



Santen Pharmaceutical Co., Ltd.

Investor Meeting on FY2008 Results

**Financial Results for the FY2008;
Financial Forecast for the FY2009**

May 13, 2009

President & CEO

Akira Kurokawa



Financial Results for the FY2008



Performance Overview of FY2008

(billions of yen)

	FY2007 Actual	FY2008 Actual	Var. %	FY2008 Forecast	Var. %
Net Sales	103.39	101.61	- 1.7%	104.00	- 2.3%
Operating Income	20.37	15.49	- 23.9%	15.10	2.6%
Ordinary Income	20.70	15.93	- 23.0%	15.60	2.1%
Net Income	12.65	10.12	- 20.0%	9.80	3.3%

*A revision of performance forecast was made as of June 10, 2008, due to an increase of R&D expense of DE-109 (Sirolimus) as an initial upfront payment by 5.4 billion yen for the collaboration and license agreement with MacuSight Inc. as of June 2, 2008.



FY2008 Highlights

Net sales

- Japan: Growth, mainly in Glaucoma and Dry-Eye, slightly increased from FY2007
 - Dry-Eye: Steady performance
 - Glaucoma: Launch of new product, Tapros
- ⊕ Oversea: Decreased from FY2007 primarily due to currency impact

Operating Income

- R&D: Increased due to the initial upfront payment for in-licensing of Sirolimus (DE-109)
- SGA: Decreased by an effective operation with disease awareness campaign



Net Sales: Variances (vs. FY2007)

FY2007
Net Sales
(Actual)
¥103.39
billion

- ¥1.78
billion



FY2008
Net Sales
(Actual)
¥101.61
billion

Japan + ¥0.06 billion

[Increase factor]

- Prescription Ophthalmics + ¥0.04 billion
- RA drugs + ¥0.12 billion
- Medical Device + ¥0.22 billion

[Decrease factor]

- OTC drugs - ¥0.22 billion
- Others - ¥0.14 billion

Outside Japan - ¥1.83 billion

[Decrease factor]

- Europe - ¥0.22 billion
 - currency impact: - ¥0.86 billion
- U.S. - ¥1.02 billion
 - currency impact: - ¥0.10 billion
- Asia - ¥0.58 billion
 - China - ¥0.51 billion
 - currency impact: - ¥0.17 billion
 - Korea - ¥0.04 billion
 - currency impact: - ¥0.20 billion

Prescription Ophthalmics (Japan)

- Anti-infective - ¥0.80 billion
- Corneal Disease + ¥0.72 billion
- Anti-glaucoma + ¥0.14 billion
(Tapros: + ¥1.06 billion)
- PapiLock Mini + ¥0.23 billion

Europe

- Prescription Ophthalmics - ¥0.14 billion
 - Germany + ¥0.21 billion
 - East Europe + ¥0.11 billion
 - North Europe - ¥0.21 billion
 - Russia - ¥0.22 billion
- Contract Manufacturing, etc. - ¥0.09 billion

<Currency rate>

	FY2007 actual	FY2008 actual
US\$	¥114.29	¥100.81
Euro	¥161.98	¥146.71



Net Sales: Variances (vs. Forecast of FY2008)

**FY2008
Net Sales
(Forecast*)
¥104.00
billion**

**- ¥2.39
billion**



**FY2008
Net Sales
(Actual)
¥101.61
billion**

Japan - ¥1.10 billion

[Increase factor]

- Prescription Ophthalmics - ¥0.18 billion
- RA drugs - ¥0.17 billion
- OTC drugs - ¥0.39 billion
- Medical Device - ¥0.49 billion

Outside Japan - ¥1.28 billion

[Decrease factor]

- Europe - ¥0.69 billion
 - currency impact: - ¥0.47 billion
- U.S. - ¥0.08 billion
 - currency impact: - ¥0.05 billion
- Asia - ¥0.48 billion
 - China - ¥0.43 billion
 - currency impact: - ¥0.05 billion
 - Korea - ¥0.03 billion
 - currency impact: - ¥0.14 billion

Prescription Ophthalmics (Japan)

- Anti-infective + ¥0.82 billion
- Corneal Disease - ¥0.32 billion
- Anti-glaucoma + ¥0.19 billion
(Tapros: +¥0.41 billion)
- Anti-allergy + ¥0.61 billion
- Papilock Mini - ¥1.55 billion

Europe

- Prescription Ophthalmics - ¥0.74 billion
 - Germany + ¥0.04 billion
 - West Europe - ¥0.15 billion
 - North Europe - ¥0.15 billion
 - Russia - ¥0.20 billion
 - East Europe - ¥0.29 billion
- Contract Manufacturing, etc. + ¥0.04 billion

<Currency rate>

	<u>FY2008 forecast</u>	<u>FY2008 actual</u>
US\$	¥108.00	¥100.81
Euro	¥155.00	¥146.71

