

Data Book

Year Ended March 31, 2017

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Santen group has unified the accounting period from the fiscal year ended March 31, 2014, for voluntary adoption of International Financial Reporting Standards (IFRS) from the fiscal year ending March 31, 2015. In this data book, performance for the unification of accounting period is noted as (*), and financial results for the previous 12 month period are shown as [12month]. Financial results before the fiscal year ended March 31, 2013 are based on the previous 12 month performance.

Results contained in the column marked 2014[12month] provide precise and comparable 12 month results including for subsidiaries using different fiscal year periods.

The company implemented a 5-for-1 stock split on April 1, 2015. Figures in the column 2014.3[IFRS] are adjusted assuming the new, post-split number of shares for comparison purposes.

Forecasts in this report are based on the currently available information. 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. 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)

Year ended March 31	J-GAAP		IFRS					2018 Forecast
	2013	2014*	2014	2015	2016	2017	% Change	
Net sales/Revenue	119,066	148,663	146,260	161,831	195,291	199,096	1.9	218,000
Operating income/profit	24,681	27,414	29,878	35,374	80,180	32,479	(59.5)	37,400
Net income/Net profit for the year	16,520	17,109	19,718	24,032	53,373	23,054	(56.8)	26,800
Dividends per share (yen)#	20	20	20	22	25	26	4.0	26
Dividend payout ratio (%)	51.1	48.2	41.9	37.8	19.4	46.3	138.7	39.3

Notes: The company implemented a 5-for-1 stock split on April 1, 2015. Dividends per share have been retrospectively adjusted to reflect the impact of the share split..

Core operating profit	—	—	30,403	39,088	43,067	39,687	(7.8)	44,000
Core net profit for the year	—	—	19,813	25,948	29,163	28,688	(1.6)	31,200
Core dividend payout ratio (%)	—	—	41.7	35.0	35.5	37.2	4.8	33.6

■ Consolidated balance sheets summary

(Millions of yen)

Year ended March 31	J-GAAP		IFRS				
	2013	2014*	2014	2015	2016	2017	% Change
Total assets	199,640	231,105	237,640	304,200	355,399	322,778	(9.2)
Equity	165,132	181,209	187,210	211,779	260,009	253,884	(2.4)
Interest-bearing debts	133	110	153	37,161	22,484	16,963	(24.6)

■ Consolidated financial indexes

Year ended March 31	J-GAAP			IFRS				
	2013	2014*	2014 [12month]	2014	2015	2016	2017	% Change
EPS (yen)	195.81	207.29	229.26	47.78	58.18	128.99	56.20	(56.4)
Core EPS (yen)	—	—	—	48.01	62.82	70.48	69.93	(0.8)
BPS (yen) #1	1,998.44	2,189.50	2,234.70	452.43	511.14	627.78	623.06	(0.8)
Debt equity ratio (times)	0.0	0.0	0.0	0.0	0.2	0.1	0.1	(22.1)
PER (times)	22.7	22.1	20.0	19.2	30.1	13.1	28.7	119.0
Core PER (times)	—	—	—	19.1	27.9	24.0	23.1	(3.8)
PBR (times)	2.2	2.1	2.1	2.0	3.4	2.7	2.6	(3.7)
ROE (%) #1	10.0	9.9	10.8	11.1	12.0	22.6	9.0	(60.2)
Core ROE (%) #1	—	—	—	11.2	13.0	12.4	11.2	(9.7)
ROA (%)	8.3	7.9	8.8	8.9	8.9	16.2	6.8	(58.0)
Equity ratio (%) #1	82.6	78.2	79.3	78.8	69.6	73.2	78.4	7.1
Free cash flows (millions of yen) #2	6,334	21,172	—	20,807	(41,054)	13,433	1,342	(90.0)
EBITDA (millions of yen) #3	28,255	29,812	—	22,565	22,660	38,596	38,620	0.1

#1 BPS (equity per share), ROE (return on equity), Core ROE and equity ratios are based on the IFRS inputs of equity per share attributable to owners of the company, net profit attributable to owners of the company, Core net profit attributable to owners of the company and equity attributable to owners of the company ratio.

#2 Free cash flows = (Net cash flows from operating activities)-(Capital expenditures/Payments for acquisition of property, plant and equipment, and intangible assets)

#3 EBITDA = J-GAAP: (Income before income taxes) + (Interest expense) + (Depreciation and amortization)

IFRS: (Core profit for the year) + (Interest expense) + (Depreciation and amortization)

