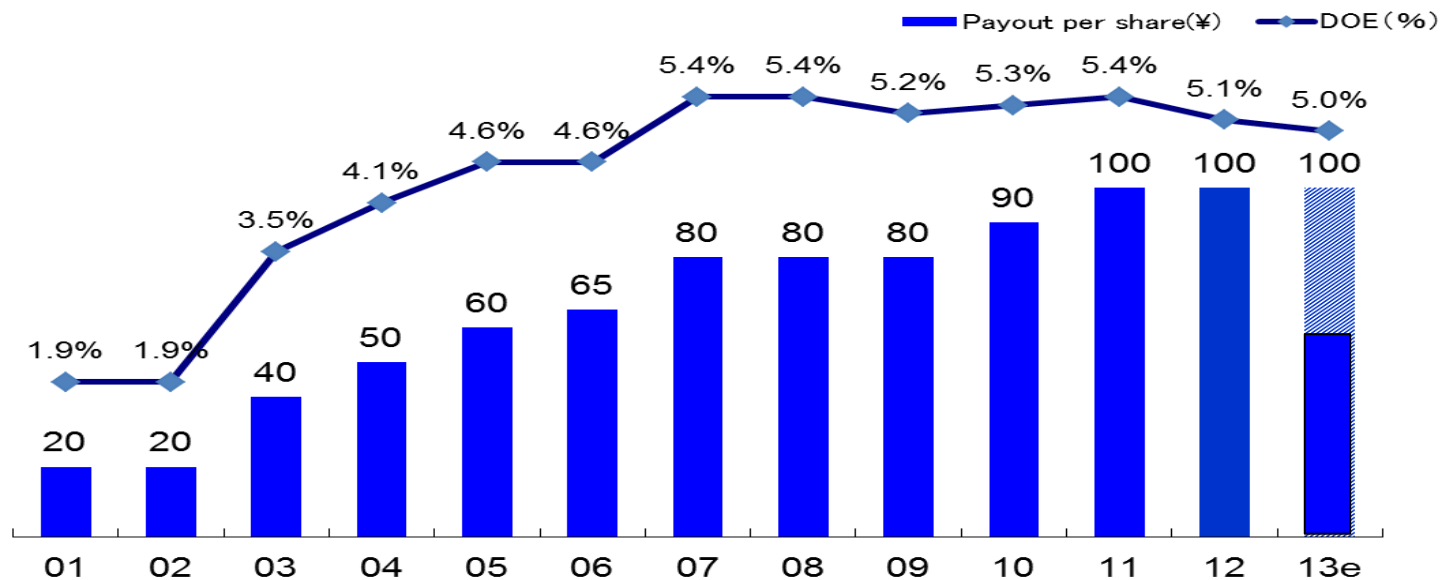
■ FY2013

- FY2013 First Half Dividend : JPY 50 per share

■ FY2013

- FY2013 Annual Dividend : JPY 100 per share

- Target DOE: around 5.0%



(¥ billion)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013e
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
Share Buy-back	3.2	3.2	0	2.6	0	0	4.8	0	0	0	0	13.7	--
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	--

Adaptation of International Financial Reporting Standards (IFRS)

Schedule of IFRS Adoption

■ Voluntarily adoption of the IFRS from FY 2014

➤ **May, 2014:**

- Annual financial results and consolidated financial statements for FY2013 (ending in March 2014, J-GAAP)
- Financial forecast for FY2014 (J-GAAP)

(Financial forecast of IFRS will be disclosed as reference.)