*As of Feb. 5, 2009

Summary of Changes in Income Statement

<Currency rate>

	FY2007 actual	FY2008 actual
US\$	¥114.29	¥100.81
Euro	¥161.98	¥146.71

	FY2007 Actual	FY2008		Major Changes
		Actual	Var	
Net Sales	103.39	101.61	-1.78	(Stated in other pages)
Cost of Sales	36.51	35.94	-0.57	
(% of net sales)	35.3%	35.4%	0.1 pt	
SGA Total	46.51	50.17	3.66	
(% of net sales)	45.0%	49.4%	4.4 pt	
SGA excluding R&D	33.57	31.72	-1.85	SGA expense decrease Japan: - ¥ 0.8 billion, Europe: - ¥0.3 billion U.S: - ¥0.6 billion, Asia: - ¥0.1 billion
(% of net sales)	32.5%	31.2%	-1.3 pt	
R&D Expense	12.94	18.45	5.51	Expense increase in Retina/Cornea, etc. (+ ¥5.5 billion)
(% of net sales)	12.5%	18.2%	5.7 pt	
Operating Income	20.37	15.49	-4.88	
(% of net sales)	19.7%	15.2%	-4.5 pt	
Non-operating Income of Loss	0.33	0.45	0.12	
Non-operating Income	1.35	1.43	0.08	
Non-operating Expense	1.02	0.98	-0.04	
Ordinary Income	20.70	15.93	-4.77	
Extraordinary Gain or Loss	-0.22	-0.11	0.11	
Extraordinary Gain	0.23	0.01	-0.22	
Extraordinary Loss	0.45	0.12	-0.33	
Net Income before Tax	20.48	15.82	-4.66	
Income Taxes	7.83	5.70	-2.13	Tax rate: 36.0% (FY2008)
Net Income	12.65	10.12	-2.53	
ROE	9.9%	8.0%	-1.9 pt	



Financial Forecast for the FY2009



FY2009 Consolidated Sales Outlook

(billions of yen)

	FY2008 Actual	FY2009 Forecast	Var. %
Net Sales	101.61	111.00	9.2%
Operating Income	15.49	25.50	64.6%
Ordinary Income	15.93	25.50	60.0%
Net Income	10.12	16.00	58.1%
ROE	8.0%	12.3%	4.3pt

Growth by TAPROS

Control SGA properly

Budgeted over ¥15.0 billion for R&D expense



Sales/Income Outlook for the FY2009

	FY2008 Actual	FY2009	
		Forecast	Var.
Net Sales	101.61	111.00	9.39
Cost of Sales	35.94	37.00	1.06
(% of net sales)	35.4 %	33.3 %	- 2.1 pt
SGA Total	50.17	48.50	-1.67
(% of net sales)	49.4 %	43.7 %	-5.7 pt
SGA excluding R&D	31.72	33.20	1.48
(% of net sales)	31.2 %	29.9 %	- 1.3 pt
R&D Expense	18.45	15.30	-3.15
(% of net sales)	18.2 %	13.8 %	-4.4 pt
Operating Income	15.49	25.50	10.01
(% of net sales)	15.2 %	23.0 %	7.8 pt
Non-operating Income or Loss	0.45	0.00	-0.45
Ordinary Income	15.93	25.50	9.57
Extraordinary Income or Loss	- 0.11	0.00	0.11
Net Income before Tax	15.82	25.50	9.68
Income Taxes	5.70	9.50	3.80
Net Income	10.12	16.00	5.88
ROE	8.0%	12.3%	4.3 pt

(billions of yen)

<Currency rate>

FY2008 actual

US\$ ¥100.81

Euro ¥146.71

FY2009 forecast

US\$ ¥100.00

Euro ¥130.00



Net Sales: Variances (vs. FY2008)

FY2008
Net Sales
(Actual)
¥101.61 billion

+ ¥9.39 billion

FY2009
Net Sales
(Forecast)
¥111.00 billion

Japan +¥4.03 billion

- Prescription Ophthalmics + ¥2.69 billion
- RA Drugs + ¥0.23 billion
- OTC + ¥0.35 billion
- Medical Devices + ¥0.72 billion

Outside Japan + ¥5.35 billion

- Europe + ¥0.19 billion
 - Currency impact: - ¥1.09 billion
- U.S. + ¥3.16 billion
 - Currency impact: - ¥0.12 billion
- Asia + ¥2.00 billion
 - China + ¥1.82 billion
 - currency impact: - ¥0.07 billion
 - Korea + ¥0.09 billion
 - currency impact: - ¥0.11 billion

Prescription Ophthalmics (Japan)

- Anti-infective - ¥0.46 billion
- Corneal Disease + ¥0.65 billion
- Anti-glaucoma + ¥2.67 billion
 - Tapros + ¥3.75 billion
- Anti-allergy - ¥0.53 billion
- Viscoelastics + ¥0.20 billion

