

Signing of an agreement with respect to an acquisition of a controlling interest in Novagali Pharma S.A. by Santen Pharmaceutical Co., Ltd

Osaka, Japan and Évry, France, September 28, 2011 – Santen Pharmaceutical Co., Ltd. (Osaka, Ticker Code 4536JP) (hereafter “Santen”), a leading Japanese pharmaceutical company, and Novagali Pharma S.A. (hereafter “Novagali”), a French biopharmaceutical company specializing in ophthalmology and focusing on new ocular therapeutics, announce today that Santen, Novagali and certain of its shareholders, including the funds managed by Edmond de Rothschild Investment Partners, Auriga Partners, IdInvest Partners and CDC Innovation, have entered into a share purchase agreement (hereafter “SPA”), whereby Santen shall acquire shares representing 50.55%¹ of the share capital of Novagali for a cash consideration of €6.15 per share, representing a premium of 71.3% over the last traded price as of September 27, 2011, which may be increased to €6.25 as described below (the “Block Purchase”). The Block Purchase is not subject to any conditions and is expected to be completed in the next few days. The shares of Novagali Pharma are listed on NYSE Euronext Paris - Compartment C.

Santen intends to promptly purchase all remaining shares of Novagali at the same price per share and will consequently file a mandatory tender offer (*offre publique obligatoire*) with the French *Autorité des marchés financiers* (“AMF”) in accordance with article 234-2 *et seq.* of the general regulations of the AMF (the “Tender Offer”).

In the event that upon completion of the Tender Offer Santen holds at least 95% of the share capital and voting rights of Novagali, the price per Novagali share to be paid to all Novagali shareholders who sold their shares as part of the Block Purchase or tendered their shares into the Tender Offer shall be increased by an additional €0.10 per share, representing an aggregate price of €6.25 and a premium of 74.1% over the last traded price as of September 27, 2011

“Santen believes that by acquiring Novagali, it will be able to strengthen its global business platform, which is one of the key strategic focus of its long term strategic vision for 2020 as well as its medium term management plan for 2011-2013” said Mr. Akira Kurokawa, President and CEO of Santen. Mr. Akira Kurokawa also said: *”We are excited that Novagali’s outstanding R&D capability as well as its unique pharmaceutical technologies, represented by its Novasorb technology will enhance Santen’s drug formulation ability as a whole. Our corporate values are committing Santen to contribute to the protection and improvement of people’s eyesight and health as a specialty company in the ophthalmic and anti-rheumatic fields. Santen believes that Novagali will play an important role in achieving this objective in line with Santen’s corporate values.”*

“We are extremely enthusiastic to become part of Santen. We share common vision and strategic goals which make Santen a partner of choice on the long-term development of our innovative technologies and products. This transaction is a recognition by a major ophthalmic player of the expertise and the achievements of Novagali’s team over the past years. We strongly believe that Santen represents a perfect strategic fit for Novagali Pharma to expand the commercial success of Cationorm and bring Cyclokate to patients” concluded Jerome Martinez, CEO, Novagali Pharma.

¹ Based on the issued share capital on the date of closing of the Block Purchase.

The signing of the SPA has been approved unanimously by both Santen's board of directors and Novagali's supervisory board (*conseil de surveillance*) and management board (*directoire*).

In connection with the Tender Offer, Bellot Mullenbach & Associés (Patrick Abensour and Jean-Louis Brun d'Arre) was appointed by the Supervisory Board of Novagali as independent expert in accordance with the general regulations of the AMF. The report of the independent expert, once finalized, will be included in Novagali's draft response document (*projet de note d'information en réponse*). The Supervisory Board of Novagali has also appointed a committee comprised of four independent members who will review the terms of the Tender Offer and issue a recommendation to the Supervisory Board of Novagali on the basis of which the Supervisory Board will issue its opinion (*avis motivé*) on the Tender Offer in accordance with the general regulations of the AMF.

In accordance with French regulations, additional information regarding the terms and conditions of the Tender Offer will be included in the Tender Offer documentation. The Tender Offer remains subject to AMF clearance.

About Santen Pharmaceutical Co. Ltd.

Founded in 1890, Santen is a \$1 billion global company headquartered in Osaka, Japan. Santen researches, develops and markets ophthalmic products for physicians worldwide. Among prescription ophthalmic pharmaceuticals, Santen holds the top share within the Japanese market and is one of the leading ophthalmic companies worldwide. Santen has subsidiaries in the U.S., Europe, and Asia, including its Emeryville, California based Santen Inc., its Tampere, Finland based Santen OY, its Suzhou, China based Santen Pharmaceutical (China) Co., Ltd. and its Bangalore, India based Santen India Private Limited.

For more information, visit www.santen.com.

About Novagali Pharma S.A.

Founded in 2000, Novagali Pharma SA is a pharmaceutical company that develops and commercializes ophthalmic innovative products for all segments of the eye. Thanks to its three proprietary technology platforms, the Company has an advanced portfolio of highly innovative products, one of which is already on sale and two of which have ongoing undergoing phase III clinical trial programs. Since July 2010 Novagali Pharma has been listed on NYSE Euronext Paris - Compartment C.

For further information on Novagali Pharma S.A.: www.novagali.com

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The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in France or who are subject to other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Novagali Pharma S.A., Santen

Pharmaceutical Co., Ltd. and their affiliates and advisers and any other party involved in the proposed Offer disclaim any responsibility or liability for the violation of such restrictions by any person. The Offer relates to the shares of a French company and will be governed by French law.

The availability of any Offer to shareholders of Novagali Pharma S.A. who are not resident in France may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in France should inform themselves of, and observe, any applicable requirements. Unless otherwise determined by Santen Pharmaceutical Co., Ltd., no Offer will be made, directly or indirectly, in or into any jurisdiction where to do so would violate the laws in that jurisdiction.

Forward Looking Statements

This announcement contains statements that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal" or "strategy" or, words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of operations and potential synergies resulting from the Offer or otherwise; and (iii) the effects of government regulation.

These forward looking statements are not guarantees of future financial performance. Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. All subsequent oral or written forward looking statements attributable to Novagali Pharma S.A., Santen Pharmaceutical Co., Ltd. or any of their respective shareholders, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Novagali Pharma S.A. and Santen Pharmaceutical Co., Ltd. disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

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