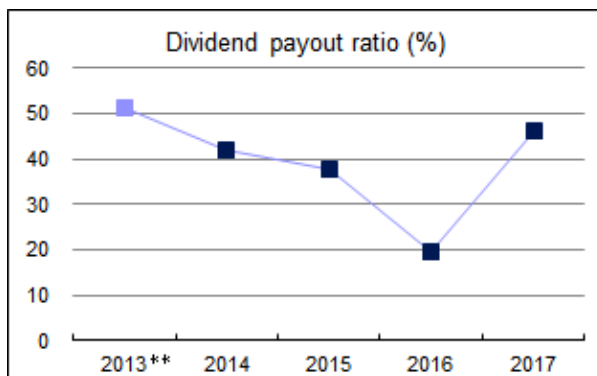
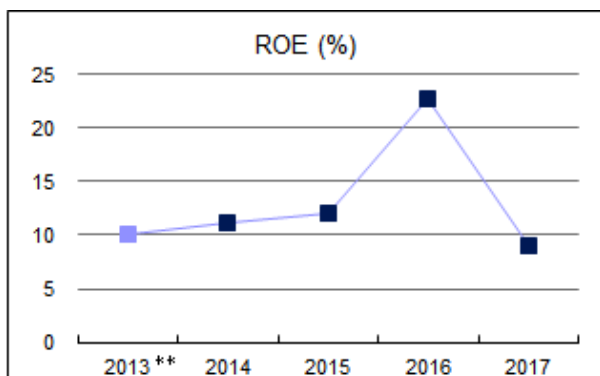
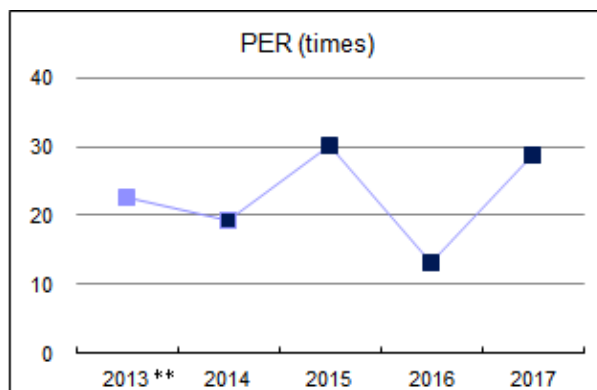
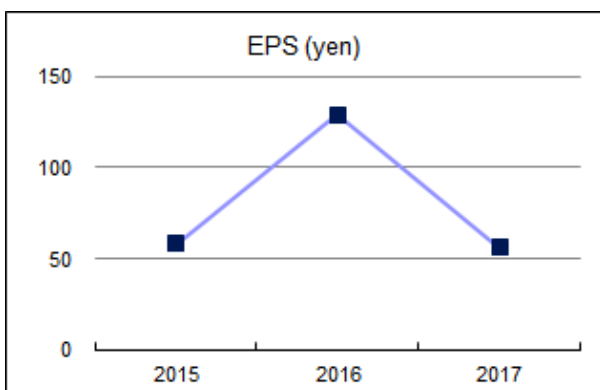
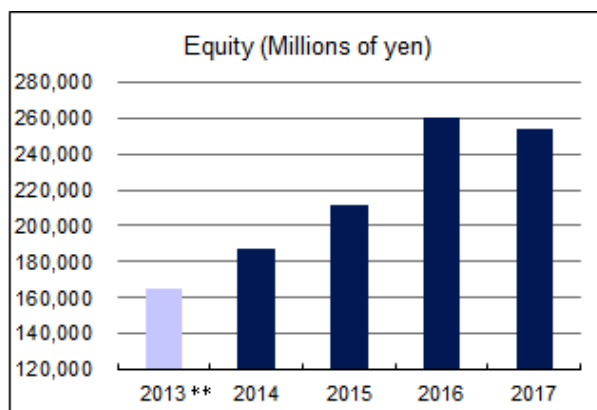
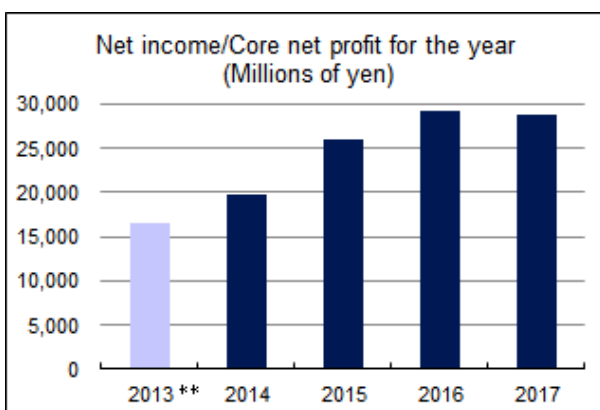
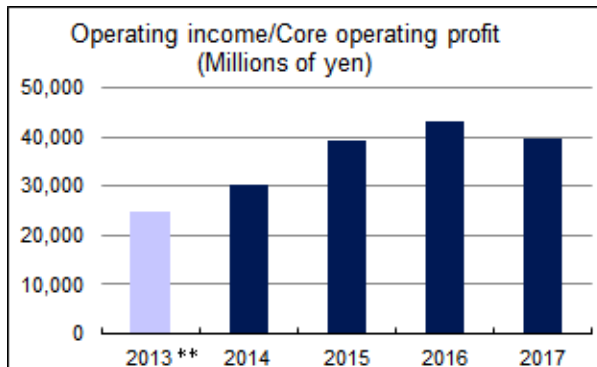
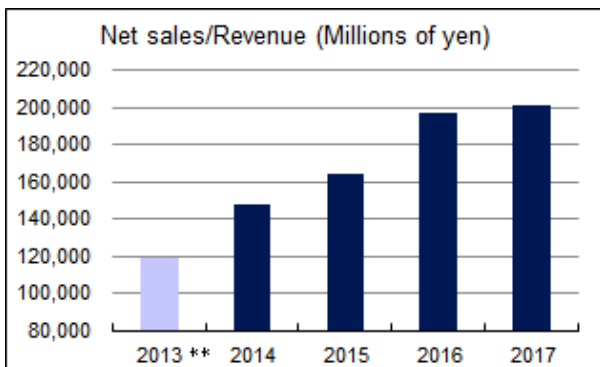
■ Exchange rates

(Yen)

Year ended March 31	2013	2014*	2014 [12month]	2015	2016	2017	2018 Forecast
Exchange rate: US dollar	82.91	100.04	100.04	110.14	120.45	108.64	110.00
: Euro	106.01	132.98	132.34	139.01	132.46	118.96	120.00
: CNY	12.64	15.93	15.72	17.84	19.05	16.14	16.50

Financial highlights

■ Consolidated Financial summary (Graph)



** J-GAAP

Consolidated statements of income and comprehensive income

■IFRS

(Millions of yen)

Year ended March 31	2015	2016	2017	% Change 2017/2016
Revenue	161,831	195,291	199,096	1.9
Cost of sales (Percent of revenue)	(56,373) 34.8%	(72,829) 37.3%	(74,966) 37.7%	2.9 —
Gross profit (Percent of revenue)	105,458 65.2%	122,463 62.7%	124,130 62.3%	1.4 —
Selling, general and administrative expenses (Percent of revenue)	(48,893) 30.2%	(59,406) 30.4%	(62,193) 31.2%	4.7 —
Research and development expenses (Percent of revenue)	(17,477) 10.8%	(19,990) 10.2%	(22,786) 11.4%	14.0 —
Amortization on intangible assets associated with products (Percent of revenue)	(3,979) 2.5%	(6,205) 3.2%	(6,412) 3.2%	3.3 —
Other income	723	44,999	468	(99.0)
Other expenses	(458)	(1,681)	(728)	(56.7)
Operating profit (Percent of revenue)	35,374 21.9%	80,180 41.1%	32,479 16.3%	(59.5) —
Finance income	768	782	909	16.2
Finance expenses	(279)	(1,492)	(1,565)	4.9
Profit before tax (Percent of revenue)	35,863 22.2%	79,470 40.7%	31,822 16.0%	(60.0) —
Income tax expenses	(11,831)	(26,097)	(8,768)	(66.4)
Net profit for the year (Percent of revenue)	24,032 14.9%	53,373 27.3%	23,054 11.6%	(56.8) —
ROE (%)	12.0	22.6	9.0	—

■IFRS (Core basis)

