



**Santen Pharmaceutical Co., Ltd.
Investor Meeting**

**Financial Results for the 1st Half of FY2012;
Financial Forecast for the FY2012;**

November 2, 2012

Akira Kurokawa

President & CEO

Med-term Policies FY2011-2013

To become a specialized pharmaceutical company with global presence;

1. Promote global oriented research and development operation.
2. Boost domestic business by maximizing new product value and implementation of sales/marketing strategies.
3. Accelerate growth in both Asia and Europe by reinforcing marketing platform.
4. Establish global product supply system with existing 4 plants* which enables to meet the emerging market needs.
5. Develop talents and organizational capabilities to promote “Creation and Innovation” on a globally level.



Financial Results for the 1st Half FY2012

Financial Highlights for 1st Half FY2012

(JPY billions)	FY2011 1st Half Actual	FY2012 1st Half Actual	Var. %	FY2012 1st Half Forecast*	Achieve- ment %
Net Sales	56.78	56.71	-0.1%	57.00	99.5%
Operating Income	14.57	13.08	-10.2%	12.00	109.0%
Ordinary Income	15.05	13.46	-10.5%	12.30	109.5%
Net Income	9.90	8.97	-9.4%	8.30	108.2%

Summary of 1st Half FY2012

■ Sales

- Sales unchanged, only -0.1%, from the same period of last year.
- Japan: The growth of prescription ophthalmics sales, mainly new products, offset the decrease sales by NHI price reduction.
- Overseas: Sales in Asia increased. EU remained flat reflecting the currency impact.

■ Operating Income

- Down by 10.2% YOY.
- SG&A expense excluding R&D cost was the same level as last year.
- R&D cost increased 4.5% YOY due to the continuous investment for the late stage of clinical trials.

1st Half FY2012

Net Sales: Variances (vs. 1st Half FY2011)

FY2011
1st Half
Net Sales
(Actual)
¥56.78billion

-0.07billion

FY2012
1st Half
Net Sales
(Actual)
¥56.71billion

Japan : +¥0.14billion

+ Prescription Ophthalmics	-¥0.64bil
+ Anti-rheumatics	-¥0.05bil
+ OTC Drugs	+¥0.73bil
+ Medical Devices	+¥0.10bil
+ Others	+¥0.00bil

Overseas -¥0.21billion

+ U.S. (Currency impact)	-¥0.69bil -¥0.00bil
+ Europe (Currency impact)	-¥0.22bil -¥0.56bil
+ Asia	+¥0.69bil
- China	+¥0.90bil
(Currency impact)	+¥0.02bil
- Korea	-¥0.39bil
(Currency impact)	-¥0.02bil

Prescription Ophthalmics (Japan)

+ Anti-infective	-¥1.54bil	-21.2%
+ Cornea (Dry Eye)	+¥0.13bil	+1.1%
Diquas	+¥1.12bil	+100.1%
+ Glaucoma	+¥1.15bil	+10.5%
Tapros	+¥0.27bil	+7.6%
Cosopt	+¥1.42bil	+50.1%
+ Anti-allergy	-¥0.02bil	-1.6%
+ Others	-¥0.35bil	-4.7%

Europe

+ Prescription Ophthalmics	-¥0.22bil	-5.0%
-Western Europe	-¥0.05bil	-4.8%
-Eastern Europe	-¥0.01bil	-2.2%
-Northern Europe	-¥0.02bil	-1.7%
- Russia	-¥0.12bil	-14.9%

<Currency Rates>

	FY11.Q2 actual	FY12.Q2 actual
US\$	JPY 79.74	JPY 79.30
Euro	JPY 116.08	JPY 102.20
CNY	JPY 12.51	JPY 12.61

1st Half FY2012

Net Sales: Variances (vs. 1st Half FY2012 Forecast)

