



SANTEN PHARMACEUTICAL CO.,LTD.

Data Book

Half Year Ended September 30, 2011

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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, delays in new products launch, currency exchange rate, legislative and regulatory developments.

Financial highlights



■ Consolidated financial summary

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast	% Change
Net sales	59,123	110,594	53,914	110,812	56,789	5.3	116,000	4.7
Operating income	19,036	29,640	14,112	30,738	14,570	3.2	30,000	-2.4
Ordinary income	18,875	29,862	14,490	31,484	15,050	3.9	30,500	-3.1
Net income	11,670	18,722	9,272	21,333	9,905	6.8	20,500	-3.9
Dividends per share (yen)	40	80	40	90	50	—	100	—
DOE (%)	5.0	5.2	4.9	5.3	5.5	—	—	—

■ Consolidated balance sheets summary

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change
Total assets	164,520	166,878	167,378	184,801	188,459	12.6
Net assets	135,393	137,603	141,693	156,404	162,156	14.4
Interest-bearing debts	891	617	354	188	175	-50.4

■ Consolidated financial indexes

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast	% Change
EPS (yen)	137.23	220.10	108.94	249.71	113.70	4.4	239.95	-3.9
BPS (yen)	1,588.68	1,614.08	1,660.96	1,793.15	1,857.14	11.8	—	—
Debt equity ratio (times)	0.01	0.00	0.00	0.00	0.00	—	—	—
PER (times)	12.0	12.7	13.3	13.3	14.2	—	—	—
PBR (times)	2.08	1.74	1.74	1.85	1.74	—	—	—
ROE (%)	17.9	14.3	13.3	14.5	12.5	—	—	—
ROA (%)	14.8	11.8	11.1	12.1	10.6	—	—	—
Equity ratio (%)	82.1	82.3	84.5	84.5	85.9	—	—	—
* Free cash flows (millions of yen)	15,472	24,795	5,511	16,118	8,000	45.2	—	—
* EBITDA (millions of yen)	20,402	32,084	15,896	34,087	16,452	3.5	—	—

*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)

■ Exchange rates

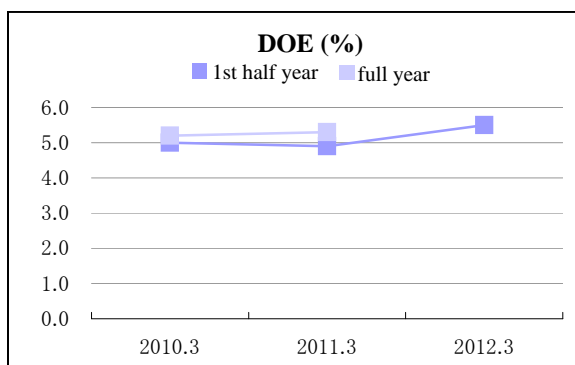
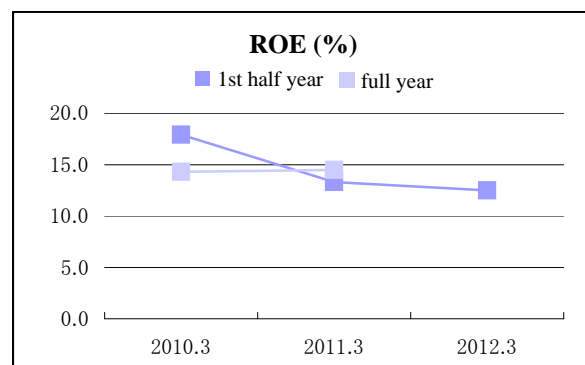
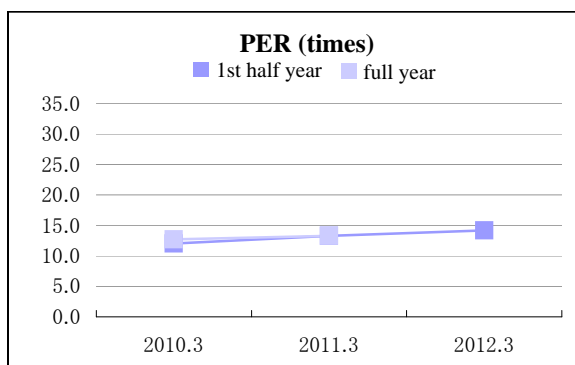
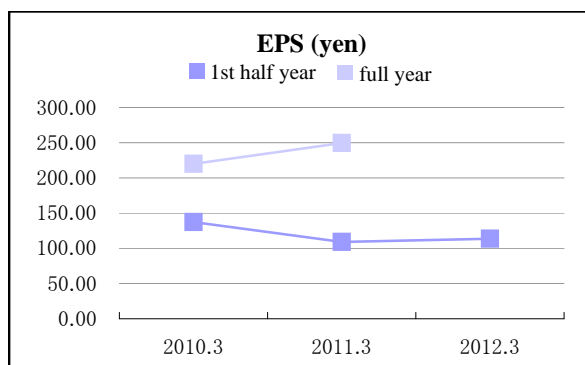
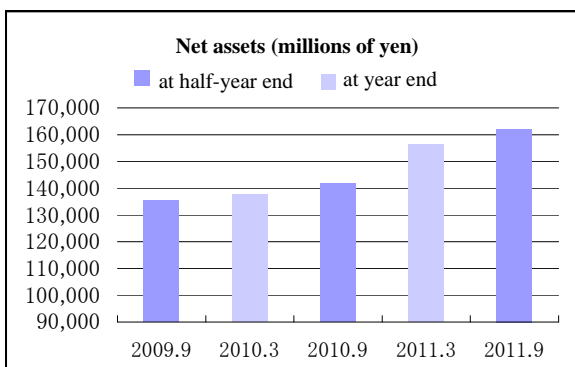
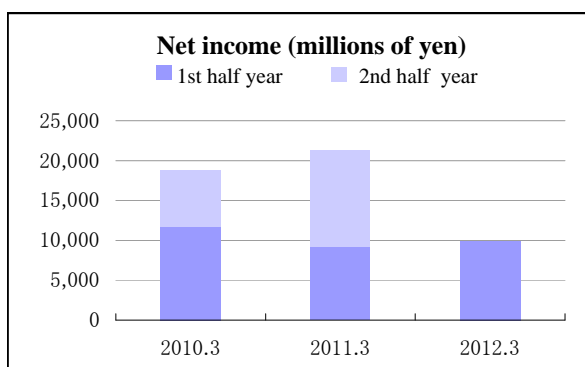
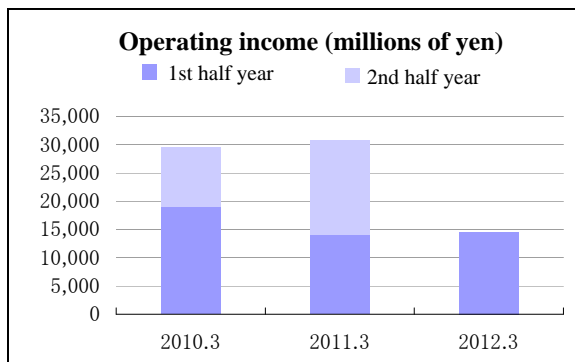
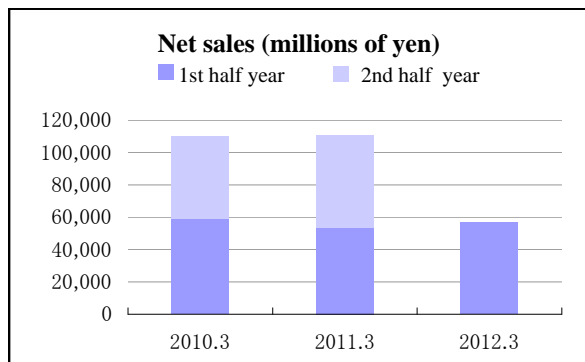
(Yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011
Exchange rate: US dollar	95.48	92.79	88.88	85.57	79.74
: Euro	132.14	131.12	115.85	113.45	116.08
: RMB	14.00	13.70	13.40	12.94	12.51