(Millions of yen)

Year ended March 31	2015	2016	2017	% Change 2017/2016
Revenue	161,831	195,291	199,096	1.9
Cost of sales (Percent of revenue)	(56,373) 34.8%	(72,829) 37.3%	(74,966) 37.7%	2.9 —
Gross profit (Percent of revenue)	105,458 65.2%	122,463 62.7%	124,130 62.3%	1.4 —
Selling, general and administrative expenses (Percent of revenue)	(48,893) 30.2%	(59,406) 30.4%	(61,657) 31.0%	3.8 —
Research and development expenses (Percent of revenue)	(17,477) 10.8%	(19,990) 10.2%	(22,786) 11.4%	14.0 —
Operating profit (Percent of revenue)	39,088 24.2%	43,067 22.1%	39,687 19.9%	(7.8) —
Profit before tax (Percent of revenue)	39,088 24.2%	43,067 22.1%	39,687 19.9%	(7.8) —
Income tax expenses	(13,140)	(13,904)	(10,999)	(20.9)
Net profit for the year (Percent of revenue)	25,948 16.0%	29,163 14.9%	28,688 14.4%	(1.6) —
ROE (%)	13.0	12.4	11.2	—

Consolidated statements of income and comprehensive income

■J-GAAP

(Millions of yen)

Year ended March 31	2013	2014*	2014 [12month]	2015	% Change 2016/2015
Net sales	119,066	148,663	146,013	161,881	10.9
Cost of sales	41,501	58,104	57,171	56,423	(1.3)
(Percent of net sales)	34.9%	39.1%	39.2%	34.9%	
Gross profit	77,564	90,558	88,842	105,458	18.7
(Percent of net sales)	65.1%	60.9%	60.8%	65.1%	
Selling, general and administrative expenses	52,883	63,144	60,006	71,942	19.9
(Percent of net sales)	44.4%	42.5%	41.1%	44.4%	
R&D expenditures	16,719	19,040	18,235	18,062	(0.9)
(Percent of net sales)	14.0%	12.8%	12.5%	11.2%	
Operating income	24,681	27,414	28,835	33,516	16.2
(Percent of net sales)	20.7%	18.4%	19.7%	20.7%	
Non-operating income	1,007	975	952	1,333	40.0
Non-operating expenses	86	465	455	333	(26.8)
Ordinary income	25,602	27,924	29,332	34,516	17.7
(Percent of net sales)	21.5%	18.8%	20.1%	21.3%	
Extraordinary gain	17	473	473	155	(67.2)
Extraordinary loss	28	1,504	1,014	344	(66.1)
Income before income taxes	25,591	26,893	28,792	34,327	19.2
(Percent of net sales)	21.5%	18.1%	19.7%	21.2%	
Income taxes - current	7,908	11,762	11,255	12,600	12.0
Income taxes - deferred	1,162	(1,978)	(1,385)	(843)	(39.1)
Income before minority interests	16,520	17,109	18,922	22,570	19.3
Net income	16,520	17,109	18,922	22,570	19.3
(Percent of net sales)	13.9%	11.5%	13.0%	13.9%	
Income before minority interests	16,520	17,109	18,922	22,570	19.3
Other comprehensive income	5,208	8,269	10,188	8,708	(14.5)
Comprehensive income	21,728	25,378	29,111	31,278	7.4

Net sales/Revenue details

■ Net sales/Revenue by business segment

(Millions of yen)

Year ended March 31	J-GAAP			IFRS				
	2013	2014*	2014 [12month]	2015	2016	2017	% Change	2018 Forecast
Pharmaceuticals Business	116,810	145,712	143,063	159,262	192,554	196,023	1.8%	214,518
Prescription pharmaceuticals	110,336	139,257	136,610	152,556	181,550	183,469	1.1%	201,618
Ophthalmics	98,981	127,395	124,790	136,059	172,545	181,859	3.3%	200,561
Anti-rheumatics	9,874	10,251	10,251	9,629	3,495	—	—	—
Other pharmaceuticals	1,480	1,610	1,569	6,868	5,510	1,610	(70.8)%	1,056
OTC pharmaceuticals	6,474	6,455	6,453	6,706	11,004	12,553	14.1%	12,900
Other Businesses	2,255	2,950	2,950	2,569	2,737	3,073	12.3%	3,482
Medical devices	2,245	2,678	2,678	2,313	2,394	2,536	5.9%	2,858
Others	10	272	272	256	343	537	56.5%	624
Total net sales/revenue	119,066	148,663	146,013	161,831	195,291	199,096	1.9%	218,000

[Domestic]

(Millions of yen)

Year ended March 31	J-GAAP			IFRS				
	2013	2014*	2014 [12month]	2015	2016	2017	% Change	2018 Forecast
Pharmaceuticals Business	98,521	119,215	119,184	122,310	139,196	142,439	2.3%	152,521
Prescription pharmaceuticals	92,062	112,798	112,767	115,672	128,278	130,018	1.4%	139,898
Ophthalmics	81,125	101,779	101,779	105,345	124,165	129,594	4.4%	139,475
Anti-rheumatics	9,810	10,162	10,162	9,568	3,495	—	—	—
Other pharmaceuticals	1,126	856	825	759	617	424	(31.3)%	423
OTC pharmaceuticals	6,458	6,417	6,417	6,638	10,918	12,421	13.8%	12,623
Other Businesses	2,189	2,897	2,897	2,526	2,654	2,919	10.0%	3,268
Medical devices	2,178	2,625	2,625	2,269	2,323	2,514	8.2%	2,800
Others	10	272	272	256	330	404	22.5%	468
Total net sales/revenue	100,711	122,113	122,082	124,835	141,849	145,358	2.5%	155,789
(Percent of total net sales/revenue)	84.6%	82.1%	83.6%	77.1%	72.6%	73.0%	—	71.5%

[Overseas]

(Millions of yen)

Year ended March 31	J-GAAP			IFRS				
	2013	2014*	2014 [12month]	2015	2016	2017	% Change	2018 Forecast
Pharmaceuticals Business	18,288	26,497	23,878	36,952	53,358	53,584	0.4%	61,997
Prescription pharmaceuticals	18,273	26,459	23,843	36,884	53,271	53,451	0.3%	61,720
Ophthalmics	17,855	25,616	23,010	30,714	48,379	52,265	8.0%	61,086
Anti-rheumatics	63	88	88	61	—	—	—	—
Other pharmaceuticals	354	754	743	6,109	4,892	1,186	(75.8)%	633
OTC pharmaceuticals	15	37	35	67	87	132	52.6%	278
Other Businesses	66	52	52	44	84	154	84.3%	214
Medical devices	66	52	52	44	71	22	(69.0)%	58
Others	—	—	—	—	13	132	923.8%	156
Total net sales/revenue	18,354	26,550	23,931	36,995	53,442	53,738	0.6%	62,211
(Percent of total net sales/revenue)	15.4%	17.9%	16.4%	22.9%	27.4%	27.0%	—	28.5%

