



SANTEN PHARMACEUTICAL CO.,LTD.

# Data Book 2009

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**Year Ended March 31, 2009**

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# Financial highlights

## ■ Consolidated financial summary

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008	2010 Forecast	% Change 2010/2009
Net sales	92,696	98,397	100,485	103,394	101,618	-1.7	111,000	9.2
Operating income	18,982	20,995	20,412	20,370	15,494	-23.9	25,500	64.6
Ordinary income	18,837	21,507	20,843	20,702	15,935	-23.0	25,500	60.0
Net income	11,022	13,022	13,147	12,650	10,123	-20.0	16,000	58.1
Dividends per share (yen)	50	60	65	80	80	—	80	—
DOE (%)	4.0	4.4	4.4	5.4	5.4	—	—	—

## ■ Consolidated balance sheets summary

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Total assets	139,979	150,458	159,098	156,547	151,012	-3.5
Net assets	108,239	118,637	128,645	127,118	125,368	-1.4
Interest-bearing debts	6,882	5,614	5,446	5,278	655	-87.6

## ■ Consolidated financial indexes

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008	2010 Forecast	% Change 2010/2009
EPS (yen)	125.85	150.26	151.58	146.15	119.08	-18.5	188.21	58.1
BPS (yen)	1,249.32	1,368.27	1,481.83	1,494.48	1,472.32	-1.5	—	—
Debt equity ratio (times)	0.06	0.05	0.04	0.04	0.01	—	—	—
PER (times)	18.3	18.8	20.0	15.9	23.0	—	—	—
PBR (times)	1.84	2.07	2.04	1.56	1.86	—	—	—
ROE (%)	10.4	11.5	10.6	9.9	8.0	—	—	—
ROA (%)	7.6	9.0	8.5	8.0	6.6	—	—	—
* Free cash flows (millions of yen)	1,713	18,772	11,404	12,316	8,896	-27.8	—	—
* EBITDA (millions of yen)	23,367	25,258	25,890	25,172	20,098	-20.2	—	—

\*Free cash flows = (Cash flows from operating activities) - (Capital expenditures)

Not adjusting increase/decrease in trade receivables for fiscal years ending on holidays.

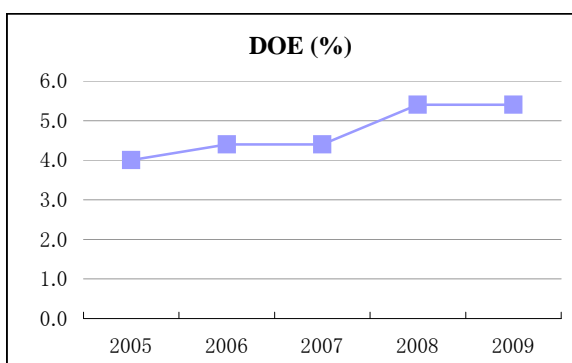
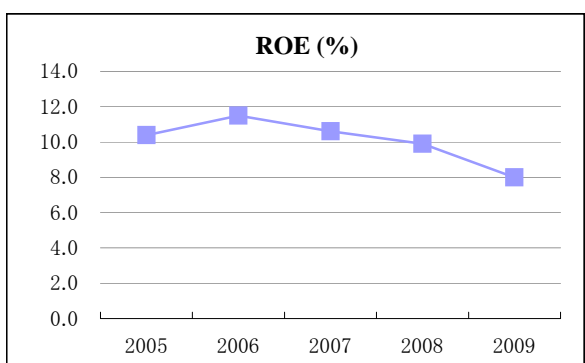
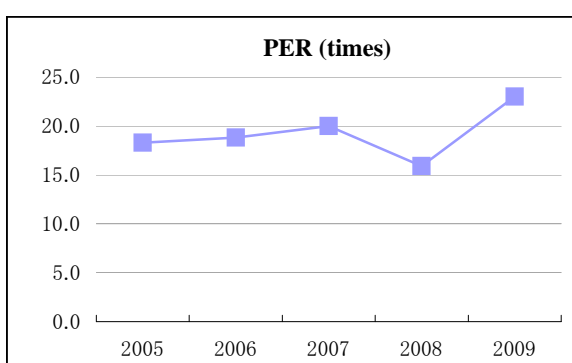
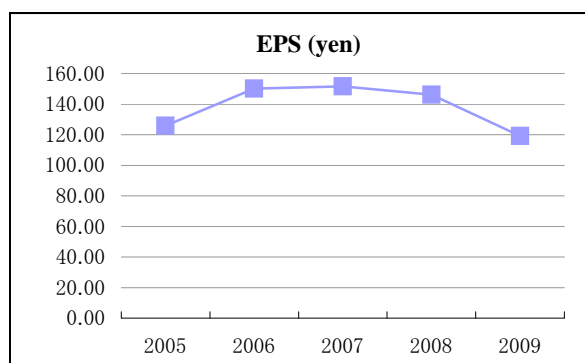
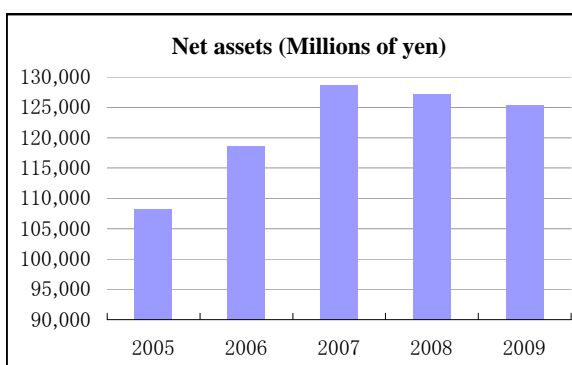
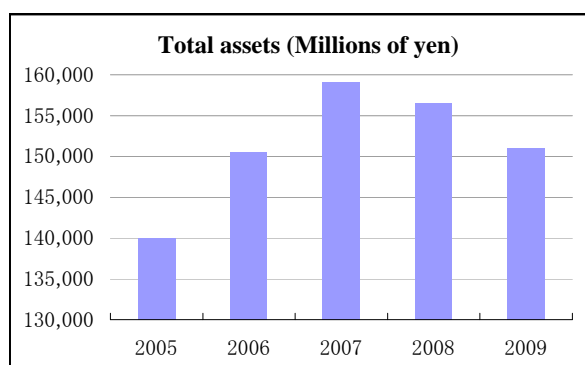
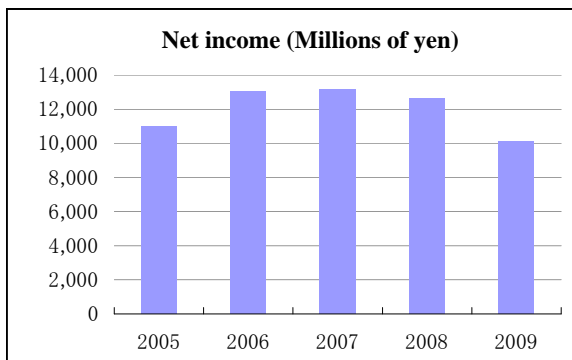
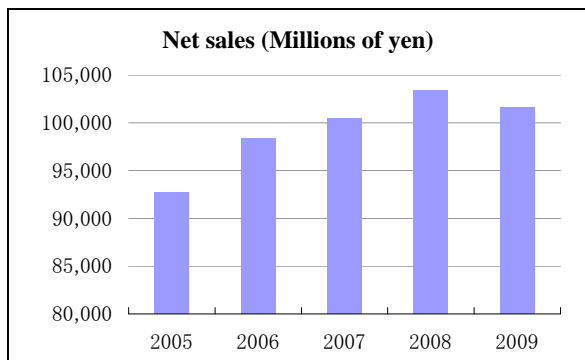
\*EBITDA = (Income before income taxes) + (Interest expense) + (Depreciation and amortization)

## ■ Consolidated other figures

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008	2010 Forecast	% Change 2010/2009
R&D expenses (millions of yen)	12,619	13,971	13,663	12,941	18,457	42.6	15,300	-17.1
Capital expenditures (millions of yen)	1,674	1,420	2,716	2,758	2,744	-0.5	1,830	-33.3
Depreciation and amortization (millions of yen)	3,696	3,343	3,295	3,353	3,391	1.1	3,410	0.6
Number of employees	2,308	2,312	2,409	2,483	2,690	—	—	—

\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions etc.

