

Notice on the Establishment of a New Sales and Marketing Company in China

September 25, 2012, Osaka Japan--Santen Pharmaceutical Co., Ltd. (“Santen”) today announced that it will establish a new wholly owned sales and marketing company (“Newco”) in China.

Upon the establishment, Newco shall apply for a drug distribution permit in China, and when Newco obtains such permit, the sales and marketing function of Santen Pharmaceutical (China) Co., Ltd. (“Santen China”), a subsidiary of Santen already existing in China, will be transferred to Newco. Currently Santen can only sell and market products manufactured by Santen China, however, upon obtaining the permit, Newco will be able to import finished products as well as sell and market products manufactured by third parties. Santen expects to enhance its product line-up in China through Newco, in order to meet the needs of patients in China.

Use of funds with respect to the paid in capital of Newco will be for the construction of the automated distribution warehouse.

Under its long term strategic vision, Santen aims to become a “specialized pharmaceutical company with a global presence” by year 2020. It also aims to expand its business in China, under its Medium-term Management Plan 2011-2013. Through the establishment of Newco, and based on the business strategies and plans mentioned above, Santen intends to further contribute in improving the QOL (Quality of Life) of patients in China.

Profile of the new company

Company name:	To be determined in English
Location:	Suzhou Industrial Park, Jiangsu Province, China
Paid-in capital:	JPY 1.25 billion
Equity ownership:	100% by Santen Pharmaceutical Co., Ltd.
Representative:	Masahiro Inoue
Purpose	Sales and marketing of pharmaceutical products in China