Europe

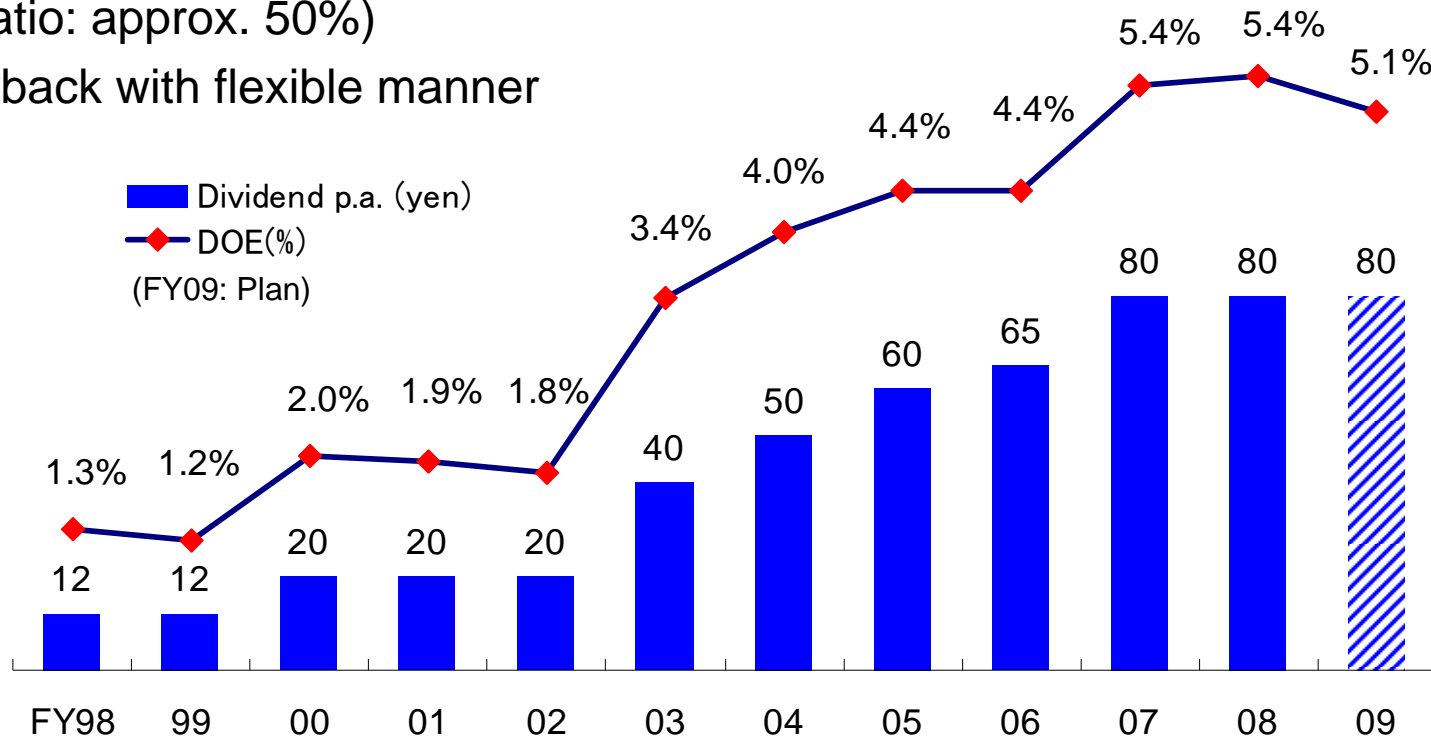
- Prescription Ophthalmics + ¥0.29 billion
 - East Europe + ¥0.31 billion
 - Russia + ¥0.10 billion
 - Germany + ¥0.06 billion
 - West Europe - ¥0.05 billion
 - North Europe - ¥0.08 billion
- Contract Manufacturing, etc. - ¥0.10 billion

<Currency rate>

	FY2008 actual	FY2009 forecast
US\$	¥100.81	¥100.00
Euro	¥146.71	¥130.00

S Enhancing Return to Shareholders

- Firstly, we consider the cash demand and financial forecast for R&D expense, investment for future growth
- Return to shareholders:
 - Focus primarily on dividend
- Mid-term target DOE ratio: 5% (pay-out ratio: approx. 50%)
- Share buyback with flexible manner



Pay our ratio (%)	14.1	14.4	24.6	34.9	21.4	55.8	39.7	39.9	42.9	54.7	67.2	42.5
Sum of share buyback (billions of yen)	0	0	51	32	32	0	26	0	0	48	0	-
Total return ratio (%)	14.1	14.4	92.0	96.4	59.5	55.8	63.3	39.9	42.9	85.8	67.2	-



References



**Reference:
FY2008 Financial Results**



Net Sales by Business Segment / Overseas Sales

■ Sales by Business Segment

(billions of yen)

	FY2008					
	Domestic		Overseas		Total	
	Actual	Var. (%)	Actual	Var. (%)	Actual	Var. (%)
Prescription Pharmaceuticals	82.27	0.2 %	12.26	-7.3%	94.53	-0.8%
Ophthalmics	72.35	0.1%	12.13	-7.4%	84.48	-1.1%
Anti-rheumatics	9.63	1.2%	0.10	-0.3%	9.74	1.2%
Others	0.27	11.7%	0.03	49.0%	0.30	14.5%
OTC Drugs	5.21	-3.9%	0.00	-67.8%	5.22	-4.1%
Medical Devices	0.62	55.2%	—	—	0.62	50.1%
Others	0.50	-21.3%	0.72	-53.6%	1.23	-44.1%
Total	88.62	0.1%	12.99	-12.3%	101.61	-1.7%