■ Overseas net sales/revenue by region

(Millions of yen)

Year ended March 31	J-GAAP			IFRS				
	2013	2014*	2014	2015	2016	2017	% Change	2018 Forecast
North America	582	1,073	1,016	6,169	5,265	1,433	(72.8)%	1,027
EMEA#1	9,202	12,294	11,466	14,156	25,562	28,521	11.6%	31,825
Asia	8,559	13,173	11,700	16,668	22,601	23,738	5.0%	29,072
Others	10	8	7	2	14	46	224.0%	288
Total overseas net sales/revenue	18,354	26,550	24,188	36,995	53,442	53,738	0.6%	62,211

■ Overseas profit contribution

(Millions of yen)

Year ended March 31	—	—	2014	2015	2016	2017	% Change	2018 Forecast
North America	—	—	(1,662)	(2,033)	(2,959)	(3,424)	15.7%	(5,913)
EMEA#1	—	—	(81)	(734)	817	3,514	330.1%	6,812
Asia	—	—	1,087	3,181	4,777	4,912	2.8%	7,146
Others	—	—	0	0	0	0	—	0
Total overseas profit	—	—	(656)	414	2,636	5,001	89.8%	8,045

#1 Europe, the Middle East and Africa

Net sales/Revenue details

■ Net sales/Revenue of major prescription pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Region	J-GAAP		IFRS					
			2013	2014*	2014	2015	2016	2017	% Change 2016/2015	2018 Forecast
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	11,856	14,210	13,584	13,399	14,250	12,884	(9.6)	13,945
		Japan	8,499	8,175	8,175	6,498	5,918	4,660	(21.3)	4,308
		Asia	2,358	4,670	4,139	5,423	7,001	6,980	(0.3)	8,252
		Europe	1,010	1,364	1,270	1,478	1,331	1,245	(6.5)	1,384
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	1,831	2,040	1,924	1,910	1,761	1,541	(12.5)	1,455
		Japan	1,086	955	955	762	673	559	(16.9)	472
		Asia	745	1,085	969	1,147	1,088	982	(9.8)	983
Tapcom tafluprost-timolol maleate/ combination ophthalmic solution	Glaucoma	Total	—	—	—	381	1,534	2,798	82.4	3,800
		Japan	—	—	—	342	1,381	2,256	63.4	2,587
		Asia	—	—	—	—	—	38	—	90
		Europe	—	—	—	39	153	504	229.3	1,124
Tapros tafluprost/ophthalmic solution	Glaucoma	Total	10,308	12,731	12,516	12,330	15,633	16,406	4.9	18,115
		Japan	7,605	8,957	8,957	8,329	9,168	9,592	4.6	10,489
		Asia	268	553	520	817	1,097	1,227	11.8	1,613
		Europe	2,435	3,221	3,040	3,185	5,368	5,587	4.1	5,985
		Other	—	—	—	—	—	—	—	28
Cosopt dorzolamide hydrochloride-timolol maleate/combination ophthalmic solution	Glaucoma	Total	9,007	11,846	11,846	12,478	20,583	22,164	7.7	23,013
		Japan	9,007	11,846	11,846	10,689	11,214	11,366	1.4	11,468
		Asia	—	—	—	892	2,493	2,669	7.1	2,913
		Europe	—	—	—	897	6,876	8,122	18.1	8,476
		Other	—	—	—	—	—	6	—	156
Timoptol timolol maleate/ ophthalmic solution	Glaucoma	Total	1,367	1,185	1,185	1,267	1,930	1,509	(21.8)	1,430
		Japan	1,367	1,185	1,185	1,216	1,182	967	(18.1)	853
		Asia	—	—	—	29	140	119	(14.8)	182
		Europe	—	—	—	22	608	422	(30.6)	395
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	Total	2,085	1,931	1,931	1,984	2,463	2,382	(3.3)	2,179
		Japan	2,085	1,931	1,931	1,918	1,886	1,614	(14.4)	1,450
		Asia	—	—	—	27	87	88	0.8	42
		Europe	—	—	—	39	489	679	38.8	687
Trusopt dorzolamide hydrochloride/ ophthalmic solution	Glaucoma	Total	—	—	—	1,853	4,561	4,343	(4.8)	3,906
		Japan	—	—	—	1,545	2,125	1,731	(18.6)	1,396
		Asia	—	—	—	55	446	271	(39.3)	280
		Europe	—	—	—	252	1,990	2,333	17.2	2,194
		Other	—	—	—	—	—	9	—	36
Detantol bunazosin hydrochloride/ ophthalmic solution	Glaucoma	Japan	1,735	1,549	1,549	1,228	1,117	1,054	(5.6)	926
Rescula isopropyl unoprostone/ ophthalmic solution	Glaucoma	Japan	2,243	2,147	2,147	1,935	1,845	1,633	(11.5)	1,641
Alesion epinastine hydrochloride/ ophthalmic solution	Allergy	Japan	—	2,103	2,103	6,698	9,483	12,235	29.0	14,926
Flumetholon fluorometholone/ ophthalmic solution	Inflammation	Total	4,448	3,973	3,899	3,811	3,775	3,347	(11.3)	3,425
		Japan	3,736	3,075	3,075	2,844	2,655	2,224	(16.2)	2,123
		Asia	712	898	823	967	1,120	1,123	0.3	1,302
Kary Uni pirenoxine/ ophthalmic solution	Senile cataract	Total	3,766	4,060	3,978	3,909	4,187	4,124	(1.5)	4,439
		Japan	3,107	3,162	3,162	2,908	2,900	2,833	(2.3)	2,776
		Asia	659	898	816	1,001	1,287	1,291	0.3	1,663
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	Japan	2,842	2,868	2,868	2,574	2,568	2,285	(11.0)	2,288
Eylea aflibercept/ solutioin for intravitreal injection	Intravitreal VEGF inhibitor	Japan	3,183	18,757	18,757	24,886	39,988	45,155	12.9	46,199
Hyalein sodium hyaluronate/ophthalmic solution	Dry eye	Total	21,160	21,823	21,416	19,611	19,864	17,595	(11.4)	17,483
		Japan	18,274	18,179	18,179	15,316	14,491	11,852	(18.2)	10,743
Diquas diquafosol sodium/ophthalmic solution	Dry eye	Total	5,563	7,938	7,938	7,895	9,631	11,940	24.0	14,574
		Japan	5,563	7,831	7,831	7,419	8,880	11,016	24.1	12,642
Ikervis ciclosporin/ophthalmic solution	Dry eye	Asia	—	106	107	476	751	924	23.1	1,932
		Total	—	—	—	—	751	1,303	73.5	2,344
		Asia	—	—	—	—	—	2	—	64
		Europe	—	—	—	—	751	1,301	73.2	2,226
		North America	—	—	—	—	—	—	—	49
Cationorm	Dry eye	Other	—	—	—	—	—	—	—	6
		Total	—	—	—	—	—	1,835	26.3%	2,587
		Asia	—	—	—	—	—	206	23.4%	344
		Europe	—	—	—	—	—	1,318	28.1%	1,894
		North America	—	—	—	—	—	280	15.7%	287
Other	—	—	—	—	—	31	114.9%	62		
OTC pharmaceuticals			6,474	6,455	6,453	6,706	11,004	12,553	14.1%	12,900
Exchange rates	Currency	Year to March 2016		Year to March 2017		Year to March 2018(Forecasts)				
	US dollar	120.45		108.64		110.00				
	Euro	132.46		118.96		120.00				
	CNY	19.05		16.14		16.50				

