

## **Santen Announces the Signing of Agreement between Merck for the Purchase of Assets in Ophthalmology**

**Osaka, Japan –May 13th, 2014** –Santen Pharmaceutical Co., Ltd., (Osaka, Japan)(Santen) announced today that it has entered into an Agreement with Merck & Co., Inc., (Whitehouse Station, NJ, USA, known as MSD outside of the U.S.A and Canada ) (Merck) for Santen to purchase Merck’s ophthalmology products (COSOPT, COSOPT PF, TRUSOPT, TRUSOPT PF, TIMOPTIC, TIMOPTIC PF, TIMOPTIC XE, SAFLUTAN and TAPTIQOM) in Japan, Europe, and Asia Pacific (“Agreement”). The annual sales in these territories associated with these ophthalmic products are approximately USD400 million.

Under the terms of the Agreement, Santen will make an upfront payment of approximately USD600 million and additional payments based on defined sales milestones as needed (“Purchase Price”). Santen will also receive supply from Merck, the ophthalmology products within this Agreement for a two to five year period. The Agreement is subject to certain closing conditions, including obtaining antitrust clearance in Japan and other closing conditions related to specific markets or regions. Santen intends to fund the transaction with a combination of cash on hand and bank loans. The Agreement is expected to close in a few months.

“Santen is proud to inherit and continue Merck’s formidable legacy in ophthalmology. This transaction strengthens Santen’s lineup of glaucoma products, significantly expands Santen’s footprint in Japan, Asia and Europe, and is an important step in achieving its long term corporate vision to become “A Specialized Pharmaceutical Company with a Global Presence” by 2020. We are pleased that by entering into this Agreement, Santen can increase its presence in the global ophthalmology market, which consequently allow us to contribute even further to meet the medical needs of the patients suffering from various eye disease ,” said Akira Kurokawa, President and CEO of Santen Pharmaceutical Co., Ltd.

Santen’s income is expected to increase in connection with this Agreement, and thus EPS is expected to increase from fiscal ending in March 2015. We are working on evaluating the financial impact, more detailed information as to our sales forecast for fiscal 2014 and the financial impact from this Agreement to Santen’s medium term financial guidance will be presented subsequently.

### **About Merck**

Today's Merck is a global healthcare leader working to help the world be well. Merck is known as MSD outside the United States and Canada. Through our prescription medicines, vaccines, biologic therapies, and consumer care and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to healthcare through far-reaching policies, programs and partnerships. For more information, visit [www.merck.com](http://www.merck.com) and connect with us on Twitter, Facebook and YouTube.

### **About Santen**

As a specialty company dedicated to the ophthalmic and anti-rheumatic fields, Santen carries out the research, development, sales, and marketing of pharmaceuticals. The company has 15 bases in 12 countries globally and delivers products to consumers in more than 50 countries. In Japan, Santen holds the No. 1 share in the prescription ophthalmic pharmaceutical market. As a leading company in the field of ophthalmology, Santen aims to contribute to society by supplying valuable products and services to satisfy unmet medical needs.

### **Santen Forward-looking Statements**

Information provided in this press release contains so-called “Forward-looking Statements”. The realizations of these forecasts are subject to risk and uncertainty from various sources. Therefore, please note that the actual results may differ significantly from the forecasts. Business performance and financial condition are subject to the effects of change in regulations 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.

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