■ Overseas Sales

(billions of yen)

	FY2007 Actual	FY2008		
		Actual	Var.	Var. (%)
Europe	8.53	8.31	-0.22	-2.6%
U.S.	1.95	0.93	-1.02	-51.9%
Asia	4.32	3.74	-0.58	-13.4%
Others	0.01	0.00	-0.01	-86.5%
Total	14.82	12.99	-1.83	-12.3%

Performance by Geographic Segment

■ Net Sales

(billions of yen)

	FY2007 Actual	FY2008 Actual	
		Actual	Var.
Japan	92.09	91.40	-0.69
Europe	10.61	9.45	-1.16
Others*	0.67	0.76	0.09
Total	103.39	101.61	-1.78

■ Operating Income

(billions of yen)

	FY2007 Actual	FY2008 Actual	
		Actual	Var.
Japan	22.63	18.28	-4.35
Europe	0.55	0.17	-0.38
Others*	-0.81	-0.66	0.15
Elimination	-1.99	-2.30	-0.31
Total	20.37	15.49	-4.88

* "Others" are U.S., China, Korea and Taiwan.

Note: Sales by geographic region differ from overseas sales (i.e. sales by destination).

Balance Sheet

(billions of yen)

	FY2007		FY2008		
	Actual	% of Total	Actual	% of Total	Var.
Current Assets	102.75	65.6%	101.05	66.9%	-1.70
Fixed Assets	53.54	34.2%	49.95	33.1%	-3.59
Deferred Assets	0.24	0.2%	-	-	-0.24
Total Assets	156.54	100.0%	151.01	100.0%	-5.53
Current Liabilities	26.56	17.0%	22.43	14.9%	-4.13
Non-current Liabilities	2.86	1.8%	3.20	2.1%	0.34
Total Liabilities	29.42	18.8%	25.64	17.0%	-3.78
Total Net Assets	127.11	81.2%	125.36	83.0%	-1.75
Total Liabilities Net Assets	156.54	100.0%	151.01	100.0%	-5.53

Major Changes

- Current Assets: Cash and deposits + ¥1.6 billion, trade receivables - ¥4.4 billion, inventories + ¥0.9 billion
- Fixed Assets: Construction suspense account - ¥1.7 billion, investment securities - ¥5.1 billion, deferred tax assets + ¥4.5 billion, investment and others - ¥1.1 billion
- Current Liabilities: Short term debt + ¥0.5 billion, current portion of long-term debt - ¥5.0 billion
- Net Assets: Retained earnings + ¥3.3 billion, unrealized gains on securities, net of taxes - ¥2.5 billion, foreign currency translation adjustments - ¥2.7 billion



Summary of Cash Flows

(billions of yen)

	FY2008 Actual
Cash and cash equivalents at the beginning of the year	51.66
Net increase/decrease in cash and cash equivalents	-5.71
Cash flows from operating activities	11.84
Cash flows from investing activities	-5.61
Cash flows from financial activities	-11.37
Effect of exchange rate changes on cash and cash equivalents	-0.56
Cash and cash equivalents at the end of the year	45.95

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



Capital Expenditures / Depreciation & Amortization / Lease Expenses

(billions of yen)

	FY2007 Actual	FY2008	
		Actual	Var.
Capital Expenditures	2.75	2.74	-0.01
Depreciation and Amortization	3.35	3.39	+0.04
Lease	1.04	0.93	-0.11

Major Capital Expenditures for FY2008

- Plant construction in China: ¥0.4 billion
- The 3rd phase of Nara R&D Center construction : ¥1.3 billion



**Reference:
FY 2009 Financial Forecasts**



Sales Forecast by Business Segment / Overseas Sales

■ Sales by Business Segment

(billions of yen)

	FY2009					
	Domestic		Overseas		Total	
	Forecast	Var. (%)	Forecast	Var. (%)	Forecast	Var. (%)
Prescription Pharmaceuticals	85.18	3.5%	14.34	16.9%	99.52	5.3%
Ophthalmics	75.04	3.7%	14.22	17.3%	89.27	5.7%
Anti-rheumatics	9.86	2.4%	0.10	-5.9%	9.96	2.3%
Others	0.27	0.1%	0.01	-58.3%	0.29	-5.6%
OTC Drugs	5.56	6.7%	0.02	259.5%	5.59	7.0%
Medical Devices	1.34	115.5%	-	-	1.34	115.5%
Others	0.55	9.9%	3.98	450.1%	4.54	268.4%
Total	92.65	4.6%	18.34	41.1%	111.00	9.2%

■ Overseas Sales

(billions of yen)

	FY2008 Actual	FY2009		
		Forecast	Var.	Var. (%)
Europe	8.31	8.50	0.19	2.3%
U.S.	0.93	4.09	3.16	336.3%
Asia	3.74	5.74	2.00	53.2%
Others	0.00	0.01	0.01	356.6%
Total	12.99	18.34	5.35	41.1%

Forecast by Geographic Segment

■ Net Sales

(billions of yen)

	FY2008 Actual	FY2009	
		Forecast	Var.
Japan	91.40	97.80	6.40
Europe	9.45	9.47	0.02
Others*	0.76	3.72	2.96
Total	101.61	111.00	9.39

■ Operating Income

(billions of yen)

	FY2008 Actual	FY2009	
		Forecast	Var.
Japan	18.28	27.45	9.17
Europe	0.17	0.66	0.49
Others*	-0.66	0.03	0.69
Elimination	-2.30	-2.65	-0.35
Total	15.49	25.50	10.01

* "Others" are U.S., China, Korea and Taiwan.