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.

Financial highlights

■ Consolidated Financial summary (Graph)



Consolidated Information
Consolidated statements of income and comprehensive income



(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	Change over previous half year (%)
Net sales	59,123	110,594	53,914	110,812	56,789	5.3
Cost of sales (Percentage of net sales)	17,768 30.1%	34,710 31.4%	17,435 32.3%	34,436 31.1%	17,767 31.3%	1.9
Gross profit (Percentage of net sales)	41,355 69.9%	75,884 68.6%	36,478 67.7%	76,375 68.9%	39,021 68.7%	7.0
Selling, general and administrative expenses (Percentage of net sales)	22,318 37.7%	46,244 41.8%	22,366 41.5%	45,636 41.2%	24,451 43.1%	9.3
R&D expenditures (Percentage of net sales)	6,922 11.7%	14,123 12.8%	6,379 11.8%	13,221 11.9%	7,602 13.4%	19.2
Operating income (Percentage of net sales)	19,036 32.2%	29,640 26.8%	14,112 26.2%	30,738 27.7%	14,570 25.7%	3.2
Non-operating income	447	842	486	1,011	506	4.3
Non-operating expenses	609	620	107	265	27	-74.5
Ordinary income (Percentage of net sales)	18,875 31.9%	29,862 27.0%	14,490 26.9%	31,484 28.4%	15,050 26.5%	3.9
Extraordinary gain	—	74	6	15	61	800.5
Extraordinary loss	206	1,327	113	425	22	-80.2
Income before income taxes (Percentage of net sales)	18,668 31.6%	28,610 25.9%	14,383 26.7%	31,074 28.0%	15,088 26.6%	4.9
Income taxes - current	7,337	10,687	4,537	9,970	5,015	10.5
Income taxes - deferred	-340	-800	573	-229	167	-70.9
Income before minority interests	—	—	—	21,333	9,905	—
Net income (Percentage of net sales)	11,670 19.7%	18,722 16.9%	9,272 17.2%	21,333 19.3%	9,905 17.4%	6.8
Income before minority interests	—	—	—	21,333	9,905	—
Other comprehensive income	—	—	—	-1,537	43	—
Comprehensive income	—	—	—	19,796	9,949	—

Consolidated Information

Consolidated statements of income details

■ Major Selling, general and administrative expenses

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	Change over previous half year (%)
Personnel expenses	6,564	13,347	6,767	13,612	7,352	8.6
Sales promotion expenses	1,860	4,172	2,028	4,490	2,350	15.9
Royalty expenses	1,261	2,497	1,356	2,545	1,091	-19.6
Advertising expenses	1,003	1,637	879	1,500	726	-17.3
R&D expenditures	6,922	14,123	6,379	13,221	7,602	19.2

■ Major Non-operating income and expenses

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	Change over previous half year (%)
Interest and dividend income	176	417	249	521	251	0.8
Gain on insurance received	128	128	136	136	143	4.8
Interest expense	22	52	24	36	11	-52.9

Sales details



■ Sales by segment

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast
Pharmaceuticals	58,391	109,057	52,964	108,575	55,224	4.3	113,356
Prescription pharmaceuticals	55,598	103,806	50,456	103,852	52,778	4.6	108,699
Ophthalmic	44,470	86,867	44,887	90,797	46,937	4.6	94,881
Anti-rheumatic drugs	5,097	9,907	5,045	9,833	5,157	2.2	10,015
Other prescription pharmaceuticals	6,030	7,030	523	3,221	682	30.4	3,802
OTC pharmaceuticals	2,792	5,251	2,507	4,723	2,446	-2.4	4,657
Others	732	1,537	950	2,236	1,564	64.6	2,643
Medical devices	723	1,520	944	2,224	1,558	65.0	2,632
Others	9	16	5	11	5	6.1	10
Total net sales	59,123	110,594	53,914	110,812	56,789	5.3	116,000