Notes: 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 statement of financial position

■Assets

(Millions of yen)

Year ended March 31	2015		2016		2017	
Non-current assets		%		%		%
Property, plant and equipment	29,104	9.6	27,991	7.9	28,550	8.9
Intangible assets	84,433	27.8	83,681	23.5	102,807	31.9
Financial assets	34,725	11.4	44,535	12.5	29,889	9.3
Deferred tax assets	2,978	1.0	2,345	0.7	2,396	0.7
Other non-current assets	2,288	0.8	2,109	0.6	2,124	0.7
Total non-current assets	153,528	50.5	160,660	45.2	165,767	51.4
Current assets						
Inventories	20,133	6.6	24,996	7.0	28,502	8.8
Trade and other receivables	61,701	20.3	65,998	18.6	70,970	22.0
Other financial assets	187	0.1	234	0.1	333	0.1
Other current assets	2,728	0.9	3,714	1.0	3,909	1.2
Cash and cash equivalents	65,923	21.7	99,798	28.1	53,297	16.5
Total current assets	150,672	49.5	194,739	54.8	157,011	48.6
Total assets	304,200	100.0	355,399	100.0	322,778	100.0

■Equity and liabilities

(Millions of yen)

Year ended March 31	2015		2016		2017	
Equity		%		%		%
Share capital	7,383	2.4	7,695	2.2	7,792	2.4
Capital surplus	8,077	2.7	8,389	2.4	8,417	2.6
Treasury shares	(18)	(0.0)	(24)	(0.0)	(10)	(0.0)
Retained earnings	178,840	58.8	221,945	62.4	223,418	69.2
Other components of equity	17,497	5.8	22,003	6.2	13,448	4.2
Total equity attributable to owners of the company	211,779	69.6	260,009	73.2	253,065	78.4
Non-controlling interests	—	—	—	—	819	0.3
Total equity	211,779	69.6	260,009	73.2	253,884	78.7
Liabilities						
Non-current liabilities						
Financial liabilities	25,351	8.3	12,944	3.6	7,619	2.4
Net defined benefit liabilities	5,459	1.8	2,556	0.7	1,900	0.6
Provisions	1,444	0.5	1,629	0.5	1,426	0.4
Deferred tax liabilities	2,874	0.9	3,988	1.1	2,596	0.8
Other non-current liabilities	953	0.3	1,043	0.3	1,919	0.6
Total non-current liabilities	36,081	11.9	22,161	6.2	15,460	4.8
Current liabilities						
Trade and other payables	20,250	6.7	24,504	6.9	23,937	7.4
Other financial liabilities	19,298	6.3	19,881	5.6	17,603	5.5
Income tax payable	6,729	2.2	20,431	5.7	3,279	1.0
Provisions	1,197	0.4	1,276	0.4	1,372	0.4
Other current liabilities	8,866	2.9	7,138	2.0	7,244	2.2
Total current liabilities	56,340	18.5	73,230	20.6	53,434	16.6
Total liabilities	92,421	30.4	95,391	26.8	68,894	21.3
Total equity and liabilities	304,200	100.0	355,399	100.0	322,778	100.0

Consolidated statements of cash flows

(Millions of yen)

Year ended March 31	2015	2016	2017
I. Cash flows from operating activities:			
Net profit for the year	24,032	53,373	23,054
Depreciation and amortization	6,958	9,338	9,882
Impairment losses	290	395	475
Finance income and expenses	(529)	(545)	1,180
Income tax expenses	11,831	26,097	8,768
Gain on disposal of disposal groups	—	(44,477)	—
Decrease (increase) in trade and other receivables	(7,701)	(4,799)	(5,489)
Decrease (increase) in inventories	(521)	(5,388)	(4,120)
Increase (decrease) in trade and other payables	1,251	4,376	(425)
Increase (decrease) on net defined benefit liabilities	761	(3,974)	(200)
Other	2,554	653	913
Subtotal	38,926	35,049	34,039
Interest received	81	67	74
Dividends received	548	573	681
Interest paid	(82)	(98)	(52)
Income tax paid	(14,087)	(13,067)	(23,900)
Net cash flows from (used in) operating activities	25,386	22,525	10,843
II. Cash flows from investing activities:			
Payments into time deposits	(84)	(21)	—
Proceeds from withdrawal of time deposits	184	21	19
Payments for acquisition of investments	(114)	(2,210)	(478)
Proceeds from sale and redemption of investments	4,149	2,682	1,364
Increase (decrease) through acquisition of subsidiary	—	—	(19,064)
Payments for acquisition of property, plant and equipment	(2,972)	(4,299)	(4,145)
Proceeds from sales of property, plant and equipment	656	696	4
Payments for acquisition of intangible assets	(63,468)	(4,793)	(5,355)
Proceeds on disposal of disposal groups	—	45,000	—
Other	(60)	(25)	(545)
Net cash flows from (used in) investing activities	(61,709)	37,052	(28,201)
III. Cash flows from financing activities:			
Proceeds from short-term loans payable	35,000	—	—
Repayments of short-term loans payable	(35,000)	—	—
Proceeds from long-term loans payable	40,000	500	3,000
Repayments of long-term loans payable	(2,970)	(15,133)	(9,524)
Acquisition of treasury shares	—	—	(12,380)
Proceeds from contributions of non-controlling interests	—	—	832
Dividends paid	(8,264)	(9,923)	(10,751)
Other	194	489	167
Net cash flows from (used in) financing activities	28,960	(24,066)	(28,657)
IV. Net increase (decrease) in cash and cash equivalents	(7,363)	35,510	(46,015)
V. Cash and cash equivalents at the beginning of year	72,397	65,923	99,798
VI. Effect of exchange rate changes on cash and cash equivalents	889	(1,636)	(1,501)
VII. Cash and cash equivalents at the end of period	65,923	99,798	52,282