Note: Sales by geographic region differ from overseas sales (i.e. sales by destination).



Capital Expenditures / Depreciation & Amortization / Lease Expenses

(billions of yen)

	FY2008 Actual	FY2009	
		Forecast	Var.
Capital Expenditures	2.74	1.83	-0.91
Depreciation and Amortization	3.39	3.41	0.02
Lease	0.93	0.52	-0.41

Major capital expenditure FY2009

- Expansion and maintenance of manufacturing facilities
- Maintenance of R&D facilities



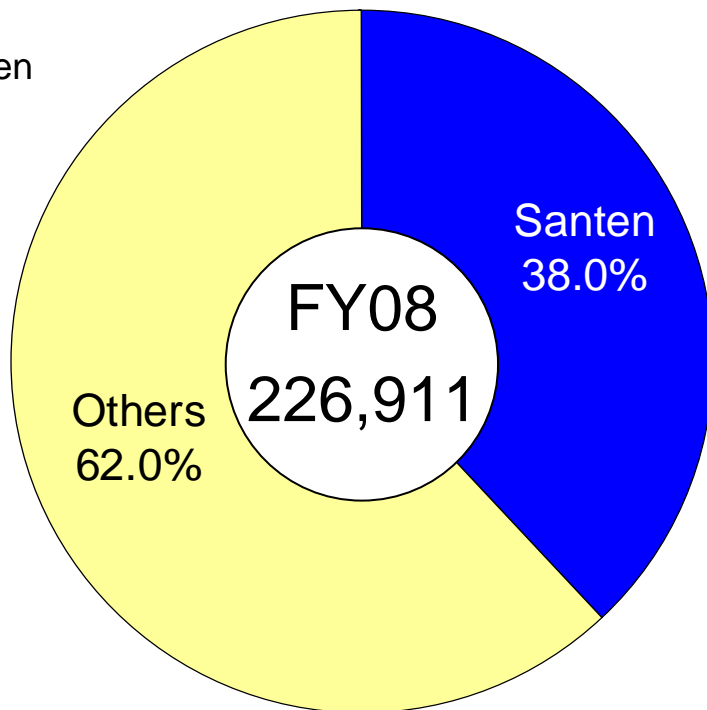
Reference:
Market Overview of
Prescription Pharmaceuticals in Japan
(Ophthalmics / Anti-rheumatics)



Trend & Competition by Category (Ophthalmics Total)

- Santen leads ophthalmic market in sales, owning market size more than twice as much as the second leading company does.
- Santen's market share of FY2008 is 38.0%.

Market Size: millions of yen
%: Value Share



Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

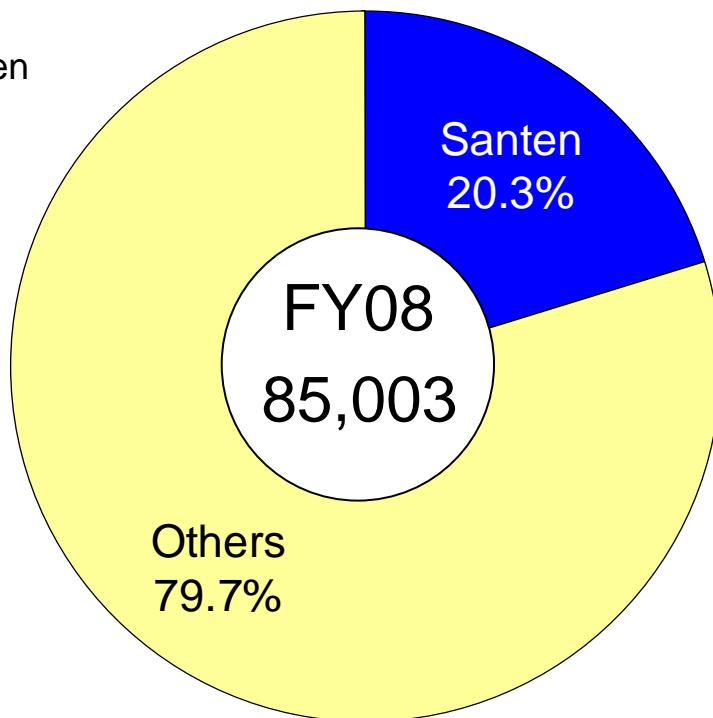
			FY05	FY06	FY07	FY08
Santen Value Share			40.9%	39.7%	38.9%	38.0%
Growth Rate vs. year-ago	Santen Value		+6.1%	-2.2%	+0.8%	+0.3%
	Market	Value	+2.6%	+0.6%	+3.1%	+2.6%
		Volume	-1.0%	+2.1%	+0.2%	+2.5%



Trend & Competition by Category (Glaucoma)

- Glaucoma, the largest category in ophthalmics, is ¥85 billion with 2.2% value growth FY2008, in spite of the drug price revision.
- While Santen is currently the second largest, sales grows steadily with the launch of TAPROS. Santen's market share of 4Q FY08 is 20.9%.