[Domestic]

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast
Pharmaceuticals	45,534	88,605	45,236	91,047	46,778	3.4	94,286
Prescription pharmaceuticals	42,757	83,372	42,734	86,332	44,336	3.8	89,640
Ophthalmic	37,294	72,666	37,423	75,585	38,687	3.4	78,564
Anti-rheumatic drugs	5,038	9,772	4,987	9,727	5,073	1.7	9,912
Other prescription pharmaceuticals	424	933	322	1,020	575	78.6	1,163
OTC pharmaceuticals	2,776	5,232	2,502	4,715	2,441	-2.4	4,646
Others	446	980	679	1,501	923	35.9	1,987
Medical devices	436	963	673	1,490	917	36.2	1,976
Others	9	16	5	11	5	6.1	10
Total domestic sales	45,980	89,586	45,915	92,549	47,701	3.9	96,273
(Percentage of total net sales)	77.8%	81.0%	85.2%	83.5%	84.0%	—	83.0%

[Overseas]

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast
Pharmaceuticals	12,856	20,451	7,728	17,527	8,446	9.3	19,070
Prescription pharmaceuticals	12,840	20,433	7,722	17,519	8,441	9.3	19,059
Ophthalmic	7,175	14,201	7,463	15,211	8,249	10.5	16,316
Anti-rheumatic drugs	58	135	57	106	84	45.5	103
Other prescription pharmaceuticals	5,606	6,096	201	2,200	107	-46.7	2,639
OTC pharmaceuticals	16	18	5	8	4	-11.2	11
Others	286	556	271	734	641	136.5	656
Medical devices	286	556	271	734	641	136.5	656
Others	—	—	—	—	—	—	—
Total overseas sales	13,142	21,008	7,999	18,262	9,087	13.6	19,726
(Percentage of total net sales)	22.2%	19.0%	14.8%	16.5%	16.0%	—	17.0%

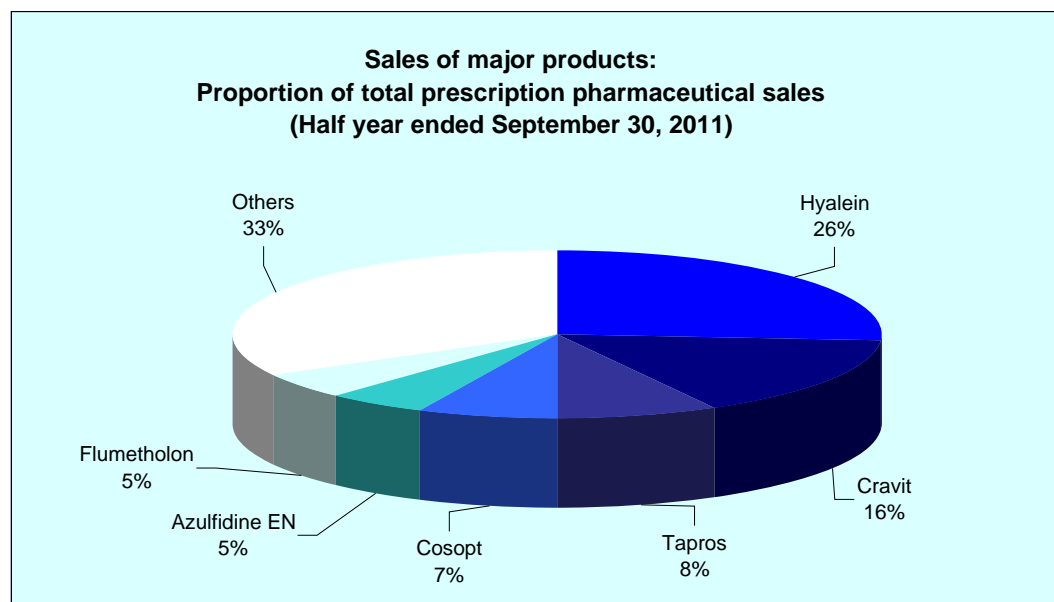
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Sales details