Other consolidated information

■R&D expenses

(Millions of yen)

Year ended March 31	J-GAAP		IFRS			
	2013	2014*	2015	2016	2017	2018 Forecast
Consolidated	16,719	19,040	17,477	19,990	22,786	25,000
Percent of net sales/revenue	14.0%	12.8%	10.8%	10.2%	11.4%	11.5%

■Capital expenditures

(Millions of yen)

Year ended March 31	J-GAAP		IFRS			
	2013	2014*	2015	2016	2017	2018 Forecast
Consolidated	4,202	3,155	5,383	4,474	5,216	7,660

■Depreciation and amortization

(Millions of yen)

Year ended March 31	J-GAAP		IFRS			
	2013	2014*	2015	2016	2017	2018 Forecast
Manufacturing cost	1,211	1,330	1,446	1,445	1,515	1,880
Selling, general and administrative expenses	533	648	864	1,035	1,246	1,270
R&D expenses	785	634	668	653	709	680
Consolidated total	2,530	2,612	2,979	3,133	3,470	3,830

Note: Excluding amortization of intangible assets and long-term advance expense

■Amortization on intangible assets associated with products

(Millions of yen)

Year ended March 31	J-GAAP		IFRS			
	2013	2014*	2015	2016	2017	2018 Forecast
Intangible assets (Merck products)	—	—	3,734	5,185	5,357	5,590
Intangible assets (Ikervis)	—	—	—	625	674	680
Other	—	—	245	394	381	350
Consolidated total	—	—	3,979	6,205	6,412	6,620

■Additional information of statement of financial position

(Millions of yen)

Year ended March 31	J-GAAP		IFRS		
	2013	2014*	2015	2016	2017
In-process research and development	—	—	16,145	11,363	11,543
Investment securities	18,173	21,739	33,634	43,413	28,615
Notes and accounts receivable	43,840	52,086	59,611	63,954	68,829
Notes and accounts payable	9,266	14,270	14,330	17,225	17,883

■Number of employees

Year ended March 31	2013	2014*	2015	2016	2017
Japan	1,925	1,903	1,923	1,915	1,975
North America	156	154	162	175	213
EMEA ^{#1}	511	530	588	660	669
Asia	458	485	557	713	810
Consolidated	3,050	3,072	3,230	3,463	3,667

^{#1} Europe, the Middle East and Africa

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	China						Mar-16
A prostaglandin F _{2α} derivative for the treatment of glaucoma and ocular hypertension. Since December, 2008, launched in Japan, Europe and Asia. Launched in China in March 2016.										
Diquafosol sodium	DE-089	Dry eye	Merck Sharp & Dohme Corp. (U.S.)	China				Jan-12		
				Asia						Feb-16
A dry eye treatment which stimulates secretion of mucin and aqueous components from the corneal and conjunctival epithelium. Its mechanism of action is different from existing treatments. Launched in December 2010 in Japan. NDA filed in China in January 2012. Launched in October 2013 in Korea. Launched in Vietnam in February 2016. Launched in Thailand in April 2016. Currently seeking sequential approvals for marketing in Asia.										
Sirolimus	DE-109	Uveitis	Original	U.S.				Feb-17		
				Japan						
				Europe						
				Asia				Apr-15		
An intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. NDA filed in the US in February 2017. Preparing NDA file in Europe. NDA filed in Asia in April 2015.										
Tafluprost/ Timolol maleate	DE-111	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Asia						Apr-16
A fixed dose combination drug of a prostaglandin F _{2α} derivative and a beta-adrenergic receptor blocker. Launched in Japan in November 2014. Launched successively in European countries since October 2014 and launched since January 2015. Launched in Korea in April 2016. NDA filed in Asian countries successively, and approved in some countries including Thailand.										
omidenepeg isopropyl	DE-117	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S.						
				Japan		(Phase 2b/3)				
				Asia						
An EP2 receptor agonist with a new mechanism of action. Completed Phase 2b in the U.S in February 2015. Started Phase 2b/3 in Japan in December 2015. Started Phase 3 in Asia in December 2016.										
Tafluprost	DE-118	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Asia						Apr-16
A prostaglandin F _{2α} derivative for the treatment of glaucoma and ocular hypertension. Preservative-free, single dose type product. Launched in Japan in October 2013. Launched in Asian countries since April, 2016.										
carotuximab	DE-122	Wet Age-related macular degeneration	TRACON Pharmaceuticals	U.S.	(Phase 1/2)					
An intravitreal injection of anti-endothelin antibody. Started Phase 1/2 in the U.S. in September 2015 and preparing Phase 2a.										
Sepetaprost	DE-126	Glaucoma/ Ocular hypertension	ONO PHARMACEUTICAL	U.S.	(Phase 2a)					
A prostaglandin analogue eye drop drug product with a novel, mode of action that is both FP and EP3 receptors dual agonist for the treatment of glaucoma and ocular hypertension. Preparing Phase 2b in the U.S. and Japan.										
—	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
—	DE-128 (<i>InnFocus MicroShunt</i>)	Glaucoma	Original	U.S.		(Phase 2/3)				
				Europe						
In August 2016, acquired InnFocus, developer of <i>InnFocus MicroShunt</i> . MicroShunt is the implant to lower and sustain intraocular pressure (IOP) out for the treatment of primary open-angle glaucoma by making aqueous humor drain out.										