**FY2012
1st Half
Net Sales
(Forecast*)
¥57.00billion**

-0.28billion

**FY2012
1st Half
Net Sales
(Actual)
¥56.71billion**

Japan : -¥0.37billion

+ Prescription Ophthalmics	-¥0.59bil
+ Anti-rheumatics	+¥0.21bil
+ OTC Drugs	+¥0.12bil
+ Medical Devices	-¥0.23bil
+ Others	+¥0.13bil

Overseas +¥0.08billion

+ U.S. (Currency impact)	-¥0.11bil +¥0.00bil)
+ Europe (Currency impact)	-¥0.25bil -¥0.07bil)
+ Asia	+¥0.45bil
- China	+¥0.38bil
(Currency impact)	+¥0.02bil)
- Korea	+¥0.02bil
(Currency impact)	¥0.00bil)

Prescription Ophthalmics (Japan)

+ Anti-infective	-¥0.63bil	-10.0%
+ Cornea (Dry Eye)	+¥0.28bil	+2.6%
Diquas	+¥0.04bil	+1.9%
+ Glaucoma	+¥0.40bil	+3.4%
Tapros	+¥0.06bil	+1.7%
Cosopt	+¥0.14bil	+3.6%
+ Anti-allergy	-¥0.41bil	-23.6%
+ Others	-¥0.23bil	-3.2%

Europe

+ Prescription Ophthalmics	-¥0.26bil	-5.9%
-Western Europe	-¥0.15bil	-12.6%
-Eastern Europe	-¥0.14bil	-14.9%
-Northern Europe	+¥0.15bil	+10.6%
- Russia	-¥0.11bil	-14.2%

<Currency Rates>

	FY12.Q2 forecast	FY12.Q2 actual
US\$	JPY 79.00	JPY 79.30
Euro	JPY 104.00	JPY 102.20
CNY	JPY 12.50	JPY 12.61



*Forecast as of: May 8, 2012

Changes in Income Statement

(JPY billions)	FY2011 1 st Half Actual	FY2012 1 st Half		Major Changes
		Actual	Variance	
Net Sales	56.78	56.71	-0.07	
Cost of Sales (% of net sales)	17.76 31.3%	18.82 33.2%	+1.05 +1.9pt	•NHI price revision impact +1.6pt •Income from license-out +0.3pt
SGA excluding R&D (% of net sales)	16.84 29.7%	16.87 29.7%	+0.02 +0.1pt	•Japanese sales expense : -¥0.61bil •Overseas expenses: Europe/US +¥0.53bil (Forex impact -¥0.32bil) Asia:+¥0.28bil
R&D Expenses (% of net sales)	7.60 13.4%	7.94 14.0%	+0.34 +0.6pt	
Operating Profit (% of net sales)	14.57 25.7%	13.08 23.1%	-1.49 -2.6pt	
Non-operating Income	0.50	0.49	-0.01	
Non-operating Expense	0.02	0.11	+0.08	
Ordinary Income	15.05	13.46	-1.58	
Extraordinary Gain	0.06	0.01	-0.04	
Extraordinary Loss	0.02	0.00	-0.01	
Net Income before Tax	15.08	13.47	-1.61	
Corporate Tax	5.18	4.49	-0.68	
Net Profit	9.90	8.97	-0.92	

<Currency Rates>

	FY11.Q2 actual	FY12.Q2 actual
US\$	JPY 79.74	JPY 79.30
Euro	JPY 116.08	JPY 102.20
CNY	JPY 12.51	JPY 12.61

Summary of Balance Sheet

(JPY billions)	FY 2011		FY2012 1 st Half		
	Actual	% of Total	Actual	% of Total	Var.
Current Asset	140.28	70.6%	123.90	67.1%	-16.37
Fixed Asset	58.51	29.4%	60.83	32.9%	+2.32
Total Asset	198.80	100.0%	184.74	100.0%	-14.05
Current Liabilities	27.42	13.8%	23.67	12.8%	-3.75
Non-current Liabilities	6.51	3.3%	6.55	3.5%	+0.03
Total Liabilities	33.94	17.1%	30.22	16.4%	-3.71
Total Net Asset	164.86	82.9%	154.52	83.6%	-10.33
Total Liabilities Net Assets	198.80	100.0%	184.74	100.0%	-14.05