■ Consolidated Financial summary (Graph)



## Consolidated information

# Consolidated income statements

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
<b>Net sales</b>	<b>92,696</b>	<b>98,397</b>	<b>100,485</b>	<b>103,394</b>	<b>101,618</b>	<b>-1.7</b>
Cost of sales	33,709	34,534	35,483	36,513	35,947	-1.6
(Percentage of net sales)	36.4%	35.1%	35.3%	35.3%	35.4%	
<b>Gross profit</b>	<b>58,986</b>	<b>63,863</b>	<b>65,001</b>	<b>66,880</b>	<b>65,671</b>	<b>-1.8</b>
(Percentage of net sales)	63.6%	64.9%	64.7%	64.7%	64.6%	
Selling, general and administrative expenses	40,003	42,868	44,589	46,510	50,177	7.9
(Percentage of net sales)	43.1%	43.6%	44.4%	45.0%	49.4%	
R&D expenses	12,619	13,971	13,663	12,941	18,457	42.6
(Percentage of net sales)	13.6%	14.2%	13.6%	12.5%	18.2%	
<b>Operating income</b>	<b>18,982</b>	<b>20,995</b>	<b>20,412</b>	<b>20,370</b>	<b>15,494</b>	<b>-23.9</b>
(Percentage of net sales)	20.5%	21.3%	20.3%	19.7%	15.2%	
Non-operating income	803	1,024	1,138	1,356	1,430	5.4
Non-operating expenses	948	511	707	1,024	989	-3.5
<b>Ordinary income</b>	<b>18,837</b>	<b>21,507</b>	<b>20,843</b>	<b>20,702</b>	<b>15,935</b>	<b>-23.0</b>
(Percentage of net sales)	20.3%	21.9%	20.7%	20.0%	15.7%	
Extraordinary gain	1,137	53	250	237	18	-92.2
Extraordinary loss	1,538	1,219	55	457	129	-71.6
<b>Income before income taxes</b>	<b>18,436</b>	<b>20,341</b>	<b>21,039</b>	<b>20,482</b>	<b>15,823</b>	<b>-22.7</b>
(Percentage of net sales)	19.9%	20.7%	20.9%	19.8%	15.6%	
Income taxes - current	6,446	7,999	7,902	8,145	8,269	1.5
Income taxes - deferred	966	-679	-10	-313	-2,568	718.4
<b>Net income</b>	<b>11,022</b>	<b>13,022</b>	<b>13,147</b>	<b>12,650</b>	<b>10,123</b>	<b>-20.0</b>
(Percentage of net sales)	11.9%	13.2%	13.1%	12.2%	10.0%	

### 【Exchange rates】

(Yen)

Year ended March 31	2005	2006	2007	2008	2009	2010 Forecast
Exchange rate: US dollar	107.19	113.42	116.86	114.29	100.81	100.00
Euro	134.64	137.77	148.99	161.98	146.71	130.00

\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions etc.

■ Major Selling, general and administrative expenses

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Personnel expenses	11,109	11,195	12,197	13,220	13,089	-1.0
Sales promotion expenses	3,057	3,662	3,944	4,184	4,084	-2.4
Royalty expenses	2,113	2,058	2,203	2,211	2,116	-4.3
Advertising expenses	1,616	1,623	1,807	2,671	1,878	-29.7
R&D expenses	12,619	13,971	13,663	12,941	18,457	42.6

■ Major Non-operating income and expenses

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Interest and dividend income	249	261	459	606	548	-9.6
Interest expense	182	93	90	96	65	-32.4
Equity in losses of affiliates	—	—	—	—	679	—

■ Major Extraordinary gain and loss

(Millions of yen)

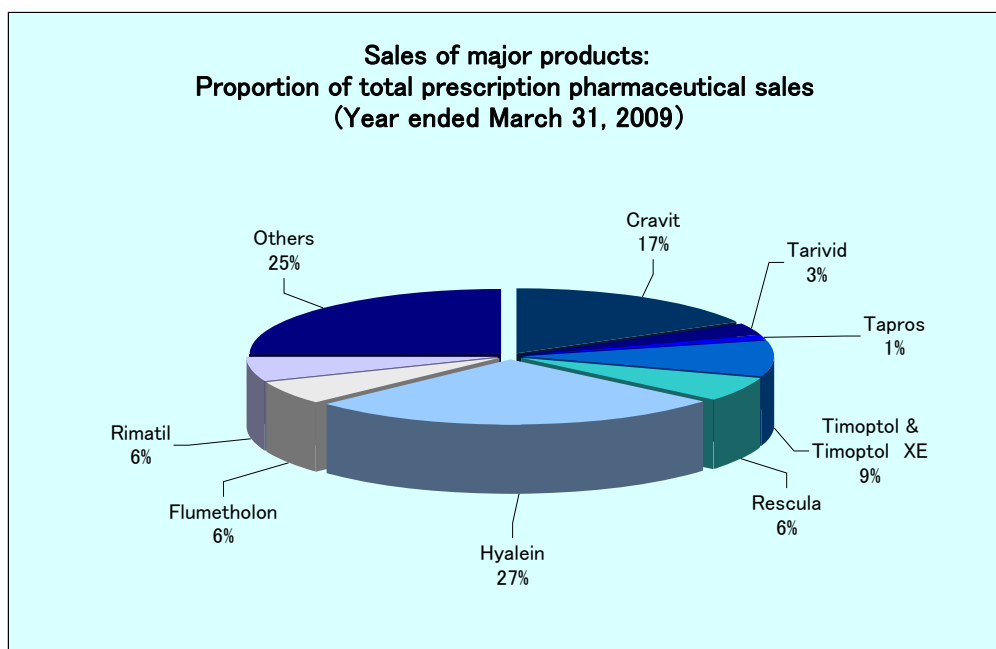
Year ended March 31	2005	2006	2007	2008	2009
Gain on sale of fixed assets	340	3	250	0	—
Loss on sale of fixed assets	102	126	36	66	73
Loss on sale of investment securities	81	—	—	—	37