➤ **May, 2015:**

- Annual financial results and consolidated financial statements for FY2014 (ending in March 2015) (IFRS)
- For reference, financial results of FY2013 (IFRS) will be released.
- Consolidated financial results for the first quarter to the third quarter of FY2014 (ending in March 2015) will be disclosed under J-GAAP

■ Changes approved from FY 2013 under J-GAAP

- Already implemented: Depreciation method,
New accounting on retirement allowance
- Planned: Unification of accounting term for group companies



**Reference:
Consolidated Results
3Q FY2013**

Net Sales by Business Segment

(JPY billions)	3Q FY2013 Actual					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	89.38	+22.1%	17.43	+28.0%	106.82	+23.1%
Prescription Pharmaceuticals	84.45	+24.2%	17.41	+27.9%	101.87	+24.8%
Ophthalmic	75.93	+27.6%	16.90	+26.9%	92.84	+27.4%
Anti-RA	7.98	+4.2%	0.07	+12.2%	8.05	+4.2%
Others	0.54	-32.6%	0.43	+85.5%	0.97	-6.0%
OTC Pharmaceuticals	4.92	-5.1%	0.02	+214.5%	4.95	-4.7%
Others	2.08	+33.9%	0.03	-32.5%	2.12	+31.6%
Medical Devices	1.89	+22.4%	0.03	-32.5%	1.93	+20.5%
Others	0.18	--	--	--	0.18	--
Total	91.46	+22.4%	17.47	+27.8%	108.94	+23.2%

Overseas Sales

(JPY billions)	3Q FY2012 Actual	3Q FY2013		
		Actual	Var.	Var. %
U.S.	0.36	0.63	+0.27	+74.2%
Europe	6.46	8.51	+2.05	+31.8%
Asia	6.84	8.31	+1.46	+21.5%
<i>China</i>	4.47	5.97	+1.49	+33.5%
<i>Korea</i>	1.63	1.52	-0.10	▲6.7%
Others	0.00	0.01	+0.00	+28.0%
Total	13.68	17.47	+3.79	+27.8%

Overseas sale/total sales	15.5%	16.0%	+0.6pt	--
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Summery of Balance Sheet

(JPY billions)	As of March 31, 2013		As of December 31, 2013		
	Actual	% of Total	Actual	% of Total	Var.
Current Asset	132.58	66.4%	143.80	65.7%	+11.21
Fixed Asset	67.05	33.6%	74.94	34.3%	+7.89
Total Asset	199.64	100.0%	218.75	100.0%	+19.10
Current Liabilities	27.01	13.5%	29.55	13.5%	+2.54
Non-current Liabilities	7.49	3.8%	10.77	4.9%	+3.27
Total Liabilities	34.50	17.3%	40.33	18.4%	+5.82
Total Net Asset	165.13	82.7%*	178.41	81.6%*	+13.28
Total Liabilities Net Assets	199.64	100.0%	218.75	100.0%	+19.10

*Capital adequacy ratio: End of March, 2013: 82.6% → End of December, 2013: 81.4%,
 Issued shares: End of March, 2013: 82,469 thousand → End of December, 2013: 82,547 thousand

Major Changes

- **Current Asset:** Cash and deposits +¥3.74bil, Notes and account receivable +¥8.84bil, Securities +¥1.40bil, Goods and products -¥2.68bil,
- **Fixed Asset :** Buildings and structures +¥0.77bil, Machinery equipment and transportation cost +¥0.76bil, Construction in progress -¥1.34bil, Goodwill +¥0.31bil, In-Process R&D product +¥1.01bil, Investment securities +¥5.42bil
- **Current Liabilities:** Accounts payable +¥1.64bil, Other account payable -¥0.78bil, Income tax payable +¥1.57bil, Reserve for bonus -¥1.12bil, Other current liabilities +¥1.20bil
- **Fixed Liabilities:** Liabilities relating to retirement benefits(previous account: Retirement and severance benefits)+¥2.22bil※, Retirement benefits for directors -¥0.24bil, Restructuring fee allowance +¥0.78bil
- **Net asset :** Capital +¥0.12bil, Additional paid in capital +¥0.12bil, Retained earnings +¥7.38bil, Foreign currency translation adjustments +¥4.59bil, Cumulative adjustment to retirement benefits - ¥1.56bil

※ Change in accounting standard increased +¥2.29bil (previous unrecognized debt is recognized and adjusted).
 Account title is revised at the change in accounting standard.