Major Changes

- **Current Asset:** Cash and deposits -¥17.44bil, Accounts and notes receivable +¥1.33bil, Merchandise and finished products -¥1.43bil, Raw materials +¥0.68bil, Deferred tax assets -¥0.11bil
- **Fixed Asset :** Buildings and structures -¥0.47bil, Construction in progress +¥0.87bil, Tangible fixed assets +¥0.40bil, Software -¥0.10bil, Goodwill -¥0.42bil, In-process R&D -¥0.11bil, Intangible fixed asset -¥0.51bil, Investment securities +¥1.48bil, LT deferred tax assets -¥0.15bil
- **Current Liabilities:** Accounts payable -¥2.50bil, Unpaid billings +¥0.36bil, Income tax payable -¥0.80bil, Provision for bonus -¥0.23bil
- **Net asset :** Retained earnings +¥4.62bil, Treasury stock -¥13.73bil, Foreign currency translation adjustments -¥1.37bil

Financial Forecast for the FY2012

Financial Forecast for FY2012

(JPY billions)	FY2011 Actual	FY2012 Forecast	Var. %
Net Sales	114.41	114.50	+0.1%
Operating Income	26.73	23.50	-12.1%
Ordinary Income	27.78	24.00	-13.6%
Net Income	17.16	16.00	-6.8%

ROE	10.7%	10.0%	-0.7pt
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Financial Forecast for FY2012

(JPY billions)	FY2011 Actual	FY2012	
		Forecast	Var.
Net Sales	114.41	114.50	+0.8
Cost of Sales (% of net sales)	35.38 30.9%	38.00 33.2%	+26.1 +2.3pt
SG&A excluding R&D (% of net sales)	35.07 30.7%	35.50 31.0%	+4.2 +0.4pt
R&D Expense (% of net sales)	17.22 15.1%	17.50 15.3%	+2.7 +0.2pt
Operating Income (% of net sales)	26.73 23.4%	23.50 20.5%	32.3 - 2.8pt
Non-operating Income/Loss	1.04	0.50	-5.4
Ordinary Income	27.78	24.00	-37.8
Extraordinary Income/Loss	0.01	0.00	-0.1
Net Income before Tax	27.79	24.00	-37.9
Income Taxes	10.63	8.00	-26.3
Net Income	17.16	16.00	-11.6
ROE	10.7%	10.0%	-0.7pt

<Currency rate>	
	<u>FY2011 actual</u>
US\$	¥79.03
Euro	¥110.27
CNY	¥12.34
	<u>FY20112 forecast</u>
US\$	¥79.00
Euro	¥104.00
CNY	¥12.50



*Forecast as of: May 8, 2012

References

**Reference:
Financial Results for the
1st Half FY2012**

Net Sales by Business Segment

(JPY billions)	FY2012 1 st Half Actual					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	46.81	+0.1 %	8.82	+4.5 %	55.63	+0.8 %
Prescription Pharmaceuticals	43.64	-1.6 %	8.81	+4.5 %	52.45	-0.6 %
Ophthalmic	38.04	-1.7 %	8.62	+4.6 %	46.67	-0.6 %
Anti-RA	5.01	-1.2 %	0.03	-62.2 %	5.04	-2.2 %
Others	0.58	+1.0 %	0.15	+46.6 %	0.73	+8.2 %
OTC Pharmaceuticals	3.17	+30.1 %	0.00	-1.7 %	3.18	+30.0 %
Others	1.02	+11.5 %	0.04	-92.8 %	1.07	-31.3 %
Medical Devices	1.02	+11.6 %	0.04	-92.8 %	1.06	-31.4 %
Others	0.00	-8.4 %	—	—	0.00	-8.4 %
Total	47.84	+0.3 %	8.86	-2.4 %	56.71	-0.1 %