# Sales details

## ■ Sales of major prescription pharmaceuticals

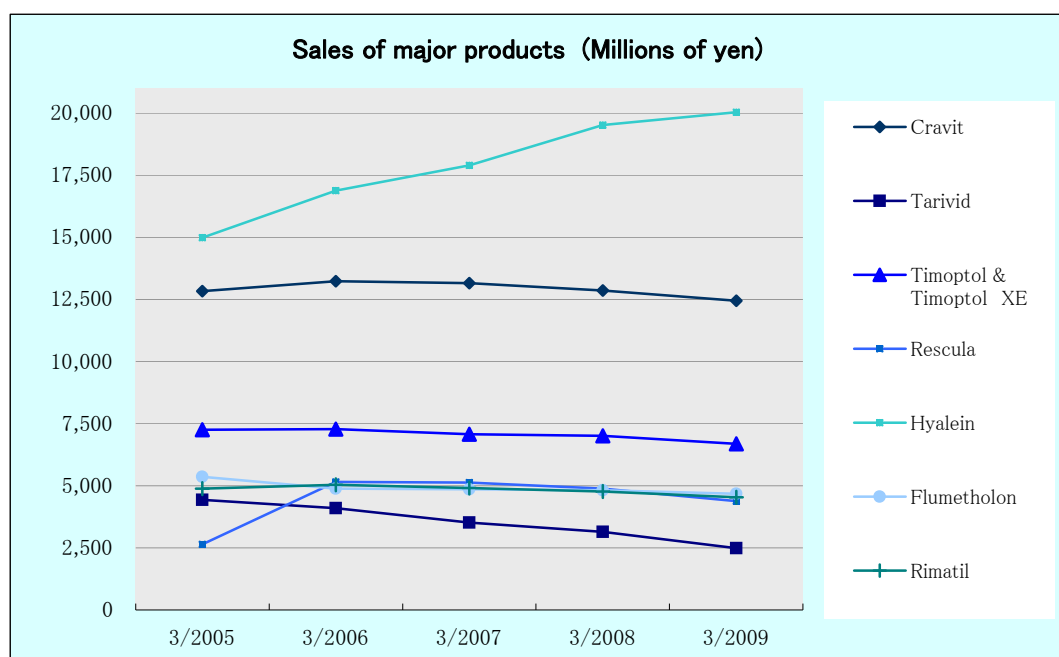
Therapeutic category	Generic name/formulation	Brand name	Region	Launched
Bacterial conjunctivitis	levofloxacin/ophthalmic solution	<b>Cravit</b>	Japan	Apr-00
	ofloxacin/ophthalmic solution	<b>Tarivid</b>	Japan	Sep-87
Glaucoma	tafluprost/ophthalmic solution	<b>Tapros</b>	Japan	Dec-08
	timolol maleate/ophthalmic solution	<b>Timoptol</b>	Japan	Sep-81
	timolol maleate/ long-acting ophthalmic solution	<b>Timoptol XE</b>	Japan	Nov-99
	bunazosin hydrochloride/ophthalmic solution	<b>Detantol</b>	Japan	Sep-01
	isopropyl unoprostone/ophthalmic solution	<b>Rescula</b> ※	Japan	Oct-94
Allergy	levocabastine hydrochloride/ ophthalmic solution	<b>Livostin</b>	Japan	Jan-01
Corneal disease	sodium hyaluronate/ophthalmic solution	<b>Hyalein</b>	Japan	Jun-95
Inflammation	fluorometholone/ophthalmic solution	<b>Flumetholon</b>	Japan	Oct-75
Early-stage senile cataract	pirenoxine/ophthalmic solution	<b>Kary Uni</b>	Japan	Jul-92
Adjuvant for ophthalmic operations	sodium hyaluronate/ adjuvant for ophthalmic operations	<b>Opegan Hi</b>	Japan	Jan-95
Perfusate/lotion	oxiglutatione/ophthalmic perfusate and lotion	<b>BSS PLUS</b>	Japan	Jan-92
Rheumatoid arthritis	bucillamine/tablet	<b>Rimatil</b>	Japan	Sep-87
	salazosulfapyridine/enteric coated tablet	<b>Azulfidine EN</b>	Japan	Dec-95

※Rescula: This product, which was launched in October 1994, has been sold by Santen Pharmaceutical Co., Ltd. since October 2004.



(Millions of yen)

Year ended March 31					Year ended March 31			Brand name
2005	2006	2007	2008	2009	% Change 2009/2008	2010 Forecast	% Change 2010/2009	
12,833	13,227	13,155	12,864	12,443	-3.3	12,802	2.9	<b>Cravit</b>
4,429	4,100	3,524	3,139	2,488	-20.7	2,510	0.9	<b>Tarivid</b>
—	—	—	—	1,058	—	4,818	355.2	<b>Tapros</b>
4,415	4,210	3,816	3,574	3,213	-10.1	3,143	-2.2	<b>Timoptol</b>
2,837	3,072	3,258	3,432	3,477	1.3	3,560	2.4	<b>Timoptol XE</b>
2,155	2,226	2,288	2,337	2,283	-2.3	2,112	-7.5	<b>Detantol</b>
2,645	5,152	5,127	4,880	4,386	-10.1	3,455	-21.2	<b>Rescula</b>
4,917	3,984	4,305	4,341	4,302	-0.9	3,809	-11.5	<b>Livostin</b>
14,987	16,879	17,891	19,521	20,030	2.6	21,399	6.8	<b>Hyalein</b>
5,354	4,879	4,854	4,821	4,671	-3.1	4,757	1.9	<b>Flumetholon</b>
3,220	3,341	3,465	3,652	3,572	-2.2	3,855	7.9	<b>Kary Uni</b>
2,374	2,746	2,839	3,204	3,236	1.0	3,416	5.5	<b>Opegan Hi</b>
1,274	1,316	1,277	1,267	1,241	-2.0	1,276	2.8	<b>BSS PLUS</b>
4,881	5,033	4,912	4,767	4,539	-4.8	4,333	-4.5	<b>Rimatil</b>
3,376	3,717	3,889	4,121	4,187	1.6	4,369	4.3	<b>Azulfidine EN</b>



\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions etc.



# Sales details

## ■ Sales by division

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Prescription pharmaceuticals	84,298	90,251	91,849	95,322	94,538	-0.8
Ophthalmic	75,624	80,922	82,152	85,426	84,488	-1.1
Anti-rheumatic drugs	8,353	9,041	9,379	9,626	9,741	1.2
Other prescription pharmaceuticals	319	287	317	269	308	14.5
OTC pharmaceuticals	5,277	5,247	5,307	5,451	5,225	-4.1
Medical devices	754	638	537	414	622	50.1
Others	2,366	2,260	2,791	2,205	1,232	-44.1
Total net sales	92,696	98,397	100,485	103,394	101,618	-1.7

## [Domestic]

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Prescription pharmaceuticals	76,895	80,308	80,743	82,088	82,270	0.2
Ophthalmic	68,383	71,215	71,272	72,319	72,357	0.1
Anti-rheumatic drugs	8,244	8,869	9,208	9,519	9,634	1.2
Other prescription pharmaceuticals	267	223	263	248	278	11.7
OTC pharmaceuticals	5,260	5,227	5,286	5,430	5,218	-3.9
Medical devices	726	618	515	401	622	55.2
Others	562	629	605	646	508	-21.3
Total domestic sales	83,446	86,784	87,152	88,566	88,620	0.1
(Percentage of total net sales)	90.0%	88.2%	86.7%	85.7%	87.2%	—

## [Overseas]

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	% Change 2009/2008
Prescription pharmaceuticals	7,402	9,942	11,105	13,234	12,268	-7.3
Ophthalmic	7,241	9,706	10,880	13,106	12,131	-7.4
Anti-rheumatic drugs	108	172	170	107	106	-0.3
Other prescription pharmaceuticals	52	64	54	20	30	49.0
OTC pharmaceuticals	16	20	20	20	6	-67.8
Medical devices	27	19	21	13	—	—
Others	1,803	1,631	2,185	1,559	723	-53.6
Total overseas sales	9,250	11,613	13,333	14,827	12,998	-12.3
(Percentage of total net sales)	10.0%	11.8%	13.3%	14.3%	12.8%	—

# Breakdown by geographic segment



## ■ Breakdown by geographic segment

Year ended March 31		2005		2006		2007		2008		2009	
		Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Net sales by geographic segment	Japan	85,837	92.6	89,881	91.3	90,695	90.3	92,098	89.1	91,405	90.0
	Europe	6,374	6.9	8,155	8.3	9,186	9.1	10,617	10.3	9,452	9.3
	Others	484	0.5	360	0.4	604	0.6	678	0.6	761	0.7
	Total	92,696	100.0	98,397	100.0	100,485	100.0	103,394	100.0	101,618	100.0
Operating income by geographic segment	Japan	22,169		22,623		21,768		22,633		18,284	
	Europe	-149		951		979		554		178	
	Others	-743		-708		-754		-819		-661	
	Total	21,276		22,866		21,993		22,368		17,801	
	Corporate and eliminations	-2,294		-1,871		-1,580		-1,997		-2,306	
	Consolidated total	18,982		20,995		20,412		20,370		15,494	

Europe: Finland, Germany and Sweden

Others: U.S.A., China, Korea and Taiwan

**Note:** Sales of prescription ophthalmics in the U.S.A. are included in sales in Europe.

## ■ Overseas sales

Year ended March 31	2005		2006		2007		2008		2009	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Europe	4,794	51.8	6,089	52.4	6,916	51.9	8,532	57.5	8,310	64.0
North America	1,703	18.4	1,915	16.5	2,128	16.0	1,951	13.2	938	7.2
Asia	—	—	—	—	—	—	4,326	29.2	3,747	28.8
Others *	2,752	29.8	3,608	31.1	4,287	32.1	16	0.1	2	0.0
Total	9,250	100.0	11,613	100.0	13,333	100.0	14,827	100.0	12,998	100.0

Europe: Finland, Russia, Sweden, Germany and Norway

North America: U.S.A.