Summary of Income Statement

(JPY billions)	3Q FY2012	3Q FY2013		Major Changes												
	Actual	Actual	YoY %													
Net Sales	88.42	108.94	+23.2%													
Cost of Sales (% of net sales)	29.75 33.7%	42.57 39.1%	+43.1% +5.4pt	<ul style="list-style-type: none"> • Impact of product mix change +6.3pt • Decrease the fixed manufacturing cost -0.2pt • Other -0.7pt 												
SGA excluding R&D (% of net sales)	25.99 29.4%	30.24 27.8%	+16.3% -1.6pt	<ul style="list-style-type: none"> • Domestic +0.81 • Asia +1.16 (FX +0.57) • US/EU +1.38 (FX +1.40) 												
R&D Expenses (% of net sales)	12.09 13.7%	12.49 11.5%	+3.3% -2.2pt	<ul style="list-style-type: none"> • Domestic -0.43 • Overseas +0.82 (FX +1.02) 												
Operating Profit (% of net sales)	20.57 23.3%	23.63 21.7%	+14.9% -1.6pt	<div style="border: 1px solid black; padding: 5px;"> <p><Currency Rates></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>3QFY12 actual</th> <th>3QFY13 actual</th> </tr> </thead> <tbody> <tr> <td>US\$</td> <td>JPY 80.01</td> <td>JPY 99.17</td> </tr> <tr> <td>Euro</td> <td>JPY 102.12</td> <td>JPY 129.59</td> </tr> <tr> <td>CNY</td> <td>JPY 12.53</td> <td>JPY 15.49</td> </tr> </tbody> </table> </div>		3QFY12 actual	3QFY13 actual	US\$	JPY 80.01	JPY 99.17	Euro	JPY 102.12	JPY 129.59	CNY	JPY 12.53	JPY 15.49
	3QFY12 actual	3QFY13 actual														
US\$	JPY 80.01	JPY 99.17														
Euro	JPY 102.12	JPY 129.59														
CNY	JPY 12.53	JPY 15.49														
Non-operating Income	0.85	0.86	+1.6%													
Non-operating Expense	0.15	0.20	+30.6%													
Ordinary Income	21.26	24.29	+14.2%													
Extraordinary Gain	0.01	0.47	-	<ul style="list-style-type: none"> • Provision of restructuring fee regarding Santen Oy +0.82 												
Extraordinary Loss	0.00	0.89	-													
Net Income before Tax	21.27	23.87	+12.2%													
Corporate Tax	7.14	8.49	+19.0%													
Net Profit	14.13	15.37	+8.8%													

Summary of Cash Flows

(JPY billions)		3Q FY2013 Actual
Cash and cash equivalents at the beginning of FY13		59.79
Net increase/decrease in cash and cash equivalents		+3.73
	Cash flows from operating activities	+16.03
	Cash flows from investing activities	-5.94
	Cash flows from financial activities	-7.92
	Effect of exchange rate changes on cash and cash equivalents	+1.56
Cash and cash equivalents at the end of 3Q FY13		63.52

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

Capital Expenditures / Depreciation & Amortization

(JPY billions)	3Q FY2012	3Q FY2013	
	Actual	Actual	Var.
Capital Expenditures	2.59	2.08	-0.51
Depreciation and Amortization	1.83	1.83	-0.00