Overseas Sales

(JPY billions)	FY2011 1 st Half Actual	FY2012 1 st Half		
		Actual	Var.	Var. %
U.S.	0.92	0.23	-0.69	-74.6 %
Europe	4.47	4.24	-0.22	-5.1 %
Asia	3.68	4.38	+0.69	+18.9 %
Others	0.00	0.00	+0.00	-
Total	9.08	8.86	-0.21	-2.4 %

Summary of Cash Flows

(JPY billions)	FY2012 1st Half Actual
Cash and cash equivalents at the beginning of the year	75.03
Net increase/decrease in cash and cash equivalents	-16.81
Cash flows from operating activities	4.36
Cash flows from investing activities	-2.61
Cash flows from financial activities	-18.08
Effect of exchange rate changes on cash and cash equivalents	-0.48
Cash and cash equivalents at the end of the year	58.21

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

Capital Expenditures / Depreciation & Amortization / Lease Expenses

(JPY billions)	FY2011		FY2012	
	1 st Half Actual	Full Year Actual	1 st Half Actual	Full Year Forecast
Capital Expenditures	1.26	3.49	1.87	6.43
Depreciation and Amortization	1.31	2.71	1.20	2.84
Lease Payments	0.01	0.02	0.00	0.02

Income statement in Novagali

(EUR millions)	FY2012 1st Half Actual
Sales	0.2
COGS	0.1
SGA (excl.R&D)	4.8
(in SGA) Amortization of Goodwill	3.0
R&D	3.6
Operating Profit	-8.4

Reference: FY2012 Financial Forecasts

Sales Forecast by Business Segment / Overseas Sales

(単位:億円)	FY2012 Forecast*					
	Japan		Overseas		Total	
	Sales	Var.	Sales	Var.	Sales	Var.
Pharmaceuticals	932.8	-0.2%	183.1	-0.5%	1,115.9	-0.2%
Prescription Pharmaceuticals	871.7	-1.9%	182.6	-0.7%	1,054.3	-1.7%
Ophthalmic	767.1	-1.3%	175.7	+10.8%	942.8	+0.7%
Anti-RA	94.5	-4.3%	0.9	-13.1%	95.4	-4.4%
Others	10.0	-17.8%	5.9	-75.2%	16.0	-55.9%
OTC Pharmaceuticals	61.1	+33.3%	0.4	+377%	61.6	+34.1%
Others	28.9	+50.2%	0.1	-98.4%	29.0	+12.9%
Medical devices	28.8	+50.6%	0.1	-98.4%	28.9	+13.0%
Others	0.1	-11.9%	—	—	0.1	-11.9%
Total	961.7	+0.8%	183.2	-3.8%	1,145.0	+0.1%

Overseas Sales

(JPY billions)	FY2011 Actual	FY2012 Forecast*		
		Forecast	Var.	Var. %
U.S.	34.5	9.1	-25.3	-73.5%
Europe	88.8	92.5	+3.7	+4.2%
Asia	67.0	81.2	+14.2	+21.2%
Others	0.0	0.2	+0.1	+330%
Total	190.4	183.2	-7.2	-3.8%



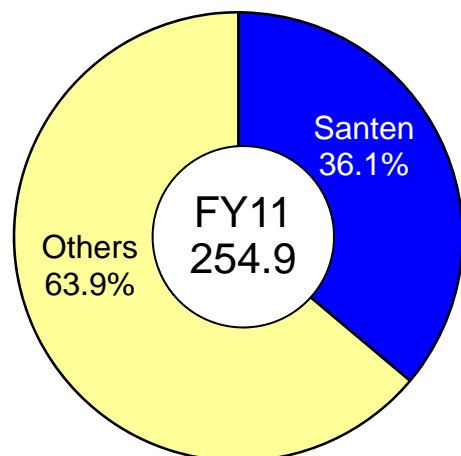
**Reference:
Market Overview of
Prescription Ophthalmic in Japan**