Asia: Korea, China, Vietnam and Taiwan

Others: Australia etc.

\* 'Others' before 2007 include the sales amount to the Asian region.

**Note:** Overseas sales represent sales generated in countries or regions other than Japan by Santen Pharmaceutical Co., Ltd. and its subsidiaries.

## Consolidated balance sheets

### ■ Assets

(Millions of yen)

March 31	2005		2006		2007		2008		2009	
		%		%		%		%		%
<b>Current assets</b>	<b>82,735</b>	<b>59.1</b>	<b>93,892</b>	<b>62.4</b>	<b>100,820</b>	<b>63.4</b>	<b>102,754</b>	<b>65.6</b>	<b>101,053</b>	<b>66.9</b>
Cash and deposits	23,948		34,583		34,295		35,483		37,117	
Notes and accounts receivable-trade	35,625		34,423		35,034		35,614		36,011	
Marketable securities	9,046		11,201		16,914		15,868		11,396	
Inventories	9,826		9,837		10,357		11,332		12,235	
Deferred tax assets	1,625		1,651		1,625		1,699		1,941	
Other current assets	2,681		2,196		2,593		2,757		2,352	
Allowance for doubtful receivables	-18		-1		-0		-1		-1	
<b>Fixed assets</b>	<b>57,244</b>	<b>40.9</b>	<b>56,552</b>	<b>37.6</b>	<b>58,228</b>	<b>36.6</b>	<b>53,548</b>	<b>34.2</b>	<b>49,959</b>	<b>33.1</b>
<b>Tangible assets</b>	<b>32,676</b>	<b>23.3</b>	<b>30,395</b>	<b>20.2</b>	<b>30,485</b>	<b>19.2</b>	<b>29,848</b>	<b>19.1</b>	<b>28,664</b>	<b>19.0</b>
Buildings and structures	18,826		17,119		16,063		15,160		15,864	
Machinery, equipment and vehicles	2,114		2,021		1,817		2,656		2,432	
Land	9,486		9,063		8,842		8,558		8,678	
Leased assets	—		—		—		—		39	
Construction in progress	181		274		1,806		1,879		99	
Other tangibles	2,067		1,916		1,955		1,594		1,550	
<b>Intangible assets</b>	<b>3,318</b>	<b>2.4</b>	<b>2,951</b>	<b>2.0</b>	<b>2,771</b>	<b>1.7</b>	<b>2,233</b>	<b>1.4</b>	<b>1,549</b>	<b>1.0</b>
Software	1,182		1,035		1,660		1,602		1,355	
Other intangibles	2,134		1,915		1,111		630		193	
<b>Investments and other assets</b>	<b>21,250</b>	<b>15.2</b>	<b>23,205</b>	<b>15.4</b>	<b>24,971</b>	<b>15.7</b>	<b>21,466</b>	<b>13.7</b>	<b>19,744</b>	<b>13.1</b>
Investment securities	14,313		17,715		21,019		16,949		11,818	
Deferred tax assets	1,051		379		—		1,822		6,409	
Other assets	5,885		5,109		3,951		2,694		1,516	
<b>Deferred assets</b>	<b>—</b>	<b>—</b>	<b>13</b>	<b>0.0</b>	<b>50</b>	<b>0.0</b>	<b>244</b>	<b>0.2</b>	<b>—</b>	<b>—</b>
<b>Total assets</b>	<b>139,979</b>	<b>100.0</b>	<b>150,458</b>	<b>100.0</b>	<b>159,098</b>	<b>100.0</b>	<b>156,547</b>	<b>100.0</b>	<b>151,012</b>	<b>100.0</b>

**■ Liabilities and net assets**

(Millions of yen)

March 31	2005		2006		2007		2008		2009	
		%		%		%		%		%
<b>Current liabilities</b>	<b>22,221</b>	<b>15.9</b>	<b>24,110</b>	<b>16.0</b>	<b>22,369</b>	<b>14.0</b>	<b>26,561</b>	<b>17.0</b>	<b>22,439</b>	<b>14.9</b>
Notes and accounts payable-trade	6,122		5,630		6,089		5,633		6,018	
Short-term debt	—		—		—		—		545	
Current portion of long-term debt	268		168		168		5,168		110	
Other payables	8,577		9,308		8,572		7,690		7,414	
Income taxes payable	3,413		4,946		3,917		4,323		4,163	
Reserve for bonuses	2,481		2,483		2,477		2,612		2,590	
Other reserves	199		81		67		74		69	
Other current liabilities	1,158		1,492		1,077		1,057		1,528	
<b>Noncurrent liabilities</b>	<b>9,518</b>	<b>6.8</b>	<b>7,710</b>	<b>5.1</b>	<b>8,084</b>	<b>5.1</b>	<b>2,867</b>	<b>1.8</b>	<b>3,203</b>	<b>2.1</b>
Long-term debt	6,614		5,446		5,278		110		—	
Lease Obligations	—		—		—		—		43	
Retirement and severance benefits for employee	1,455		1,243		1,405		1,815		2,393	
Retirement and severance benefits for directors and auditors	402		462		513		487		505	
Deferred tax liabilities	23		20		426		17		20	
Other liabilities	1,023		537		460		437		240	
<b>Total liabilities</b>	<b>31,740</b>	<b>22.7</b>	<b>31,820</b>	<b>21.1</b>	<b>30,453</b>	<b>19.1</b>	<b>29,429</b>	<b>18.8</b>	<b>25,643</b>	<b>17.1</b>
<b>Shareholders' equity</b>	<b>109,017</b>	<b>77.8</b>	<b>117,377</b>	<b>78.0</b>	<b>124,997</b>	<b>78.6</b>	<b>126,398</b>	<b>80.7</b>	<b>129,808</b>	<b>86.0</b>
Common stock	6,247	4.5	6,319	4.2	6,382	4.0	6,418	4.1	6,457	4.3
Capital surplus reserves	6,942	4.9	7,014	4.7	7,077	4.5	7,113	4.5	7,152	4.7
Retained earnings	95,901	68.5	104,133	69.2	111,645	70.2	117,786	75.2	121,133	80.2
Treasury stock at cost	-74	-0.1	-90	-0.1	-106	-0.1	-4,920	-3.1	-4,934	-3.3
<b>Valuation and translation adjustments</b>	<b>-777</b>	<b>-0.5</b>	<b>1,260</b>	<b>0.9</b>	<b>3,587</b>	<b>2.3</b>	<b>600</b>	<b>0.4</b>	<b>-4,628</b>	<b>-3.1</b>
Unrealized gains on securities, net of taxes	2,048	1.5	3,995	2.7	5,202	3.3	2,273	1.5	-246	-0.2
Unrealized gains on hedging derivatives, net of taxes	—	—	—	—	3	0.0	—	—	—	—
Foreign currency translation adjustments	-2,826	-2.0	-2,735	-1.8	-1,618	-1.0	-1,673	-1.1	-4,381	-2.9
<b>Stock subscription rights</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>59</b>	<b>0.0</b>	<b>119</b>	<b>0.1</b>	<b>188</b>	<b>0.1</b>
<b>Total net assets</b>	<b>108,239</b>	<b>77.3</b>	<b>118,637</b>	<b>78.9</b>	<b>128,645</b>	<b>80.9</b>	<b>127,118</b>	<b>81.2</b>	<b>125,368</b>	<b>82.9</b>
<b>Total liabilities and net assets</b>	<b>139,979</b>	<b>100.0</b>	<b>150,458</b>	<b>100.0</b>	<b>159,098</b>	<b>100.0</b>	<b>156,547</b>	<b>100.0</b>	<b>151,012</b>	<b>100.0</b>