**Reference :
FY2013 Financial Forecasts**

Sales Forecast by Business Segment / Overseas Sales (Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2013 Forecast*					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	119.70	+21.5%	23.35	+27.7%	143.05	+22.5%
Prescription Pharmaceuticals	113.26	+23.0%	23.27	+27.4%	136.54	+23.8%
Ophthalmic	102.47	+26.3%	22.59	+26.5%	125.06	+26.4%
Anti-RA	9.94	+1.4%	0.08	+38.2%	10.03	+1.6%
Others	0.85	-24.2%	0.59	+68.9%	1.45	-1.9%
OTC Pharmaceuticals	6.43	-0.3%	0.07	+386.3%	6.50	+0.6%
Others	2.89	+32.2%	0.04	-28.0%	2.94	+30.4%
Medical Devices	2.64	+21.2%	0.04	-28.0%	2.68	+19.7%
Others	0.25	--	--	--	0.25	--
Total	122.59	+21.7%	23.40	+27.5%	146.00	+22.6%

* 12month period

Sales Forecast by Business Segment / Overseas Sales (After reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2013 Forecast					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	119.70	+21.5%	26.35	+44.1%	146.05	+25.0%
Prescription Pharmaceuticals	113.26	+23.0%	26.27	+43.8%	139.54	+26.5%
Ophthalmic	102.47	+26.3%	25.59	+43.3%	128.06	+29.4%
Anti-RA	9.94	+1.4%	0.08	+38.2%	10.03	+1.6%
Others	0.85	-24.2%	0.59	+68.9%	1.45	-1.9%
OTC Pharmaceuticals	6.43	-0.3%	0.07	+386.3%	6.50	+0.6%
Others	2.89	+32.2%	0.04	-28.0%	2.94	+30.4%
Medical Devices	2.64	+21.2%	0.04	-28.0%	2.68	+19.7%
Others	0.25	--	--	--	0.25	--
Total	122.59	+21.7%	26.40	+43.8%	149.00	+25.1%

Overseas Sales Forecast (Before Reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013 Forecast*		
		Forecast	Var.	Var. %
U.S.	0.58	0.82	+0.24	+41.6%
Europe	9.20	11.25	+2.05	+22.3%
Asia	8.55	11.27	+2.71	+31.7%
Others	0.01	0.03	+0.02	+286.2%
Total	18.35	23.40	+5.04	+27.5%
Overseas sale/sales	15.4%	16.0%	+0.6pt	--

* 12month period

Overseas Sales Forecast

(After reflecting Unification of Accounting Period in FY13)

(JPY billions)	FY2012 Actual	FY2013 Forecast		
		Forecast	Var.	Var. %
U.S.	0.58	0.82	+0.24	+41.6%
Europe	9.20	12.25	+3.05	+33.2%
Asia	8.55	13.27	+4.71	+55.1%
Others	0.01	0.03	+0.02	+286.2%
Total	18.35	26.40	+8.04	+43.8%
Overseas sale/sales	15.4%	17.7%	+2.3pt	--

Capital Expenditures / Depreciation & Amortization

(JPY billions)	FY2012 Actual	FY2013	
		Forecast	Var.
Capital Expenditures	4.20	3.40	▲0.80
Depreciation and Amortization	2.53	2.50	▲0.03



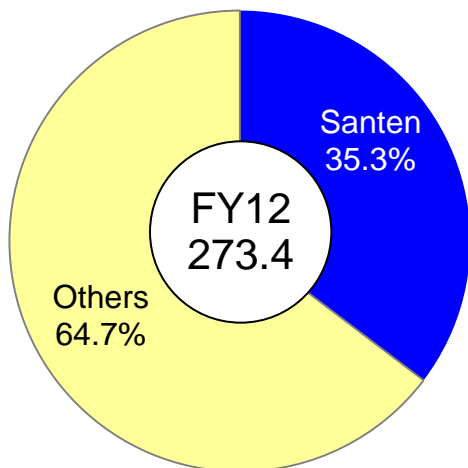
Reference:
Market Overview of
Prescription Ophthalmic in Japan

Japan: Trend & Competition in Ophthalmics (1)

- **Ophthalmology Total:** Market grew by 9.6% Y to Y in 3Q FY13. The growth of retinal, and corneal segment continued. Santen's market share was 40.2%.
- **Anti-Glaucoma:** Market grew by 8.4% Y to Y in 3Q FY13. Santen's sales grew by 9.5%. Santen held 30.7% share of the anti-glaucoma market by the contribution of Tapros and Cosopt.
- **Corneal:** Market grew by 10.8% Y to Y in 3Q FY13. Santen's sales grew by 4.9% led by the sales increase of Diquas and Santen's market share was 71.2%.