Japan: Trend & Competition in Ophthalmics (1)

- **Ophthalmology Total:** Market grew by 3.4% in the first half of FY12. Retinal segment and corneal segment continued to lead the market growth. Santen's market share was 35.6%
- **Glaucoma:** Market grew by 1.9% in the first half of FY12. Santen's sales grew by 11.3%. Santen increased to 30.5% share of the glaucoma market by the contribution of Tapros and Cosopt.
- **Corneal:** Market grew by 9.2% in the first half of FY12. Santen's sales grew by 6.5%, and Santen's market share was 75.7% with the contribution of Hyalein and Diquas.

Market Size:
billions of yen
%: Value Share

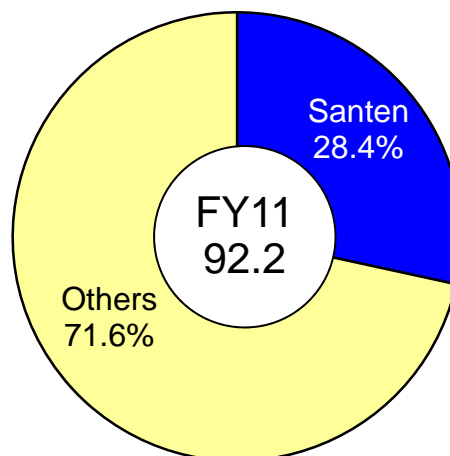
Ophthalmology Total



11FY Q2YTD 12FY

YoY change	Market	+3.1%	+3.4%
	Santen	+4.1%	+0.3%
Santen's Share		36.1%	35.6%

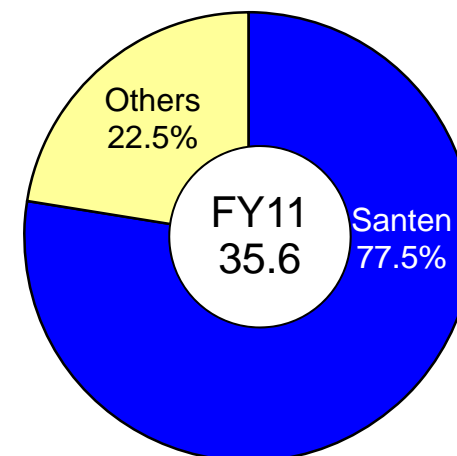
Anti-glaucoma



11FY Q2YTD 12FY

Market	+2.3%	+1.9%	
Santen	+13.1%	+11.3%	
Santen's Share		28.4%	30.5%

Corneal: Dry Eye



11FY Q2YTD 12FY

Market	+11.3%	+9.2%	
Santen	+13.7%	+6.5%	
Santen's Share		77.5%	75.7%



-Santen:
-Glaucoma : Tapros, Cosopt, Timoptol/XE, Rescula, Detantol, etc.
-Cornea / Dry Eye : Hyalein, Diquas etc.

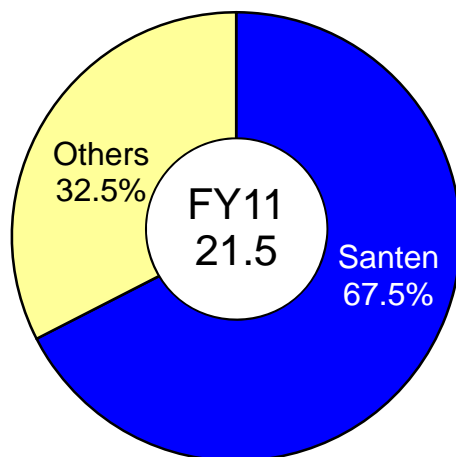
Source: ©2012 IMS Japan
IMS-JPM 2010-12
Santen analysis based on IMS data
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Japan: Trend & Competition in Ophthalmics (2)