Market Size: millions of yen
%: Value Share



*Santen:
Timoptol, Timoptol XE,
Rescula, Detantol,
Tapros, etc.

Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

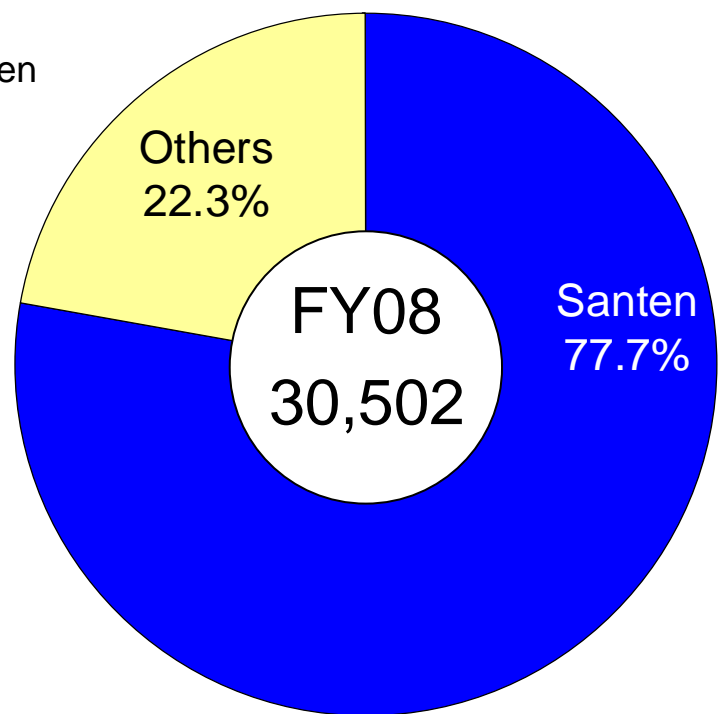
			FY05	FY06	FY07	FY08
Santen Value Share			23.2%	22.1%	20.8%	20.3%
Growth Rate vs. year-ago	Santen Value		+22.0%	-3.6%	-2.1%	-0.4%
	Market	Value	+5.5%	+1.1%	+4.0%	+2.2%
		Volume	+2.2%	+4.4%	+1.2%	+2.9%



Trend & Competition by Category (Cornea: Dry Eye)

- Dry eye is one of the highest potential category. Its size is over ¥30 billion with 5.7% growth from FY2008.
- Dry eye is the strongest category in competition where Santen has around 80% value share with 4% growth.

Market Size: millions of yen
%: Value Share



*Santen: Hyalein, etc.
Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

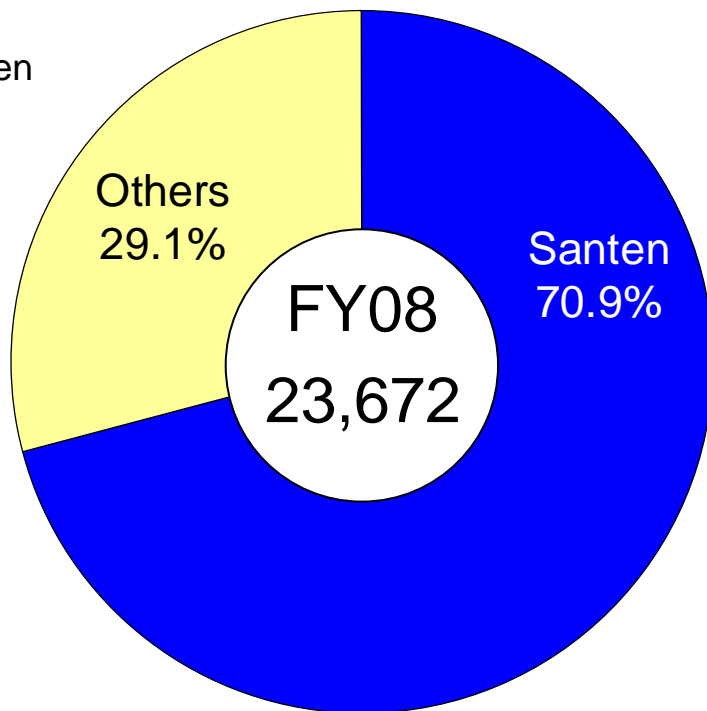
			FY05	FY06	FY07	FY08
Santen Value Share			80.7%	79.3%	78.7%	77.7%
Growth Rate vs. year-ago	Santen Value		+10.3%	+1.9%	+8.1%	+4.4%
	Market	Value	+10.7%	+3.6%	+9.0%	+5.7%
		Volume	+8.4%	+6.8%	+7.2%	+7.9%



Trend & Competition by Category (Anti-infection)

- Market size is around ¥24 billion. Value growth in FY2008 is slightly in declining trend by -3.1%.
- For Santen, it is another strongest category in competition, with 70% market share.