Market Size:
billions of yen
%: Value Share

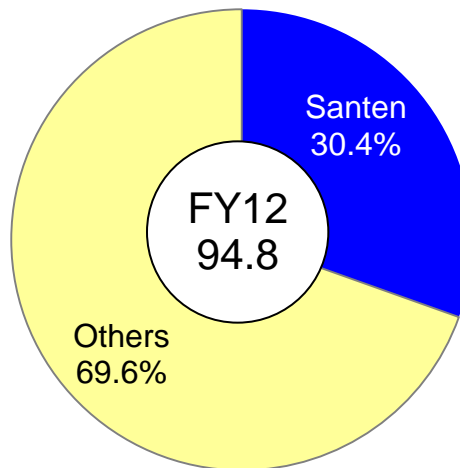
Ophthalmology Total



FY12 3Q FY13

YoY change	Market	+7.3%	+9.6%
	Santen	+4.9%	+23.8%
Santen's Share		35.3%	40.2%

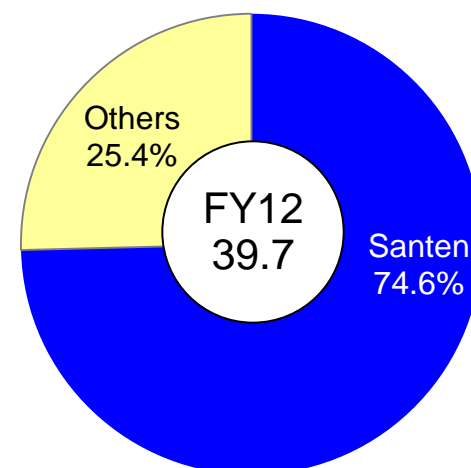
Anti-glaucoma



FY12 3Q FY13

YoY change	Market	+2.8%	+8.4%
	Santen	+10.2%	+9.5%
Santen's Share		30.4%	30.7%

Corneal: Dry Eye



FY12 3Q FY13

YoY change	Market	+11.3%	+10.8%
	Santen	+7.1%	+4.9%
Santen's Share		74.6%	71.2%

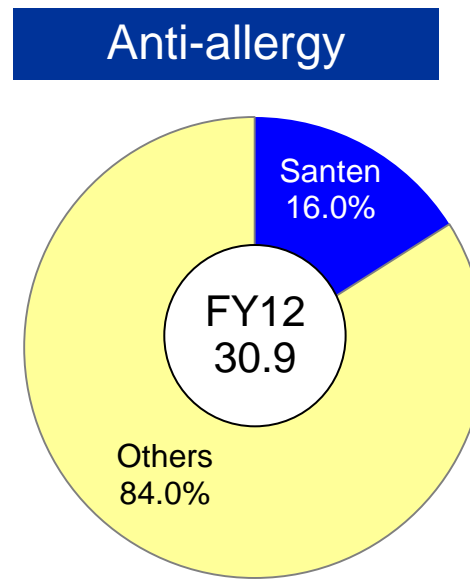
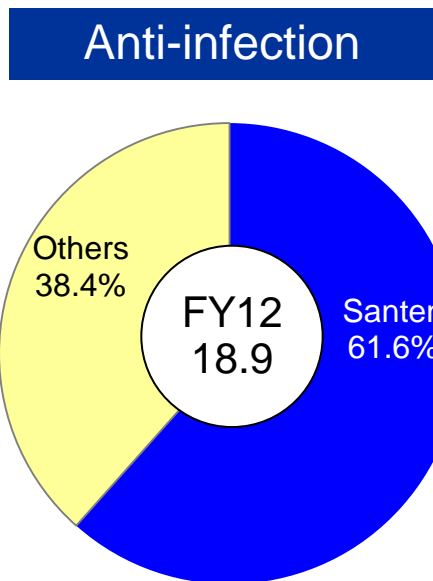
- Santen:
 - Anti-Glaucoma : Tapros, Cosopt, Timoptol/XE, Rescula, Detantol
 - Cornea / Dry Eye : Hyalein, Diquas
 - 3Q = 3Q cumulative