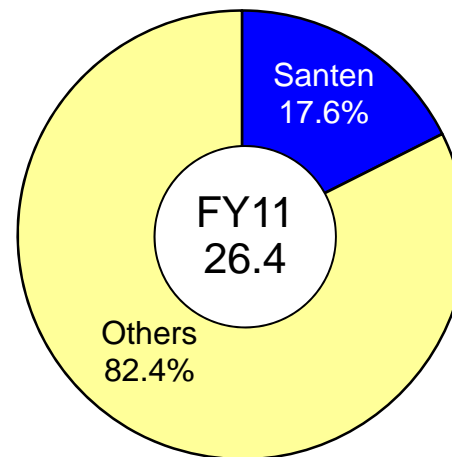
- **Anti-infection:** Market in the first half of FY12 shrunk by 12.2%. Santen maintained 62% of market share with primary contribution from Cravit.
- **Anti-allergy:** Market declined by 5.3% in the first half of FY12. Santen's share was 18.6%, while the competitive drugs increased.

Market Size:
billions of yen
%: Value Share

Anti-infection



Anti-allergy



		11FY	Q2YTD 12FY
YoY change	Market	-4.2%	-12.2%
	Santen	-5.5%	-20.3%
Santen's Share		67.5%	62.0%

		11FY	Q2YTD 12FY
YoY change		-9.9%	-5.3%
Santen's Share		17.6%	18.6%

-Santen:
- Anti-infection: Cravit, Tarivid, etc.
- Anti-allergy: Livostin, Alegysal



Source: ©2012 IMS Japan
IMS-JPM 2010-12
Santen analysis based on IMS data
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FY2012 Second Quarter

Status of Clinical Development

November 1, 2012

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U.S. and Europe Business,

Head of Research and Development Division

Major Clinical Pipeline List (1) [by Disease]

(Red underlined: Change from 12FY1Q Presentation)

Global Product

Japan (Asia)
Product

Disease	Phase 1	Phase 2	Phase 3	NDA	Approved-Launch
Glaucoma	DE-117 EP2 Agonist			China	DE-085 Tafluprost JP·Asia·EU·Latin America Australia·US
		DE-090 Lomerizine HCl	EU	<u>DE-111</u> Tafluprost/Timolol	JP
				DE-118 Tafluprost	
Cornea/ Conjunctival Disease		DE-101 Rivoglitazone		China	DE-089 Diquafosol Sodium Korea JP
	US	DE-105 Peptide Combination	JP		
		US	Cyclokat Ciclosporin	EU	
Retina Uveal Disease			DE-109 Sirolimus		
			DE-102 Betamethasone		
Other Infection, Allergy, RA		DE-098 Anti APO-1 Antibody	DE-114 Epinastine HCl		
			Vekacia Ciclosporin		

Major Clinical Pipeline List (2) [by Region]

(Red underlined: Change from 12FY1Q Presentation)

Global Product

Japan (Asia)
Product

Region	Phase 1	Phase 2	Phase 3	NDA	Approved - Launched
Japan			DE-102 Betamethasone	DE-118 Tafluprost	DE-085 Tafluprost
		DE-090 Lomerizine HCl		<u>DE-111</u> Tafluprost/Timolol	DE-089 Diquafosol Sodium
		DE-105 Peptide Combination	DE-114 Epinastine HCl		
		DE-098 Anti APO-1 Antibody	DE-109 Sirolimus		
North America (Including Latin America)	DE-117 EP2 Agonist		DE-109 Sirolimus		DE-085 Tafluprost
	DE-105 Peptide Combination	DE-101 Rivoglitazone			
		Cyclokat Ciclosporin			
Asia (including Oceania)				China DE-085 Tafluprost	Korea Australia
				China DE-089 Diquafosol Sodium	Korea
EU			DE-111 Tafluprost/Timolol		DE-085 Tafluprost
			DE-109 Sirolimus		
			Cyclokat Ciclosporin		
			Vekacia Ciclosporin		

Major Clinical Projects Update (DE-085)

■ DE-085 (Glaucoma, Ocular hypertension)