# Consolidated statements of cash flows

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009
<b>I. Cash flows from operating activities:</b>					
Income before income taxes	18,436	20,341	21,039	20,482	15,823
Depreciation and amortization	4,749	4,824	4,761	4,593	4,209
Increase/decrease in retirement and severance benefits	-2,550	-212	160	411	553
Interest and dividend income	-249	-261	-459	-606	-548
Interest expense	182	93	90	96	65
Equity in losses of affiliates	—	—	—	—	679
Increase/decrease in trade receivables	-3,082	1,407	-414	-586	-916
Increase/decrease in inventories	594	-18	-356	-1,005	-1,334
Increase/decrease in trade accounts payable	1,065	-495	400	-430	509
Other, net	-1,355	1,534	-1,717	-245	759
Subtotal	17,791	27,215	23,504	22,710	19,801
Interest and dividend income received	246	265	460	610	550
Interest expense paid	-183	-95	-91	-94	-71
Income taxes paid	-11,235	-6,507	-8,914	-7,758	-8,431
Net cash provided by operating activities	6,619	20,878	14,959	15,468	11,849
<b>II. Cash flows from investing activities:</b>					
Increase in fixed deposits	-1,548	-803	-1,223	-1,518	-4,420
Decrease in fixed deposits	2,904	1,041	553	2,160	3,358
Payments for acquisition of fixed assets	-4,906	-2,106	-3,555	-3,151	-2,953
Proceeds from sale of fixed assets	2,488	29	600	5	2
Purchase of investment securities	-3,229	-57	-2,208	-3,266	-2,080
Proceeds from sale of investment securities	1,059	20	—	2,660	462
Payments for loans	—	—	-13	—	-300
Proceeds from loans	—	1	—	—	311
Other, net	325	544	—	1,027	0
Net cash provided by investing activities	-2,907	-1,330	-5,845	-2,083	-5,619
<b>III. Cash flows from financing activities:</b>					
Proceeds from short-term debt	—	—	—	—	545
Repayment of long-term debt	-5,804	-1,268	-168	-168	-5,168
Purchase of treasury stock	-2,582	-15	-16	-4,815	-15
Dividends paid	-4,393	-4,759	-5,632	-6,505	-6,798
Other, net	68	143	126	73	63
Net cash provided by financing activities	-12,711	-5,900	-5,691	-11,415	-11,373
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>-42</b>	<b>75</b>	<b>313</b>	<b>-140</b>	<b>-569</b>
<b>V. Net increase/decrease in cash and cash equivalents</b>	<b>-9,042</b>	<b>13,723</b>	<b>3,736</b>	<b>1,828</b>	<b>-5,713</b>
<b>VI. Cash and cash equivalents at beginning of year</b>	<b>41,422</b>	<b>32,380</b>	<b>46,104</b>	<b>49,841</b>	<b>51,669</b>
<b>VII. Cash and cash equivalents at end of year</b>	<b>32,380</b>	<b>46,104</b>	<b>49,841</b>	<b>51,669</b>	<b>45,956</b>

# Capital expenditures and number of employees

## ■ Capital expenditures

(Millions of yen)

Year ended March 31	2005	2006	2007	2009	2009	2010 Forecast
Consolidated	1,674	1,420	2,716	2,758	2,744	1,830

Note: Includes investment in facilities spent on a lease contract basis.

## ■ Depreciation and amortization

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	2010 Forecast
Manufacturing cost	1,613	1,546	1,494	1,635	1,822	1,740
Selling, general and administrative expenses	740	626	576	626	622	460
R&D expenses	1,312	1,157	1,212	1,091	946	1,060
Others	30	12	12	0	0	160
Consolidated	3,696	3,343	3,295	3,353	3,391	3,410

## ■ Lease expenses

(Millions of yen)

Year ended March 31	2005	2006	2007	2008	2009	2010 Forecast
Consolidated	1,012	1,104	1,064	1,042	931	520
Manufacturing cost	891	994	936	925	821	430

## ■ Number of employees

Year ended March 31	2005	2006	2007	2008	2009
Consolidated	2,308	2,312	2,409	2,483	2,690
Sales division	790	785	853	907	1,007
Production division	827	787	754	798	828
R&D division	460	483	533	519	541
Corporate or back-office division	231	257	269	259	314

\*Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions etc.

## Reference information

# Research & development

### ■ Pipeline of prescription pharmaceuticals (Clinical studies)

Generic name	Brand name/dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Levofloxacin (0.5%)	Cravit	Bacterial conjunctivitis	Daiichi Sankyo	Japan						Apr-00
	Quixin			U.S.						Nov-00
	Oftraquix			Europe						
Levofloxacin (1.5%)	DE-108	Bacterial conjunctivitis	Daiichi Sankyo	Japan						
Fluoroquinolone antibacterial agent. A higher-concentration product for control of drug resistance.										
Levofloxacin + prednisolone A	DE-094	Infectious keratitis	Daiichi Sankyo	U.S.						
A combination treatment of Fluoroquinolone antibacterial agent and steroids.										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Tafluprost	DE-085	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						Dec-08
				Europe						Jun-08
				U.S.					(License out)	
				Asia*					Nov-07	
Prostaglandin derivative for treatment of glaucoma and ocular hypertension. Launched in Japan in Dec, 2008, and launched in Germany, Denmark, etc. Granted U.S. development rights to Merck in April 2009. NDA filed in Korea in Nov, 2007, and Phase III study is ongoing in China. (*excluding Japan)										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Diquafosol sodium	DE-089	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Inspire Pharm.	Japan						May-08
A treatment for corneal and conjunctival epithelial disorder mostly associated with dry eye that stimulates the ocular surface to secrete tear fluid and components. Expected to be used in combination with existing treatments. A comparative Phase III study met the primary objective and we filed for manufacturing and marketing approval for corneal and conjunctival epithelial disorder associated with dry eye, etc.										

Generic name	Dev. code	Indication	Original/licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Lomerizine HCl	DE-090	Glaucoma	Schering-Plough	Japan						
A new type of glaucoma treatment studied for inhibiting the progression of visual field defects. The only calcium antagonist in development as an oral glaucoma treatment. Compared with NMDA receptor antagonists, fewer systemic side effects are expected, thus having excellent safety. Marketed by Schering-Plough as a migraine treatment.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Rivoglitazone	DE-101	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Daiichi Sankyo	U.S.						
				Japan						
Expected to show a potent effect on corneal and conjunctival epithelial disorder mostly associated with dry eye by directly acting on the corneal and conjunctival epithelial cells. Unique mechanism of action which differs from existing treatments. Clinical study has currently been conducted as an oral anti-diabetic drug by Daiichi Sankyo in Japan and the U.S.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-102	Diabetic macular edema	Co-development with Oakwood (U.S)	Japan		(Phase I / II)				
A steroid microsphere product for a sustained release injection. Animal studies demonstrated sustained efficacy when injected around the affected area. Collaborated with Oakwood Laboratories (U.S.) for technical development in commercial scale.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-104	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S.		(Phase I / II)				
				Japan						
A ROCK inhibitor co-developed with Ube Industries for treatment of glaucoma and ocular hypertension which has a different action mechanism from any other existing drugs. Expected to show a strong IOP-reduction by promoting aqueous humor outflow by directly acting on trabecular meshwork cells.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-105	Persistent corneal epithelial defects	Original	U.S.						
Expected to accelerate corneal epithelial migration and demonstrate high safety for intractable persistent corneal epithelial defects compared with existing therapy.										