Source: ©2014 IMS Health
 IMS-JPM 2011-13
 Santen analysis based on IMS data
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Japan: Trend & Competition in Ophthalmics (2)

- **Anti-infection:** Market declined by -4.2% Y to Y in 3Q FY13. Santen maintained 59.5% of market share with primary contribution by Cravit.
- **Anti-allergy:** Market declined by -0.4% Y to Y in 3Q FY13. Santen's share was 21.5%. (18.3% share in 1H FY13). The launch of Alesion generated the increase of Santen market share.

Market Size:
billions of yen
%: Value Share



		FY12	3Q FY13
change YoY	Market	-11.9%	-4.2%
	Santen	-19.6%	-7.7%
Santen's Share		61.6%	59.5%

		FY12	3Q FY13
Market		+16.8%	-0.4%
Santen		+6.4%	+14.2%
Santen's Share		16.0%	21.5%

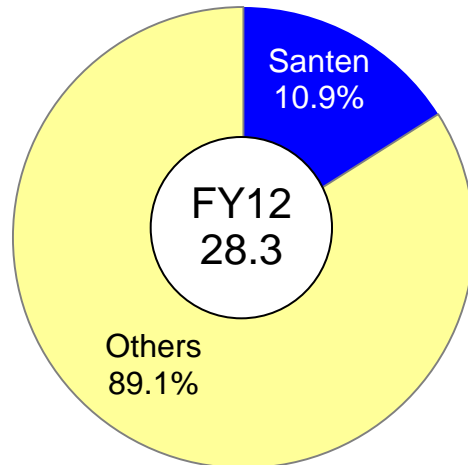
- Santen:
- Anti-infection: Cravit, Tarivid
 - Anti-allergy: Livostin, Alesion, Alegysal
 - 3Q = 3Q cumulative

Japan: Trend & Competition in Ophthalmics (3)

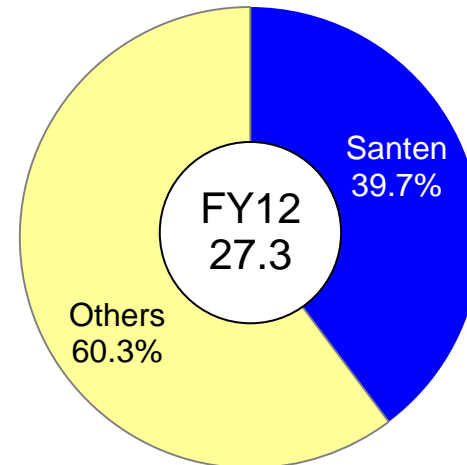
- **Anti-VEGF:** Market increased by 41.7% Y to Y in 3Q FY13. Eylea has continued the strong growth. Santen's share was 49.7%.
- **Anti-RA(DMARDs):** Market slightly increased by 3.9% in 3Q FY13. Santen maintained 38.8% of market share.