■ Sales of major prescription pharmaceuticals

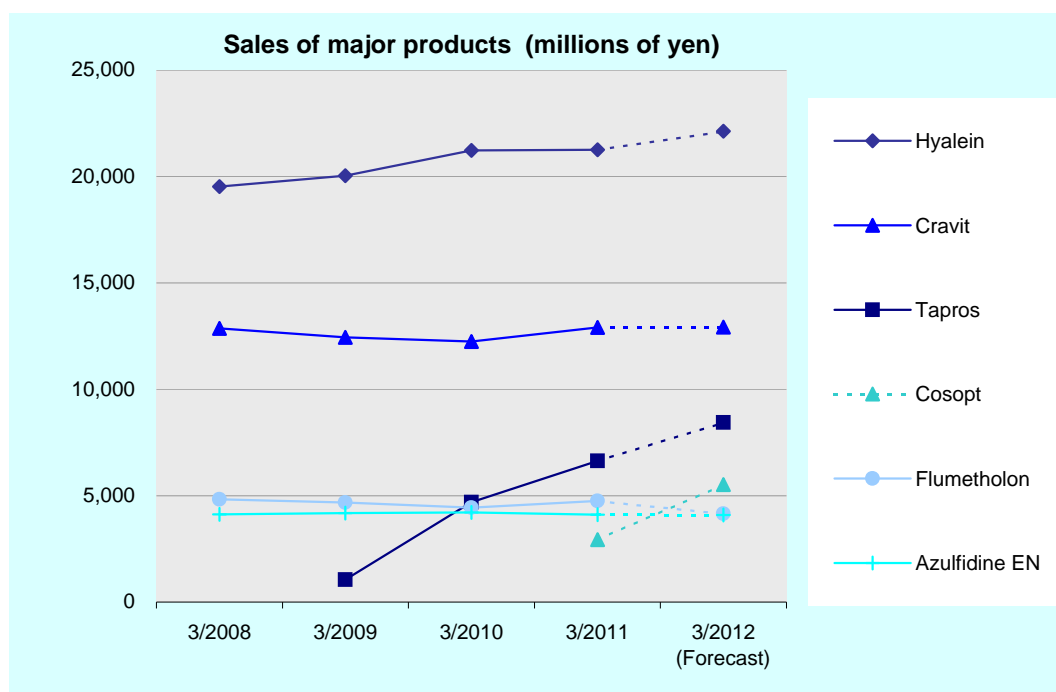
Therapeutic category	Generic name/formulation	Brand name	Region	Launched
Bacterial conjunctivitis	levofloxacin/ophthalmic solution	Cravit	Japan	Apr-00
	ofloxacin/ophthalmic solution	Tarivid	Japan	Sep-87
Glaucoma	tafluprost/ophthalmic solution	Tapros	Japan	Dec-08
	dorzolamide hydrochloride-timolol maleate/ combination ophthalmic solution	Cosopt	Japan	Jun-10
	timolol maleate/ophthalmic solution	Timoptol	Japan	Sep-81
	timolol maleate/ long-acting ophthalmic solution	Timoptol XE	Japan	Nov-99
	bunazosin hydrochloride/ophthalmic solution	Detantol	Japan	Sep-01
	isopropyl unoprostone/ophthalmic solution	Rescula ※	Japan	Oct-94
Allergy	levocabastine hydrochloride/ ophthalmic solution	Livostin	Japan	Jan-01
Corneal disease	sodium hyaluronate/ophthalmic solution	Hyalein	Japan	Jun-95
	diquafosol sodium	Diquas	Japan	Dec-10
Inflammation	fluorometholone/ophthalmic solution	Flumetholon	Japan	Oct-75
Senile cataract	pirenoxine/ophthalmic solution	Kary Uni	Japan	Jul-92
Adjuvant for ophthalmic operations	sodium hyaluronate/ adjuvant for ophthalmic operations	Opegan Hi	Japan	Jan-95
Rheumatoid arthritis	bucillamine/tablet	Rimatil	Japan	Sep-87
	salazosulfapyridine/enteric coated tablet	Azulfidine EN	Japan	Dec-95
	methotrexate/tablet	Metolate	Japan	Jul-04

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



(Millions of yen)

Half year/year to								Brand name
9/2009	3/2010	9/2010	3/2011	9/2011	% Change	3/2012 Forecast	% Change	
6,639	12,240	6,950	12,904	6,767	-2.6	12,917	0.1	Cravit
1,441	2,423	1,254	2,419	1,036	-17.3	2,157	-10.8	Tarivid
1,984	4,687	3,306	6,633	3,642	10.2	8,438	27.2	Tapros
—	—	1,003	2,935	2,832	182.2	5,521	88.1	Cosopt
1,513	2,832	1,174	2,152	906	-22.8	1,254	-41.7	Timoptol
1,788	3,475	1,579	2,891	1,269	-19.6	2,367	-18.1	Timoptol XE
1,127	2,168	1,079	2,064	1,005	-6.8	2,054	-0.5	Detantol
1,981	3,669	1,471	2,777	1,284	-12.7	2,146	-22.7	Rescula
1,272	3,229	1,090	3,800	1,196	9.7	3,065	-19.4	Livostin
10,978	21,219	10,639	21,257	11,322	6.4	22,132	4.1	Hyalein
—	—	—	745	1,121	—	3,298	342.7	Diqas
2,307	4,432	2,179	4,753	1,991	-8.6	4,145	-12.8	Flumetholon
1,933	3,728	1,939	3,728	1,920	-1.0	3,757	0.8	Kary Uni
1,767	3,431	1,650	3,226	1,535	-7.0	3,301	2.3	Opegan Hi
2,281	4,352	2,062	3,944	1,952	-5.3	3,725	-5.6	Rimatil
2,182	4,216	2,109	4,106	2,069	-1.9	4,097	-0.2	Azulfidine EN
487	995	608	1,250	816	34.2	1,584	26.7	Metolate



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Consolidated balance sheets

■ Assets

At half-year/year end	9/2009		3/2010		9/2010		3/2011		9/2011	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current assets	114,010	69.3	118,832	71.2	118,927	71.1	137,668	74.5	142,285	75.5
Cash and deposits	49,351		56,677		55,435		65,558		69,991	
Notes and accounts receivable-trade	37,229		35,268		37,262		38,980		38,973	
Marketable securities	10,498		8,998		8,913		13,332		13,450	
Inventories	12,411		13,623		13,356		14,704		15,421	
Deferred tax assets	2,170		2,166		2,046		1,986		2,012	
Other current assets	2,351		2,098		1,915		3,106		2,438	
Allowance for doubtful receivables	-1		-0		-1		-1		-1	
Fixed assets	50,509	30.7	48,046	28.8	48,451	28.9	47,133	25.5	46,174	24.5
Tangible assets	27,976	17.0	26,574	15.9	25,376	15.2	24,956	13.5	24,827	13.2
Buildings and structures	15,430		14,622		13,982		13,450		12,951	
Machinery, equipment and vehicles	2,234		1,994		1,758		1,632		1,558	
Land	8,667		8,418		8,215		8,216		8,203	
Leased assets	48		97		90		186		177	
Construction in progress	101		43		60		186		598	
Other tangibles	1,494		1,397		1,269		1,283		1,338	
Intangible assets	1,307	0.8	1,231	0.7	1,044	0.6	991	0.5	966	0.5
Software	1,197		1,158		997		952		741	
Other intangibles	109		72		46		39		224	
Investments and other assets	21,225	12.9	20,240	12.1	22,030	13.2	21,185	11.5	20,380	10.8
Investment securities	13,926		12,239		13,841		12,141		11,788	
Deferred tax assets	5,907		6,702		6,734		7,538		7,085	
Other assets	1,391		1,299		1,454		1,505		1,506	
Total assets	164,520	100.0	166,878	100.0	167,378	100.0	184,801	100.0	188,459	100.0