Market Size: millions of yen
%: Value Share



*Santen:
Cravit, Tarivid, etc.

Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

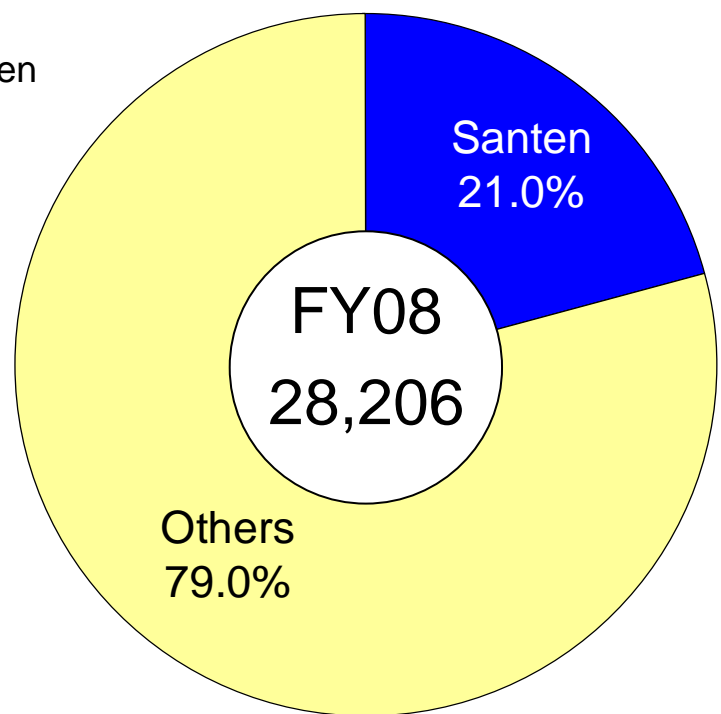
			FY05	FY06	FY07	FY08
Santen Value Share			77.4%	75.1%	72.4%	70.9%
Growth Rate vs. year-ago	Santen Value		-2.5%	-6.0%	-4.9%	-5.0%
	Market	Value	+0.5%	-3.1%	-1.3%	-3.1%
		Volume	-1.2%	+0.9%	-3.3%	-1.0%



Trend & Competition by Category (Anti-allergy)

- Market size is ¥28 billion. Value growth of FY2008 is +11.0%, while it tends to fluctuate depending on the heaviness of the pollen count in every spring.
- As the competition with new products is intensified, Santen's value share tends to decline with 21.0% of FY2008.

Market Size: millions of yen
%: Value Share



*Santen:
Livostin, Alegysal
Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

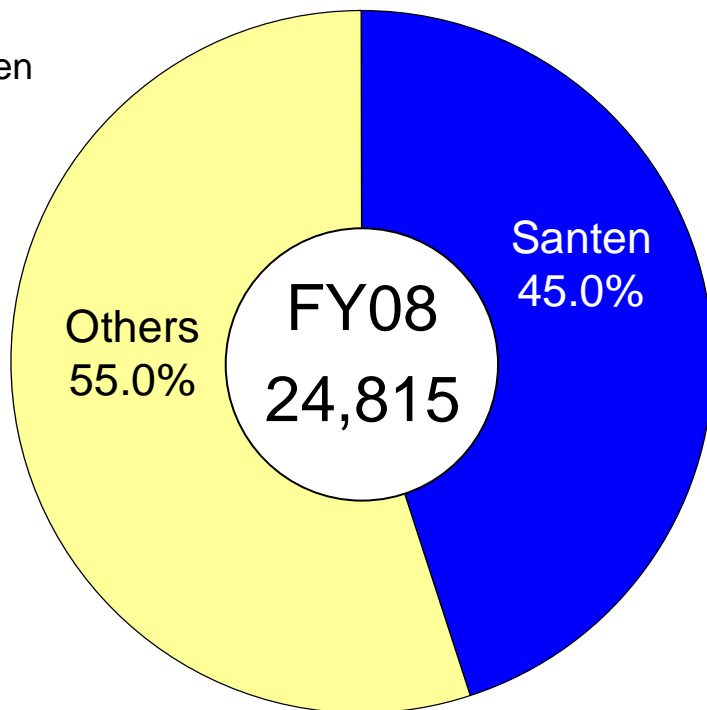
			FY05	FY06	FY07	FY08
Santen Value Share			24.8%	24.3%	22.7%	21.0%
Growth Rate vs. year-ago	Santen Value		-3.9%	-1.7%	-4.0%	+2.3%
	Market	Value	-13.2%	+0.3%	+2.6%	+11.0%
		Volume	-12.9%	+6.5%	+1.0%	+14.9%



Trend & Competition by Category (RA: DMARDs)

- Market size of DMARDs is ¥24.8 billion with +2.8% growth in FY2008.
- Santen leads DMARDs market with 45% value share, led by the three products which all have the “recommended level A” authorized by the guideline of RA society.