Market Size:
billions of yen
%: Value Share

Anti-VEGF



Anti-RA(DMARDs)



		FY12	3Q FY13
change YoY	Market	+30.1%	+41.7%
	Santen	-	-
Santen's Share		10.9%	49.7%

		FY12	3Q FY13
Market		+0.3%	+3.9%
Santen		-2.8%	+1.8%
Santen's Share		39.7%	38.8%

-Santen:
- Anti-RA(DMARDs): Rimatil, Azulfidine, Metolate
- 3Q = 3Q cumulative

Source: ©2014 IMS Health
IMS-JPM 2011-13
Santen analysis based on IMS data
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3Q FY2013 Status of Clinical Development

Takashi Kaneko, M.D. Ph.D.
Corporate Officer,
Head of Research and Development Division

Major Clinical Pipeline List (1) [by Disease]

(Red underlined: Change from 2Q FY13 Presentation)

Global Product

Japan (Asia)Product

Disease	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Glaucoma/ Ocular Hypertension		^{P2b prep} <u>DE-117</u> EP2 Receptor Agonist		China <u>DE-085</u> Tafluprost	<u>DE-118</u> Tafluprost UD
		<u>DE-090</u> Lomerizine HCl		EU <u>DE-111</u> Tafluprost/Timolol	JP
Corneal/ Conjunctival Disease				China <u>DE-089</u> Diquafosol Sodium	Korea
		U.S. <u>Cyclokat</u> Ciclosporin		<u>Cyclokat</u> EU Ciclosporin	
Retina/ Uveitis	U.S. <u>DE-120</u> VEGF/PDGF inhibitor		<u>DE-109</u> Sirolimus		
			<u>DE-102</u> Betamethasone		
Other Infection, Allergy, RA		<u>DE-098</u> Anti APO-1 Antibody			<u>DE-114</u> Epinastine HCl
			<u>Vekacia</u> Ciclosporin		

Major Clinical Pipeline List (2) [by Region]

(**Red underlined**: Change from 2Q 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-098 Anti APO-1 Antibody	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 February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
China	NDA Filed	NDA Filed	Generic name: Tafluprost

■ DE-090 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Japan	P2	P2	Generic name: Lomerizine HCl

■ DE-111 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Japan	Approved	Approved	Generic name: Tafluprost/ Timolol maleate (Combination drug)
Europe	NDA Filed	NDA Filed	

Major Clinical Projects Update - Glaucoma - - Corneal disease -

■ DE-117 (Glaucoma / Ocular hypertension)

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
U.S.	P2b preparation	P1/2a	EP2 receptor agonist

■ DE-089 (Dry eye)

Product Name: *DIQUAS* in Japan

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Asia	China: NDA filed Korea: Launched	China: NDA filed Korea: Launched	Generic name: Diquafosol Sodium

Major Clinical Projects Update - Allergy, Arthritis -

■ DE-114 (Allergic conjunctivitis)

Product Name: *ALESION* in Japan

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Japan	Launched	Approved	Generic name: Epinastine HCl

■ DE-098 (Rheumatoid arthritis)

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Japan	P2 Completed	P2 Completed	Anti-APO-1 Antibody

Major Clinical Projects Update - Retinal Disease -

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

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
Japan	P2/3	P2/3	Generic name: Betamethasone

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

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
U.S.	P1/2a	--	VEGF/PDGF dual inhibitor

- **DE-109** (Uveitis)

Region	Development Stage		Remarks
	As of February 4, 2014	As of Nov. 6, 2013 (Previous announcement)	
U.S.	P3	P3	Generic name: Sirolimus
Japan	P3	P3	
EU	P3	P3	

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

■ **Cyclokat** (Severe Dry Eye)

Product Name: *IKERVIS* in Europe

Region	Development Stage		Remarks
	As of Feb. 4, 2014	11/6 (Previous)	
EU	NDA filed	Preparing NDA filing	Generic Name: Ciclosporin
U.S.	P2 Completed	P2 Completed	

■ **Vekacia** (Vernal Keratoconjunctivitis)

Region	Development Stage		Remarks
	As of Feb. 4, 2014	11/6 (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

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.