■ Liabilities and net assets

At half-year/year end	9/2009		3/2010		9/2010		3/2011		9/2011	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current liabilities	25,322	15.4	25,286	15.2	21,588	12.9	24,104	13.0	22,293	11.8
Trade accounts payable	5,193		5,600		5,103		6,031		5,314	
Other payables	7,293		7,936		7,467		8,444		7,647	
Income taxes payable	7,413		6,618		4,544		4,631		5,205	
Reserve for bonuses	2,459		2,687		2,504		2,712		2,595	
Other current liabilities	2,963		2,444		1,967		2,285		1,529	
Non-current liabilities	3,803	2.3	3,988	2.4	4,096	2.4	4,292	2.3	4,009	2.1
Retirement and severance benefits	2,711		2,910		3,153		3,266		3,387	
Retirement and severance benefits for directors and corporate auditors	448		456		446		453		189	
Asset retirement obligation	—		—		159		160		161	
Other liabilities	643		621		337		412		269	
Total liabilities	29,126	17.7	29,275	17.5	25,685	15.3	28,397	15.4	26,302	14.0
Shareholders' equity	138,163	84.0	141,866	85.0	147,819	88.3	162,159	87.7	167,824	89.1
Common stock	6,502	4.0	6,538	3.9	6,591	3.9	6,614	3.6	6,670	3.5
Capital surplus	7,197	4.4	7,233	4.3	7,286	4.4	7,968	4.3	8,025	4.3
Retained earnings	129,403	78.7	133,053	79.7	138,922	83.0	147,578	79.9	153,131	81.3
Treasury stock, at cost	-4,940	-3.0	-4,958	-3.0	-4,979	-3.0	-1	-0.0	-3	-0.0
Accumulated other comprehensive income	-3,029	-1.8	-4,524	-2.7	-6,432	-3.8	-6,061	-3.3	-6,017	-3.2
Unrealized (losses) gains on securities, net of taxes	744	0.5	136	0.1	-556	-0.3	-443	-0.2	-83	-0.0
Foreign currency translation adjustments	-3,774	-2.3	-4,660	-2.8	-5,875	-3.5	-5,618	-3.0	-5,934	-3.1
Stock subscription rights	260	0.2	260	0.2	306	0.2	305	0.2	350	0.2
Total net assets	135,393	82.3	137,603	82.5	141,693	84.7	156,404	84.6	162,156	86.0
Total liabilities and net assets	164,520	100.0	166,878	100.0	167,378	100.0	184,801	100.0	188,459	100.0

Consolidated statements of cash flows

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011
I . Cash flows from operating activities:					
Income before income taxes	18,668	28,610	14,383	31,074	15,088
Depreciation and amortization	1,711	3,421	1,488	2,976	1,352
Increase/decrease in retirement and severance benefits	317	517	248	359	122
Interest and dividend income	-176	-417	-249	-521	-251
Interest expense	22	52	24	36	11
Increase/decrease in trade receivables	-1,088	698	-2,237	-3,892	-2
Increase/decrease in inventories	-71	-1,438	6	-1,299	-758
Increase/decrease in trade accounts payable	-853	-248	-582	521	-785
Other, net	1,448	2,834	-463	-11	-1,254
Subtotal	19,979	34,030	12,618	29,243	13,522
Interest and dividend income received	176	418	244	513	255
Interest expense paid	-17	-46	-25	-36	-8
Income taxes paid	-4,125	-8,291	-6,543	-11,951	-4,441
Net cash provided by operating activities	16,013	26,110	6,294	17,769	9,327
II . Cash flows from investing activities:					
Increase in fixed deposits	-887	-2,236	-1,933	-4,384	-145
Decrease in fixed deposits	1,063	1,937	1,235	3,519	2,003
Payments for acquisition of marketable securities	—	-3,599	-1,412	-1,488	-1,416
Proceeds from sale of marketable securities	—	5,098	—	403	1,924
Payments for acquisition of fixed assets	-541	-1,314	-783	-1,650	-1,327
Proceeds from sale of fixed assets	—	2	185	188	5
Purchase of investment securities	-1,003	-1,027	-3,071	-4,296	-4
Proceeds from sale of investment securities	115	309	3	20	377
Other, net	1	1	8	12	0
Net cash (used in) provided by investing activities	-1,252	-829	-5,769	-7,676	1,416
III . Cash flows from financing activities:					
Proceeds from short-term debt	280	548	268	258	—
Repayment of short-term debt	—	-520	-536	-776	—
Dividends paid	-3,400	-6,803	-3,401	-6,808	-4,350
Other, net	-1	22	74	5,755	105
Net cash used in financing activities	-3,122	-6,753	-3,594	-1,570	-4,244
IV . Effect of exchange rate changes on cash and cash equivalents	-197	-135	-463	-388	-267
V . Net increase/decrease in cash and cash equivalents	11,441	18,392	-3,532	8,133	6,231
VI . Cash and cash equivalents at beginning of year	45,956	45,956	64,348	64,348	72,482
VII . Cash and cash equivalents at end of year	57,397	64,348	60,815	72,482	78,714

Other Consolidated information



■ R&D expenditures

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	3/2012 Forecast
Consolidated	6,922	14,123	6,379	13,221	7,602	16,000
Percentage of net sales	11.7%	12.8%	11.8%	11.9%	13.4%	13.8%

■ Capital expenditures

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	3/2012 Forecast
Consolidated	376	1,228	497	1,709	1,261	6,210

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

■ Depreciation and amortization

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	3/2012 Forecast
Manufacturing cost	822	1,701	730	1,532	679	1,530
Selling, general and administrative expenses	294	556	274	512	286	630
R&D expenses	470	945	373	762	351	790
Consolidated total	1,586	3,202	1,379	2,808	1,317	2,950

Note: Excludes amortization of long-term prepaid expense.