TAPROS, TAFLOTAN, SAFLUTAN, ZIOPTAN

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	Launched	Launched	Generic name: Tafulprost [Launched] Japan (Dec. 2008) Europe (Jun. 2008) Asia (Mar. 2010) United States (Mar. 2012) Latin America (Aug. 2010) [Out-licensed] Merck & Co. (Apr. 2009)
Europe**	Launched: 50 countries Partly out-licensed to Merck*	Launched: 35 countries Partly out-licensed to Merck*	
Asia**	Launched: 5 countries NDA filed: China Partly out-licensed to Merck*	Launched: 4 countries Approved: 7 countries NDA filed: China	
Americas**	Out-licensed to Merck* Launched: 11 countries Approved: 11 countries (Launched : Including US)	Out-licensed to Merck* Launched: 11 countries Approved: 11 countries Launched: US	

[Launched] **Total: 60 countries worldwide**

- Santen: Japan, 4 countries in Asia, and 30 countries in EU
- Merck*: 12 countries in EU, US, and 10 countries in Latin America, Australia

[Approved] **Total: More than 60 countries worldwide**

Major Clinical Projects Update

■ DE-118 (Glaucoma, ocular hypertension)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	NDA filed	NDA filed	Generic name: Tafluprost (preservative-free, unit dose, single use)

■ DE-089 (Dry eye)

Product Name: *DIQUAS* in Japan

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	Launched	Launched	Generic name: Diquafosol Sodium
Asia	China: NDA filed Korea: Approved	China: NDA filed Korea: Approved	

Major Clinical Projects Update - Glaucoma, Ocular hypertension -

■ DE-090

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	P2	P2	Generic name: Lomerizine HCl

■ DE-111

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	NDA Filed	P3	Generic name: Tafluprost/ Timolol maleate (Combination drug)
Europe	P3	P3	

■ DE-117

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
US	P1/2a	P1/2a	Prostaglandin EP2 agonist

Major Clinical Projects Update – Corneal disease -

■ DE-101 (Corneal and conjunctival epithelial disorders associated with dry eye, etc.)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
US	P2	P2	Generic Name: Rivoglitazone

■ DE-105 (Persistent corneal epithelial defects)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	P2	P2	Combination of peptides
US	Preparing P2	Preparing P2	

Major Clinical Projects Update - Retinal / Uveitis Disease -

■ DE-102 (Macular edema associated with diabetes or branch retinal vein occlusion (BRVO))

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	P2/3	P2/3	Generic name: Betamethasone

■ DE-109 (Uveitis)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
US	P3	P3	Generic name: Sirolimus
Japan	P3	P3	
EU	P3	P3	

Major Clinical Projects Update – Infection, Allergy, Arthritis -

■ DE-108 (Extraocular infection)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	Launched	Launched	Generic name: Levofloxacin 1.5%
Korea	Disapproved	NDA Filed	

■ DE-114 (Allergic conjunctivitis)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	Preparing for NDA	P3	Generic name: Epinastine HCl

■ DE-098 (Rheumatoid arthritis)

Region	Development Stage		Remarks
	As of November 1, 2012	As of August 1, 2012 (Previous announcement)	
Japan	P2 Completed	P2 Completed	Anti-APO-1 Antibody

Major Clinical Projects Update – Novagali -

■ Cyclokat (Severe Dry Eye)

Region	Development Stage		Remarks
	11/1	8/1 (Previous)	
EU	P3	P3	Generic Name: Ciclosporin
US	P2 Complete	P2 complete	

■ Vekacia (Vernal Conjunctivitis)

Region	Development Stage		Remarks
	11/1	8/1 (Previous)	
EU	P3	P3	Generic Name: Ciclosporin

*Project evaluations are ongoing for the products below.

Product Name	Indication	Region	Stage	Remarks
Catioprost	Glaucoma/ ocular hypertension	EU	P2	Generic Name: Latanoprost
Cortiject	Diabetic macular edema	US	P1/2	Generic Name: Dexamethasone Palmitate

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.