Generic name	Dev. name	Indication	Original/Licensors	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Cyclokat	Severe keratitis in patients with dry eye	Original	Europe						Jul-15
				U.S.						
				Asia						Nov-16
				Other						Apr-16

An ophthalmic emulsion which improves severe keratitis in adult patients with dry eye by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption. Launched in Germany and England in July 2015 and planning successive launches in European countries. NDA filed in Asian countries successively and approved in some countries including Thailand (November 2016) and Korea (March 2017). NDA filed in Canada in April 2016.

Generic name	Dev. name	Indication	Original/Licensors	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Vekacia	Vernal Keratoconjunctivitis	Original	Europe						Dec-16

An ophthalmic emulsion which improves vernal keratoconjunctivitis by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption. NDA filed and granted Priority Review status in Europe in December 2016.

Generic name	Dev. name	Indication	Original/Licensors	Region	P1	P2	P3	NDA Filed	Approved	Launched
Latanoprost	Catioprost	Glaucoma/ Ocular hypertension	Original	Europe						

An ophthalmic emulsion of a prostaglandin F_{2α} derivative, for the treatment of glaucoma and ocular hypertension.

■ Changes from Q3 FY16 (February 7, 2017)

Dev. Code / name	Changes
DE-090	The company has discontinued development upon reassessment of the project's PTS.
DE-109	NDA filed in the US in February 2017.
DE-117	Started Phase 3 in Asia in December 2016.
DE-120	The company has discontinued development upon reassessment of the project's PTS.
Cyclokat	Approved in some countries including Korea in March 2017.
Cortject	The company has discontinued development upon reassessment of the project's PTS.

Pharmaceutical market in Japan

■Revision of National Health Insurance (NHI) drug prices

	2009	2010	2011	2012	2013	2014	2015	2016#1	2017
Industry average	—	mid -6%	—	-6.25%	—	-2.7%	—	-5.57%#1	—
Ophthalmic drugs	—	early -3%	—	mid -4%	—	high -1%	—	early -6%	—
Santen	—	mid -5%	—	high -5%	—	high -1%	—	early -7%#2	—

(Compiled by Santen)

#1 Excluding market expansion re-pricing -0.9%

#2 Mid -4% price cut in 2016 excluding its impact of Eylea

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.

Excluding consumption tax impact	
	2014
Industry average	-5.6%
Ophthalmic drugs	high -4%
Santen	high -4%

■Market shares

(Billions of yen)

Year ended March 31	2013	2014	2015	2016	2017
Prescription ophthalmics	35.3% 273.4	39.4% 301.3	40.1% 323.7	44.0% 347.5	45.5% 345.5

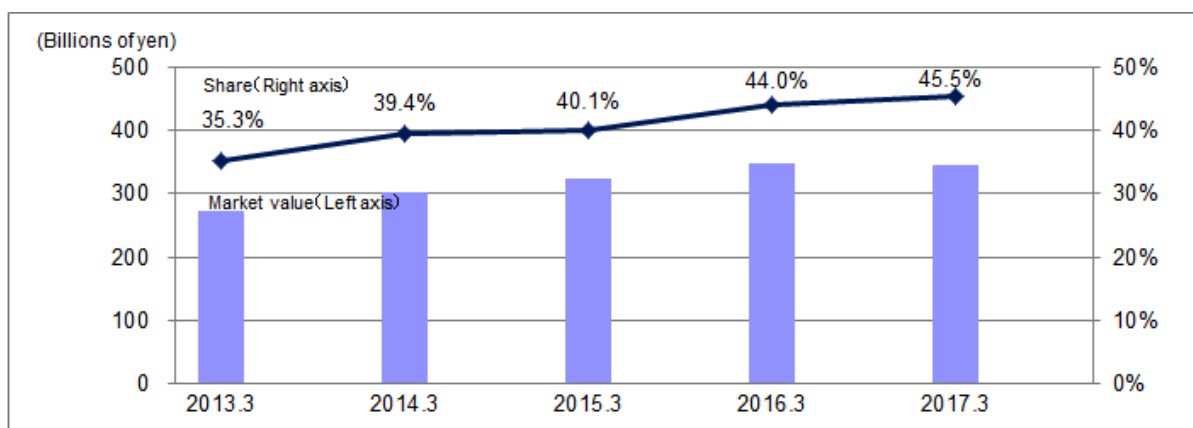
Notes: - On an NHI drug price basis.

- Lower figures indicate market value.

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Source: Santen analysis based on IMS JPM

Period: 2012.4-2017.3; Unauthorized copy prohibited



■Market shares by therapeutic area - prescription ophthalmics

(Billions of yen)

Year ended March 31	2013	2014	2015	2016	2017
Glaucoma treatments	30.4% 94.8	30.5% 104.7	32.1% 105.7	32.6% 112.6	32.2% 114.3
Corneal disease treatments	74.6% 39.7	70.5% 44.2	65.6% 44.2	63.4% 46.4	62.7% 45.5
Anti-infective	61.6% 18.9	58.5% 18.3	54.0% 16.8	49.8% 16.4	44.1% 14.6
Anti-allergy	16.0% 30.9	21.2% 27.9	32.0% 33.9	36.3% 35.8	42.9% 37.7
Anti-VEGF#3	10.9% 28.3	48.7% 43.2	48.8% 61.6	65.7% 74.5	72.4% 74.5

Notes: - On an NHI drug price basis.

- Lower figures indicate market size.

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Source: Santen analysis based on IMS JPM