■ Lease expenses

(Millions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011	3/2012 Forecast
Consolidated	334	527	128	156	18	40
Manufacturing cost	287	437	92	94	1	2

■ Number of employees

At half-year/year end	9/2009	3/2010	9/2010	3/2011	9/2011
Consolidated	2,727	2,756	2,818	2,867	2,946
Sales division	1,053	1,048	1,120	1,108	1,206
Production division	832	838	839	847	854
R&D division	547	557	562	574	575
Corporate or back-office division	295	313	297	338	311

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 Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Tafluprost	DE-085	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						Dec-08
				Europe						Jun-08
				U.S.	(Licensed Out)					
				Latin America	(Licensed Out)					Aug-10
				Asia						Mar-10

Prostaglandin F2α derivative for the treatment of glaucoma and ocular hypertension. Launched in Japan in December, 2008. In Europe, it is marketed in Germany, Denmark, etc. In U.S., development rights were granted to Merck & Co., Inc. (U.S.) in April, 2009. In Asia, it is marketed in Hong Kong, Korea, Indonesia, Singapore. NDA filed in China.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Diquafosol sodium	DE-089	Dry eye	Inspire	Japan						Dec-10
				Asia						Mar-11

A dry eye treatment drug which stimulates secretion of mucin and aqueous components from the corneal epithelium. Its mechanism of action is different from other existing treatments. Launched in Japan in December, 2010. NDA has been filed in Korea, and NDA is under preparation in China.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Lomerizine HCl	DE-090	Glaucoma	MSD	Japan						

A new type of glaucoma treatment which inhibits the progression of visual field defects. It is the only calcium antagonist being development as an oral glaucoma treatment. Compared to NMDA receptor antagonists, systemic adverse drug reactions are mild and has excellent safety profile.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Rivoglitazone	DE-101	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Daiichi Sankyo	U.S.						

Based on its anti-inflammatory properties, quantitative and qualitative tear film improvement effect is expected. P2 study has been started in U.S.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Betamethasone	DE-102	Diabetic macular edema	Co-development with Oakwood	Japan		(Phase 2/3)				

A steroid microsphere product for sustained release injection. Animal studies demonstrated sustained efficacy when injected around the affected area. Collaborating with Oakwood Laboratories (U.S.) for manufacturing technology development on commercial scale.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-105	Persistent corneal epithelial defects	Original	U.S.						
				Japan						

Expected to accelerate corneal epithelial migration and demonstrate high safety profile in treatment-resistant, persistent corneal epithelial defects.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Levofloxacin (1.5%)	DE-108	Bacterial conjunctivitis	Daiichi Sankyo	Japan						Jun-11

A high-concentration fluoroquinolone antibacterial agent. Launched in Japan in June 2011.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Sirolimus	DE-109	Uveitis	Original	U.S.						

Intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Santen acquired global development, manufacturing and marketing rights in June 2010.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-110	Corneal and conjunctival epithelial disorder associated with dry eye, etc.	Original	U.S.						

A selective glucocorticoid receptor agonist (SEGRA). Phase 2 clinical trials are being conducted in the U.S. for the treatment of corneal and conjunctival epithelial disorders associated with dry eye, etc.

■ Pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Tafluprost/ timolol maleate	DE-111	Glaucoma/ Ocular hypertension	Original	Japan						
			Co-development	Europe						
A combination drug of a prostaglandin F2 α derivative and a beta-adrenergic receptor blocker.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-112	Glaucoma/ Ocular hypertension	Forest Laboratories	U.S.	(Phase 1/2a)					
A highly selective adenosine A _{2A} receptor agonist for the treatment of glaucoma and ocular hypertension. A new mechanism of action different from prostaglandin derivative, and is expected to promote aqueous humor outflow from trabecular meshwork.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Epinastine HCl	DE-114	Allergic conjunctivitis	Nippon Boehringer Ingelheim	Japan						
An H1 receptor antagonist with membrane-stabilizing function, as treatment for allergic conjunctivitis.										

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Centocor	Japan						
Joint injection inducing apoptosis in diseased joints of rheumatoid arthritis patients. Santen acquired domestic and international development and marketing rights of Anti-APO-1 antibody from Centocor, Inc.										

■ Changes from August 2, 2011

[Progress]

Dev. code	Changes
DE-089	NDA under preparation in China
DE-101	Phase 2 Started

Pharmaceutical market in Japan

■ Revision of National Health Insurance (NHI) drug prices

(%)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Industry average	—	-7.0	—	-6.3	—	-4.2	—	-6.7	—	early -5%	—	mid -6%	—
Ophthalmic drugs	—	-6.2	—	-6.0	—	-2.7	—	-5.5	—	late -3%	—	early -3%	—
Santen	—	-5.7	—	-6.0	—	-3.2	—	-5.3	—	mid -3%	—	mid -5%	—

(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.

■ Market shares

(Billions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011
Prescription ophthalmics	38.3% 116.1	37.3% 234.9	37.0% 118.5	35.8% 247.4	36.7% 125.7
Anti-rheumatic drugs* (DMARDs)	44.1% 13.0	43.9% 25.7	43.1% 12.8	43.0% 25.5	41.4% 13.6

Notes: - On an NHI drug price basis.