Generic name	Dev. code	Indication	Original/in-licensor	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Sirolimus	DE-109	Wet age related macular degeneration(wet AMD)/ Diabetic macular edema(DME)	MacuSight (U.S)	Japan		(Phase I / II)				
Subconjunctival or intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Phase I clinical trials in patients with wet AMD and DME have shown improvements in visual acuity that were consistent with morphological changes following a single administration of sirolimus. Santen made a research and development collaboration and license agreement with MacuSight for the Japanese and Asian development and commercialization of sirolimus for the treatment of ocular diseases.										

## Reference information

# Research & development

### ■ Pipeline of prescription pharmaceuticals (In preparation for clinical trials)

Generic name	Brand name	Indication	Original/in-licensor
Bucillamine	Rimatil	Osteoarthritis (additional indication)	Original

Confirmed to be effective on joint inflammation caused by osteoarthritis.

### ■ License out

Dev. code	Indication	Licensee	Status	in-licensor
DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Argenes	Phase I / II	Centocor

Joint injection that induces apoptosis in diseased joints of rheumatoid arthritis patients. Bulk pharmaceutical manufacturing process for actual production scale has been established. Santen granted the domestic development rights to Argenes, Inc. The compound had been in-licensed from Centocor. In Japan and Europe, the clinical study has been started. Santen continues to hold the marketing rights in Japan and the overseas marketing and development rights.

### ■ Changes from Feb. 5, 2009

[ Status Change]

Dev. code	Indication	Status change	Clinical trial Region
DE-104	Glaucoma/ Ocular hypertension	Phase II → Phase I / II	U.S.
DE-109	Wet age related macular degeneration (wet AMD)/Diabetic macular edema(DME)	Preparing Phase I / II → Phase I / II	Japan

[License out]

Generic name	Indication	Licensee	Status	Region
Taf luprost	Glaucoma/ Ocular hypertension	Merck	Phase III*	U.S.

\*: Santen Inc. has completed Phase III study



# Pharmaceutical market in Japan

## ■ Revision of National Health Insurance (NHI) drug prices

(%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Industry average	-4.4	-9.7	—	-7.0	—	-6.3	—	-4.2	—	-6.7	—	early -5%	0.0
Ophthalmic drugs	-1.8	-7.5	—	-6.2	—	-6.0	—	-2.7	—	-5.5	—	late -3%	0.0
Santen	-1.3	-7.2	—	-5.7	—	-6.0	—	-3.2	—	-5.3	—	mid -3%	0.0

(Compiled by Santen)

Revision of NHI drug prices: In Japan, drug prices are generally revised every two years to reflect their market price. The drugs marketed at lower market prices will bear larger reduction margins at the revision.

## ■ Major healthcare reforms

	1997	Enforcement of the Revised Health Insurance System Law Increased contribution for insured employees (10% to 20%) Revision of the Insurance Law for Seniors Contribution: 500 yen/day for out-patients (up to four times a month) and 1,000 yen/day for in-patients
	2001	Revision of the Insurance Law for Seniors Contribution: fixed rate of 10% for out-patients and in-patients
April	2002	Reimbursed consulting fee for physicians were reduced by 2.7% on average Revision of prescription fee (two points are added for every prescription of generic drugs)
October	2002	Increased contribution for seniors (fixed amount system was abolished for a uniform fixed rate system of 10% contribution)
April	2003	Increased contribution for insured employees (20% to 30%)
April	2006	Revision of the prescription form from the standpoint of attempting environmental considerations of the generic use promotion
October	2006	Increased contribution for seniors (from the age of 70) who have a certain amount of income (20% to 30%)
April	2008	Change in prescription format in order to promote usage of generic drugs (the prescribing doctor's signature and seal are required in case the use of a generic drug is not recommended). Revised dispensing fee (basic dispensing fee was decreased from 42 points to 40 points; however, 4 points will be added in cases where 30% of total prescription drugs dispensed by a pharmacy are generic drugs.) Revised medical fee (ophthalmic drugs, eye wash, monocus will be included in basic medical fee). Unifying "medical insurance for patients over 75 years old" into "medical insurance system for late stage elderly population (long-life medical insurance system)."

## ■ Market shares

(Billions of yen)

Year ended March 31	2005	2006	2007	2008	2009
Prescription ophthalmics	39.6% 207.7	40.9% 213.1	39.7% 214.4	38.9% 221.0	38.0% 226.9
Anti-rheumatic drugs	42.9% 23.3	45.2% 23.8	46.3% 23.2	46.1% 24.1	45.0% 24.8

Notes: - On an NHI drug price basis.

- Lower figures indicate market size.

- Anti-rheumatic drugs exclude immunosuppressants and biologic agents.

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Source: Santen analysis based on IMS data(JPM)

Period: 2003.4-2009.3; Unauthorized copy prohibited

## ■ Market shares by therapeutic area - prescription ophthalmics

(Billions of yen)

Year ended March 31	2005	2006	2007	2008	2009
Anti-glaucoma	20.0% 74.9	23.2% 79.0	22.1% 79.9	20.8% 83.1	20.3% 85.0
Anti-infective	80.3% 26.5	78.3% 26.7	76.1% 25.9	73.5% 25.6	72.1% 24.9
Anti-allergy	22.4% 28.4	24.8% 24.6	24.3% 24.7	22.7% 25.4	21.0% 28.2
Agents for surgeries	41.0% 13.6	42.6% 14.4	42.8% 14.1	43.0% 15.1	42.8% 15.2
Corneal disease treatments	81.0% 23.0	80.7% 25.5	79.3% 26.4	78.7% 28.8	77.7% 30.5
Anti-cataract	57.4% 6.8	60.3% 6.5	62.6% 6.3	66.2% 6.1	68.8% 5.9
Corticosteroids	52.8% 11.5	52.6% 11.2	51.4% 10.8	51.3% 10.6	50.7% 10.5

Notes: - On an NHI drug price basis.

- Lower figures indicate market size.

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Source: Santen analysis based on IMS data(JPM)

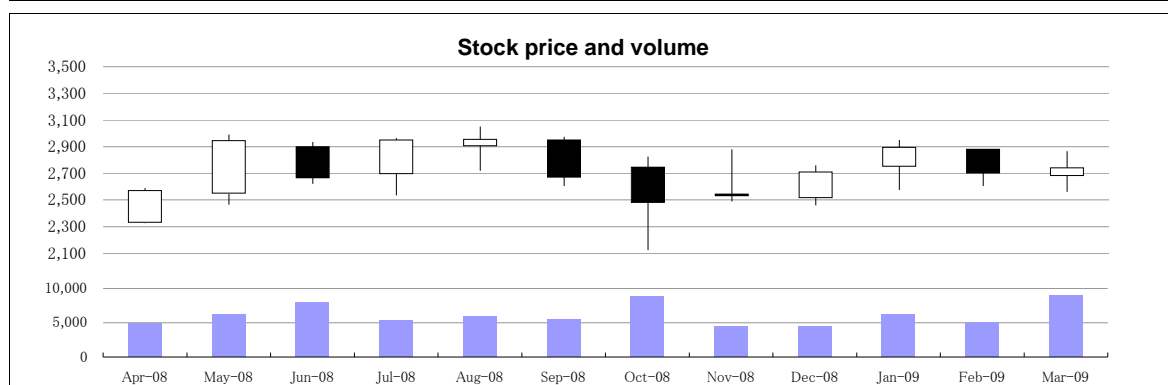
Period: 2003.4-2009.3; Unauthorized copy prohibited

# Stock information

## ■ Stock price (Osaka Securities Exchange 1st market)

(Yen and thousand shares)