Market Size: millions of yen
%: Value Share



*DMARDs:
Disease Modifying
Anti-rheumatic Drugs
*Santen:
Rimatil, Azulfidine EN,
Metolate

Source: ©2009 IMS Japan
IMS-JPM 2005-09
Santen analysis based on IMS data

		FY05	FY06	FY07	FY08	
Santen Value Share		45.2%	46.3%	46.1%	45.0%	
Growth Rate vs. year-ago	Santen Value	+7.6%	0.0%	+3.3%	+0.4%	
	Market	Value	+2.0%	-2.3%	+3.7%	+2.8%
		Volume	+0.8%	+3.7%	+0.4%	+3.8%



Santen Pharmaceutical Co., Ltd.

Investor Meeting on FY2008 Results

Status of Clinical Development

May 13, 2009

Senior Corporate Officer

Head of Research and Development Division

Toshiaki Nishihata, Ph.D.



Major Clinical Pipeline List (Red Letters: Changes from 3Q)

Global strategic Product

Global Product

Japan (Asia) Product

Domain	Phase I	Phase II	Phase III	NDA Filed	Approved
Glaucoma		DE-104 ROCK inhibitor		DE-085 Tafluprost Korea China	Japan Europe (launch)
		DE-090 Lomerizine HCl			
Corneal Disease (Dry Eye)	DE-105 Combination of peptides	DE-101 Rivoglitazone		DE-089 Diquafosol sodium	
Retinal Disease		DE-109 Sirolimus			
		DE-102 Steroid DDS			
Others Inflammation, Allergy, RA			DE-108 Levofloxacin		
		DE-098 Apoptosis inducer			



Status of Major Drug Candidate (DE-085)

- **DE-085** *Tapros* in Japan, *Taflotan* in Europe (**Glaucoma, Ocular hypertension**)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb. 5, 2009 (Previous announcement)	
Japan	Launched (December 2008 -)	Launched (December 2008 -)	Approved (October 2008)
Europe	Launched* (June 2008 -)	Launched (June 2008 -)	Approved (April 2008 -)
Asia	Korea: Filed China: P3	Korea: Filed China: P3	Korea: Filed (Nov. 2007)

* : Launched in Germany, Denmark, Finland, Sweden, Norway (countries underlined were added from 3Q of fiscal 2008).

Marketing authorization granted for 12 EU countries (including already launched countries).

Review procedure completed for 8 countries.

U.S.	Out-licensed development and marketing rights to Merck
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Status of Major Drug Candidate (DE-089)

- **DE-089** (Corneal and conjunctival epithelial disorders associated with dry eye)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb. 5, 2009 (Previous announcement)	
Japan	Filed	Filed	Generic name: Diquafosol sodium Filed in May 2008



Status of Major Pipeline - Glaucoma, Ocular hypertension -

- DE-090

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan	P2	P2	Generic name: Lomerizine HCl

- DE-104

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
U.S.	P1/P2	P2	ROCK inhibitor
Japan	P2	P2	

Status of DE-104 Development

■ P2 Trial (1 Study in U.S. trial, 2 Studies in Japan)

- 1) Efficacy: The IOP-lowering immediately after dose was potent;
The trough (right before the next dose) IOP-lowering effect was inferior to PGs .
- 2) Safety: No serious ADRs were found.

■ Additional P1/P2 Trial (1 Study in U.S.)

- 1) Objective: Targeting more potent IOP-lowering effect by increased dose.
- 2) Methods: Safety and efficacy of DE-104 high concentration formulation (2 concentrations), placebo and 0.005% latanoprost ophthalmic solution will be compared in a masked study.
- 3) Trial period: March ~ October 2009.

■ Timing for Next Phase Transition

If the above study goes smoothly, planned for Feb. 2010.

Status of Major Pipeline - Corneal disease -

- **DE-101** (Corneal and conjunctival epithelial disorders associated with dry eye)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
U.S.	P2	P2	Generic name: Rivoglitazone
Japan	P2	P2	

- **DE-105** (Persistent corneal epithelial defects)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan U.S.	Preparing P2	Preparing P2	Combination of peptides



Status of Major Pipeline - Retinal Disease -

- **DE-102** (Diabetic macular edema)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan	P1 / 2	P1 / 2	Steroid DDS

- **DE-109*** (Wet age related macular degeneration, diabetic macular edema)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan	P1 / 2	Preparing P1 / 2	Generic name: Sirolimus

* Santen made a research and development collaboration and license agreement with MacuSight Inc. for the Japanese and Asian development and commercialization of sirolimus for the treatment of ocular diseases.

Status of Major Pipeline - Others -

- **DE-108** (Bacterial conjunctivitis)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan	P3	P3	higher-concentration Levofloxacin

- **DE-098*** (Rheumatoid arthritis)

Region	Development Stage		Remarks
	As of May 13, 2009	As of Feb.5, 2009 (Previous announcement)	
Japan	P1 / 2	P1 / 2	Anti-APO-1 antibody
Europe	P1 / 2	P1 / 2	

* Domestic development rights was licensed to Argenes, Inc. Domestic marketing rights and oversea development and marketing rights belong to Santen.



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.