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*Disease-modifying anti-rheumatic drugs

Source: Santen analysis based on IMS data (JPM)

Period: 2009.4-2011.9; Unauthorized copy prohibited

■ Market shares by therapeutic area - prescription ophthalmics

(Billions of yen)

Half year/year to	9/2009	3/2010	9/2010	3/2011	9/2011
Anti-glaucoma	22.9% 44.1	23.0% 88.5	24.8% 45.4	25.7% 90.1	28.0% 46.2
Anti-infective	70.1% 12.0	70.0% 22.6	68.7% 11.9	68.4% 22.4	68.3% 11.5
Anti-allergy	21.8% 10.1	19.8% 24.0	18.7% 9.5	16.7% 29.3	19.1% 11.2
Viscoelastics for surgeries	42.4% 6.3	42.4% 12.5	42.3% 5.9	41.9% 11.8	40.7% 5.9
Corneal disease treatments	77.4% 15.9	77.1% 31.7	75.1% 15.6	76.0% 32.0	77.6% 17.3
Anti-cataract	71.4% 2.9	72.1% 5.6	74.2% 2.8	74.7% 5.3	76.4% 2.6
Corticosteroids	50.1% 5.1	49.8% 9.9	48.0% 4.9	48.8% 10.1	48.2% 4.8

Notes: - On an NHI drug price basis.

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- Lower figures indicate market size.

Source: Santen analysis based on IMS data (JPM)

Period: 2009.4-2011.9; Unauthorized copy prohibited

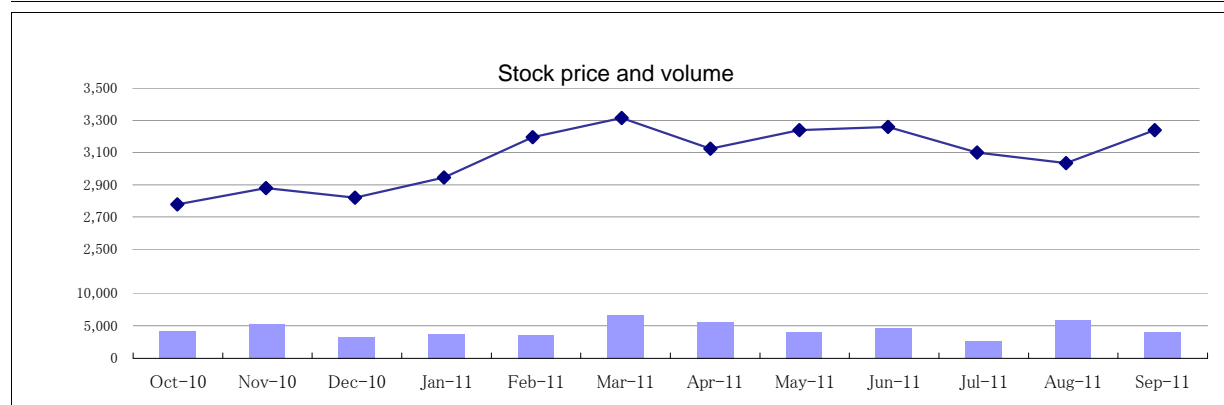
Stock information



■ Stock price (Osaka Securities Exchange 1st market)

(Yen and thousand shares)

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Stock price:												
End of month	2,778	2,879	2,820	2,946	3,195	3,315	3,125	3,240	3,260	3,100	3,035	3,240
Volume	4,139	5,210	3,267	3,711	3,547	6,561	5,573	4,053	4,567	2,588	5,870	4,053



■ Major shareholders (top 10)

As of September 30, 2011

Name	Number of shares held	Percentage of investment
	Thousand shares	%
Japan Trustee Service Bank, Ltd.	12,458	14.3
Mita Sangyo Co., Ltd.	4,756	5.5
The Master Trust Bank of Japan, Ltd.	4,248	4.9
State Street Bank and Trust Company 505223	3,387	3.9
Development Bank of Japan Inc.	3,310	3.8
Nippon Life Insurance Company	2,721	3.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,120	2.4
RBC Dexia Investor Servicetrust, London-lending account	2,080	2.4
Trust & Custody Services Bank, Ltd.	1,984	2.3
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	1,685	1.9

■ Major stock information

	3/2008	3/2009	3/2010	3/2011	9/2011
Issued shares (thousands)	86,866	86,916	86,992	87,053	87,127
Treasury stock (thousands)	1,888	1,893	1,902	0	0
Market Capitalization (million)	197,573	232,961	238,763	288,579	282,290
A purchased amount of money (millions of yen)	4,800	—	—	—	—
The number of the purchased stocks (thousand shares)	1,833	—	—	—	—

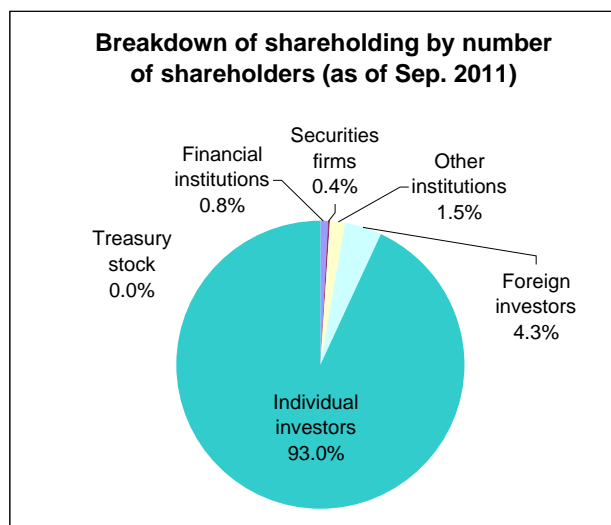
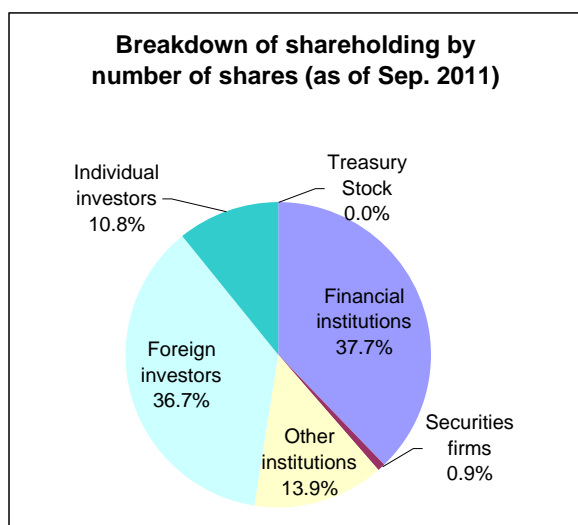
Stock information