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
Stock price:												
Open	2,330	2,550	2,900	2,695	2,905	2,950	2,745	2,545	2,515	2,750	2,880	2,680
High	2,590	2,990	2,935	2,965	3,050	2,975	2,825	2,880	2,760	2,950	2,880	2,865
Low	2,325	2,465	2,620	2,535	2,720	2,605	2,125	2,490	2,460	2,575	2,605	2,560
End of month	2,570	2,945	2,665	2,950	2,955	2,670	2,480	2,530	2,710	2,895	2,700	2,740
Volume	4,952	6,183	7,886	5,282	5,877	5,414	8,765	4,427	4,501	6,172	5,068	8,958



## ■ Major shareholders

As of March 31, 2009

Name	Number of shares held	Percentage of investment
	Thousand shares	%
Japan Trustee Services Bank, Ltd.	12,388	14.3
The Master Trust Bank of Japan, Ltd.	6,308	7.3
Mita Sangyo Co., Ltd.	4,756	5.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,241	4.9
Nippon Life Insurance Company	3,017	3.5
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,668	3.1
Trust & Custody Services Bank, Ltd.	2,057	2.4
RBC Dexia Investor Servicestrust, London-lending account	1,905	2.2
Daiichi Sankyo Company, Limited	1,642	1.9
Ono Pharmaceutical Co., Ltd.	1,630	1.9

Note: Santen Pharmaceutical Co., Ltd has held the treasury stock (1,893 thousand shares), but it is excluded from the major share

## ■ Stock option

Year ended March 31	2005	2006	2007	2008	2009
Stock option balance (thousand shares)	504.3	541.0	569.6	627.5	739.7
Granted in June 1998 - 106 thousand shares at 1,540 yen/share	35.0	27.0	24.0	24.0	0.0
Granted in June 1999 - 66 thousand shares at 2,480 yen/share	66.0	57.3	48.0	37.0	37.0
Granted in June 2000 - 60 thousand shares at 2,705 yen/share	60.0	58.0	48.2	46.2	45.2
Granted in June 2001 - 55 thousand shares at 2,299 yen/share	55.0	42.6	38.6	38.6	34.0
Granted in June 2002 - 92 thousand shares at 1,326 yen/share	72.5	53.7	32.1	30.9	26.2
Granted in June 2003 - 137.6 thousand shares at 1,176 yen/share	137.6	95.0	72.9	55.2	44.8
Granted in June 2004 - 78.2 thousand shares at 1,743 yen/share	78.2	78.2	73.9	66.1	61.3
Granted in June 2005 - 129.2 thousand shares at 2,480 yen/share	—	129.2	129.2	127.5	127.5
Granted in June 2006 - 102.7 thousand shares at 2,715 yen/share	—	—	102.7	102.7	102.7
Granted in June 2007 - 99.3 thousand shares at 3,050 yen/share	—	—	—	99.3	99.3
Granted in June 2008 - 161.7 thousand shares at 2,734 yen/share	—	—	—	—	161.7

## ■ Purchase of Treasury stock

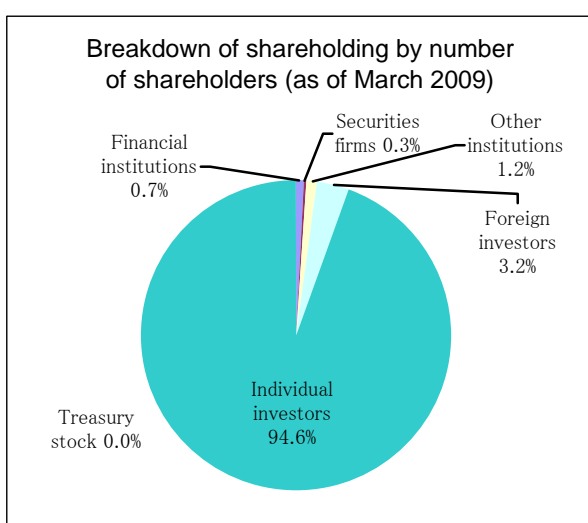
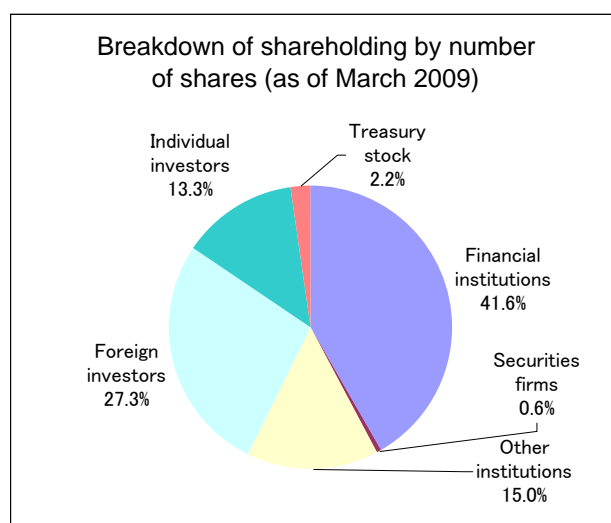
Year ended March 31	2005	2006	2007	2008	2009
A purchased amount of money (millions of yen)	2,569	—	—	4,800	—
The number of the purchased stocks (thousand shares)	1,351	—	—	1,833	—

### ■ Breakdown of shareholding by number of shares

Year ended March 31	2005		2006		2007		2008		2009	
	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)
Financial institutions	28,423	32.8	29,514	34.0	30,366	35.0	33,186	38.2	36,226	41.6
City & regional banks	4,636	5.3	4,659	5.4	4,628	5.3	4,907	5.6	4,794	5.5
Trust banks	15,768	18.2	16,577	19.1	17,049	19.6	19,133	22.0	23,714	27.3
(concerned in trust works)	13,022		14,039		14,538		16,680		21,167	
Life and non-life insurance	7,973	9.2	8,004	9.2	8,470	9.8	8,924	10.3	7,254	8.3
Other financial institutions	45	0.1	274	0.3	217	0.3	221	0.3	462	0.5
Securities firms	346	0.4	865	1.0	1,486	1.7	585	0.7	526	0.6
Other institutions	11,788	13.6	11,823	13.6	12,375	14.2	13,014	15.0	13,071	15.0
Foreign investors	32,874	38.0	31,519	36.3	31,024	35.7	25,227	29.0	23,679	27.3
Individual investors	13,187	15.2	12,985	15.0	11,521	13.3	12,963	14.9	11,516	13.3
Treasury stock	39	0.0	45	0.1	50	0.1	1,888	2.2	1,893	2.2
Total	86,658	100.0	86,751	100.0	86,825	100.0	86,866	100.0	86,916	100.0

### ■ Breakdown of shareholding by number of shareholders

Year ended March 31	2005		2006		2007		2008		2009	
	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)
Financial institutions	91	1.1	107	0.8	88	0.9	88	0.6	81	0.7
City & regional banks	9	0.1	10	0.1	7	0.1	14	0.1	11	0.1
Trust banks	47	0.6	52	0.4	44	0.4	30	0.2	26	0.2
Life and non-life insurance	31	0.4	32	0.2	26	0.3	29	0.2	33	0.3
Other financial institutions	4	0.0	13	0.1	11	0.1	15	0.1	11	0.1
Securities firms	28	0.3	31	0.2	37	0.4	38	0.3	36	0.3
Other institutions	128	1.5	236	1.7	133	1.3	150	1.2	137	1.2
Foreign investors	172	2.0	255	1.9	306	3.0	268	2.1	355	3.2
Individual investors	8,089	95.1	12,927	95.4	9,451	94.4	12,568	95.8	10,570	94.6
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
Total	8,509	100.0	13,557	100.0	10,016	100.0	13,113	100.0	11,180	100.0



# Consolidated subsidiaries

## 【Domestic】

Claire Co., Ltd.					
Main business	Cleaning of antidust and sterilized clothing				
Location	Shiga, Japan	Paid-in capital	90 million yen	Equity owned	100%