■ Breakdown of shareholding by number of shares

At half-year/year end	9/2009		3/2010		9/2010		3/2011		9/2011	
	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)
Financial institutions	36,075	41.5	32,693	37.6	30,847	35.4	32,284	37.1	32,860	37.7
City & regional banks	4,697	5.4	2,558	2.9	2,443	2.8	2,422	2.8	2,370	2.7
Trust banks	24,088	27.7	22,466	25.8	20,699	23.8	20,431	23.5	21,604	24.8
(concerned in trust works)	21,468		19,948		18,568		18,310		18,570	
Life and non-life insurance	7,166	8.3	7,022	8.1	6,822	7.8	5,274	6.0	4,805	5.5
Other financial institutions	121	0.1	645	0.7	881	1.0	4,155	4.8	4,080	4.7
Securities firms	345	0.4	518	0.6	409	0.5	417	0.5	749	0.9
Other institutions	13,403	15.4	13,392	15.4	13,399	15.4	13,413	15.4	12,096	13.9
Foreign investors	24,520	28.2	27,553	31.7	30,309	34.8	31,228	35.9	31,981	36.7
Individual investors	10,716	12.3	10,931	12.6	10,157	11.7	9,708	11.1	9,438	10.8
Treasury Stock	1,895	2.2	1,902	2.2	1,909	2.2	0	0.0	0	0.0
Total	86,956	100.0	86,992	100.0	87,033	100.0	87,053	100.0	87,127	100.0

■ Breakdown of shareholding by number of shareholders

At half-year/year end	9/2009		3/2010		9/2010		3/2011		9/2011	
	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)
Financial institutions	84	0.8	81	0.7	75	0.8	71	0.8	65	0.8
City & regional banks	8	0.1	8	0.1	7	0.1	6	0.1	4	0.1
Trust banks	32	0.3	29	0.2	28	0.3	28	0.3	28	0.3
Life and non-life insurance	36	0.3	34	0.3	31	0.3	29	0.3	28	0.3
Other financial institutions	8	0.1	10	0.1	9	0.1	8	0.1	5	0.1
Securities firms	33	0.3	41	0.4	33	0.4	32	0.3	38	0.4
Other institutions	134	1.4	127	1.2	124	1.3	125	1.4	128	1.5
Foreign investors	382	3.8	366	3.4	354	3.8	381	4.2	378	4.3
Individual investors	9,370	93.7	10,296	94.4	8,738	93.7	8,479	93.3	8,150	93.0
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
Total	10,004	100.0	10,912	100.0	9,325	100.0	9,089	100.0	8,760	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 and business 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%

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	9,000,000 thousand won	Equity owned	100%

Santen Pharmaceutical (China) Co., Ltd.					
Main business	Development, production and marketing of pharmaceuticals				
Location	Suzhou, China	Paid-in capital	3,300 million yen	Equity owned	100%

Santen India Private Limited					
Main business	Market research of pharmaceuticals				
Location	Bangalore, India	Paid-in capital	48,500 thousand India rupee	Equity owned	99.9%、0.1%*

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

News releases

News releases during April 2011-September 2011

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

2011

14-Apr Santen Inc. Head Office Relocation

Santen announced the relocation of Santen Inc., its U.S. subsidiary, to Emeryville, California. The relocation was executed in July, 2011.

10-May Medium Term Management Plan FY2011-2013

Santen announced a 3 Year Medium Term Management Plan (hereinafter "MTP") for FY2011-2013, aiming to become a "Specialized Pharmaceutical Company with a Global Presence." Santen's long term strategic vision is to become one of the top 3 ophthalmic pharmaceutical companies in the world by the year 2020. In order to further reinforce its competitiveness, Santen will make investments during the new MTP period to strengthen its US centered global clinical trials system and enhance business development activities. In addition, Santen will accelerate its business activity in high-growth markets in Europe and China.

10-May Santen to Issue Stock Acquisition Rights to the Directors for the Purpose of Granting Stock Options
Santen to Issue Stock Acquisition Rights to the Corporate Officers for the Purpose of Granting Stock Options

Santen's Board of Directors on May 10, 2011 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 99th Annual General Meeting.

10-May Announcement of the Year-end Dividends

Santen decided that the revised year-end dividend forecast of ¥50 was an increase of ¥10 per share over the former forecast, making the annual total dividend to ¥90 per share. DOE ratio of the fiscal year 2010 became 5.3% due to this revision.

2-Jun Santen Launches Broad-spectrum Antibacterial Ophthalmic Solution
Cravit® Ophthalmic Solution 1.5%

Santen announced that it has launched its broad spectrum antibacterial ophthalmic solution, *Cravit® Ophthalmic Solution 1.5%* (Generic name: levofloxacin hydrate) in Japan. *Cravit® Ophthalmic Solution 1.5%* is an ophthalmic solution with the concentration of levofloxacin, in-licensed from Daiichi Sankyo Co., Ltd., increased to 1.5%.

2-Aug Notice on the Establishment of Subsidiary in India

Santen announced that it has established its subsidiary, Santen India Private Limited in India on July 29, 2011 (local time).

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

Santen and Novagali Pharma S.A., a French biopharmaceutical company announced 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, had entered into a share purchase agreement, whereby Santen would acquire shares representing 50.55% of the share capital of Novagali. The share acquisition was executed on Oct. 11, 2011.