## 【Overseas】

Santen Holdings U.S. Inc.					
Main business	Holding company for North American businesses and business development				
Location	California, U.S.A.	Paid-in capital	24,784 thousand US\$	Equity owned	100%

Santen Inc.					
Main business	Clinical development of pharmaceuticals				
Location	California, U.S.A.	Paid-in capital	8,765 thousand US\$	Equity owned	100%*

Advanced Vision Science, Inc.					
Main business	Research and development, production and marketing of medical devices				
Location	California, U.S.A.	Paid-in capital	10 thousand US\$	Equity owned	100%*

Phacor Inc.					
Main business	—				
Location	California, U.S.A.	Paid-in capital	10 thousand US\$	Equity owned	100%*

Santen Oy					
Main business	Development, production and marketing of pharmaceuticals				
Location	Tampere, Finland	Paid-in capital	20,000 thousand euros	Equity owned	100%

SantenPharma AB					
Main business	Marketing support of pharmaceuticals				
Location	Stockholm, Sweden	Paid-in capital	500 thousand S.KR	Equity owned	100%

Santen GmbH					
Main business	Marketing of pharmaceuticals and business development				
Location	Germaring, Germany	Paid-in capital	25 thousand euros	Equity owned	100%

Santen Pharmaceutical (China) Co., Ltd.					
Main business	Development, production and marketing of pharmaceuticals				
Location	Suzhou, China	Paid-in capital	2,500 million yen	Equity owned	100%

Taiwan Santen Pharmaceutical Co., Ltd.					
Main business	Import and marketing of pharmaceuticals				
Location	Taipei, Taiwan	Paid-in capital	42,000 thousand Taiwan dollars	Equity owned	100%

Santen Pharmaceutical Korea, Co., Ltd.					
Main business	Import and marketing of pharmaceuticals				
Location	Seoul, Korea	Paid-in capital	1,500,000 thousand won	Equity owned	100%

\* Indirect investment through Santen Holdings U.S. Inc.

# News releases

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## News releases during April 2008-March 2009

For details, please refer to our Web site (<http://www.santen.co.jp/en/>).

- | (Date)        | (Summary)  |
|---------------|--|
| <b>2008</b>   |  |
| <b>7-May</b>  | <b>Santen Oy Receives Marketing Authorization for its Glaucoma and Ocular Hypertension Treatment, TAFLOTAN in Denmark</b><br>Santen Oy, a wholly owned subsidiary in Finland, Tampere, received the marketing authorization for its new glaucoma and ocular hypertension treatment drug TAFLOTAN (development code: DE-085, generic name: Tafluprost) in Denmark on April 30, 2008. TAFLOTAN is a prostaglandin analogue developed for reduction of intraocular pressure in primary open angle glaucoma and ocular hypertension, which was co-developed by Santen Pharmaceutical Co., Ltd. and Asahi Glass Co., Ltd.                   |
| <b>23-May</b> | <b>Santen to Issue Stock Acquisition Rights to the Directors</b><br><b>Santen to Issue Stock Acquisition Rights to the Corporate Officers</b><br>Santen's Board of Directors on May 20, 2008 adopted a resolution to issue rights to subscribe for new shares as stock options without consideration to Santen directors and corporate officers. The resolution was approved at the 96th Annual General Meeting of Shareholders held on June 25, 2008.   |
| <b>2-Jun</b>  | <b>Santen Files Manufacturing and Marketing Approval for Corneal and Conjunctival Epithelial Disorder Treatment DE-089 (JAN: Diquafosol sodium)</b><br>Santen filed manufacturing and marketing approval for its corneal and conjunctival epithelial disorder treatment DE-089 (JAN: Diquafosol sodium) to the Japanese Ministry of Health, Labour and Welfare on May 30, 2008. DE-089 was licensed from Inspire Pharm (U.S.A) and developed by Santen as a treatment for corneal and conjunctival epithelial disorder mostly associated with dry eye.   |
| <b>2-Jun</b>  | <b>Santen and MacuSight Announce Collaboration and License Agreement for Sirolimus in Ocular Diseases and Conditions</b><br>Santen and MacuSight entered into a research and development collaboration and license agreement for the Japanese and Asian development and commercialization of sirolimus for the treatment of ocular diseases and conditions including wet age related macular degeneration (wet AMD) and diabetic macular edema (DME). Sirolimus, originally known as rapamycin, is a highly-potent, broad-acting compound that has demonstrated the ability to combat a broad range of ocular diseases and conditions. |
| <b>10-Jun</b> | <b>Santen to Revise its Performance Forecast</b><br>As Santen made collaboration and license agreement for the Japanese and Asian development and commercialization of Sirolimus (DE-109) with MacuSight, announced on June 2, 2008, Santen makes an initial upfront payment of \$50 million. This payment has an impact on operating income of both consolidated and non-consolidated. Consequently, Santen revised performance forecasts for the half and full year of FY2008. Ordinary income and net income for the first quarter have been forecast to fall below the previously announced forecast.                              |

- | (Date)        | (Summary)   |
|---------------|---|
| <b>2008</b>   |   |
| <b>3-Oct</b>  | <b>Santen to Launch Sante 40i OTC Eye Drop</b><br>Santen launched the new Sante 40i OTC eye drop on October 10, 2008. The recent development of Sante 40i focuses on changes in the environment influencing people's eyes and has been developed using Santen's own technology. Sante 40i is highly effective for the treatment of bleary eyes associated with blurred vision and visual fatigue symptoms due to its refreshing and moist sensation.  |
| <b>14-Oct</b> | <b>Santen's Dimple Bottle Received the Good Design Award</b><br>Santen's Dimple Bottle received the Good Design Award, which is coordinated by Japan Industrial Design Promotion Organization. Dimple Bottle, a new type of bottle for ophthalmologic solutions, pursues user friendliness from patients and medical practitioners' viewpoint.  |
| <b>17-Oct</b> | <b>Santen Announces Approval of TAPROS for Glaucoma and Ocular Hypertension Treatment in Japan</b><br>Santen announced that MHLW of Japan granted approval for its new glaucoma and ocular hypertension treatment drug, "TAPROS Ophthalmic Solution 0.0015%" (Generic name: tafluprost) on October 16, 2008. "TAPROS Ophthalmic Solution 0.0015%" is the first Prostaglandin Analogue developed in Japan for the reduction of intraocular pressure (IOP) in glaucoma and ocular hypertension. The drug was co-developed by Santen Pharmaceutical Co., Ltd. and Asahi Glass Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo).   |
| <b>2009</b>   |   |
| <b>3-Mar</b>  | <b>Santen Pharmaceutical Co., Ltd. (Santen) Licenses Development, Manufacturing and Marketing Rights of its Hydrophobic Acrylic Lens Material to Bausch &amp; Lomb Inc. (B&amp;L)</b><br>Advanced Vision Science, Inc. (California), Santen's consolidated subsidiary, signed a license agreement with Bausch & Lomb Inc. (New York) for the development, manufacturing and marketing rights of its foldable hydrophobic acrylic intraocular lens material in all geographic regions except Japan. The AVS material has been marketed by Santen in Japan since July 2008 as the Eternity intraocular lens (IOL). The Eternity IOL was designed to provide superior fundus visibility, and feedback from Japanese surgeons has been very positive with many doctors commenting that the lens helps them to better manage cataract patients with retinal complications such as diabetes milletus. |
| <b>3-Mar</b>  | <b>Santen to Launch Sante FX V Plus OTC Eye Drop</b><br>Santen launched the new Sante FX V Plus OTC eye drop on Mach 10, 2009. The recent development of Sante FX V Plus is a premium version of the existing eye drop, (Sante FX neo), and it contains effective active ingredients. Sante FX V Plus is highly effective for eye fatigue and red-eye relief offering a refreshing and long lasting cooling sensation.  |