#3Anti-Vascular Endothelial Growth Factor

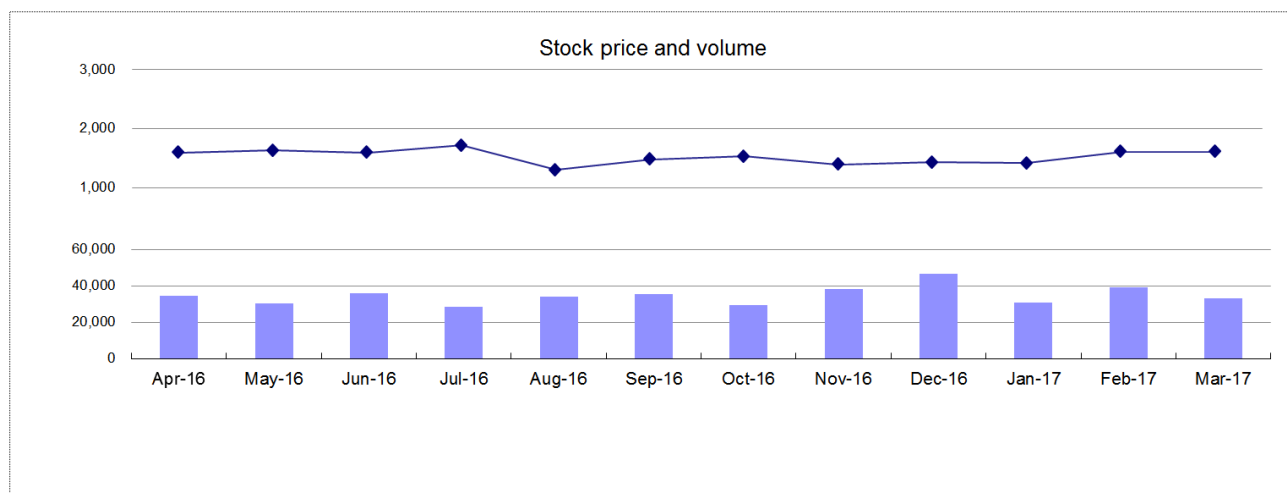
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Stock information

■Stock price (Tokyo Securities Exchange 1st market)

(Yen and thousand shares)

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Stock price:												
End of month	1,596	1,632	1,600	1,717	1,302	1,483	1,534	1,396	1,430	1,416	1,610	1,612
Volume	34,450	30,342	35,695	28,213	34,047	35,370	29,368	38,260	46,752	30,974	39,347	33,034



■Major shareholders (top 10)

As of March 31, 2017

Name	Number of shares held	Percent of investment
	Thousand shares	%
Japan Trustee Service Bank, Ltd.(Trust Account)	30,908	7.6
State Street Bank and Trust Company 505223	30,279	7.5
The Master Trust Bank of Japan, Ltd.(Trust Account)	20,840	5.1
Nippon Life Insurance Company	10,662	2.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,605	2.6
ONO PHARMACEUTICAL Co.,Ltd.	9,307	2.3
Development Bank of Japan Inc.	8,275	2.0
National Mutual Insurance Federation of Agricultural Cooperatives	7,121	1.8
Japan Trustee Service Bank, Ltd.(Trust Account 5)	6,948	1.7
DAIICHI SANKYO COMPANY, LIMITED	6,885	1.7

■Major stock information

Year ended March 31	2013	2014	2015	2016	2017
Issued shares (thousands)	82,469	82,582	82,653	414,192	406,173
Treasury stock (thousands)	0	2	3	22	6
Market Capitalization (million)	366,983	378,219	723,181	701,188	654,740
A purchased amount of money (millions of yen)	13,735	—	—	—	12,310
The number of the purchased stocks (thousand shares)	4,937	—	—	—	8,284

Notes: The Company has conducted a 5-for-1 stock split with an effective date of April 1, 2015.

Stock information

■ Breakdown of shareholding by number of shares

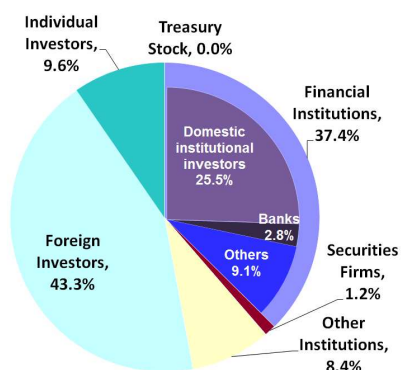
Year ended March 31	2013		2014		2015		2016#		2017	
	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)
Financial institutions	29,147	35.4	28,971	35.1	30,049	36.4	146,963	35.5	152,090	37.4
City & regional banks	2,277	2.8	2,270	2.8	2,262	2.7	11,576	2.8	11,496	2.8
Trust banks	17,298	21.0	17,581	21.3	18,726	22.7	98,601	23.8	103,541	25.5
(concerned in trust works)	14,908	—	15,192	—	16,333	—	86,474	—	90,732	—
Life and non-life insurance	4,715	5.7	4,290	5.2	4,196	5.1	21,016	5.1	21,455	5.3
Other financial institutions	4,856	5.9	4,829	5.8	4,862	5.9	15,770	3.8	15,599	3.8
Securities firms	766	0.9	721	0.9	922	1.1	4,868	1.2	4,915	1.2
Other institutions	7,379	9.0	7,913	9.6	7,880	9.5	36,938	8.9	34,231	8.4
Foreign investors	36,783	44.6	37,597	45.5	36,373	44.0	186,294	45.0	175,774	43.3
Individual investors	8,390	10.1	7,376	8.9	7,423	9.0	39,106	9.4	39,156	9.6
Treasury Stock	0	0.0	2	0.0	3	0.0	22	0.0	7	0.0
Total	82,469	100.0	82,582	100.0	82,653	100.0	414,192	100.0	406,173	100.0

Notes: The Company has conducted a 5-for-1 stock split with an effective date of April 1, 2015.

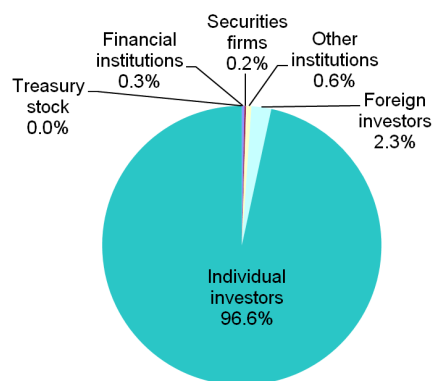
■ Breakdown of shareholding by number of shareholders

Year ended March 31	2013		2014		2015		2016		2017	
	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)
Financial institutions	57	0.7	56	0.8	62	0.6	77	0.3	66	0.3
City & regional banks	6	0.1	5	0.1	4	0.1	8	0.0	7	0.0
Trust banks	26	0.3	25	0.3	27	0.2	30	0.1	26	0.1
Life and non-life insurance	20	0.2	21	0.3	23	0.2	27	0.1	24	0.1
Other financial institutions	5	0.1	5	0.1	8	0.1	12	0.1	9	0.1
Securities firms	38	0.5	35	0.4	33	0.3	52	0.2	40	0.2
Other institutions	110	1.4	114	1.5	122	1.1	154	0.7	152	0.6
Foreign investors	365	4.6	407	5.2	486	4.2	549	2.3	539	2.3
Individual investors	7,427	92.8	7,167	92.1	10,664	93.8	22,700	96.5	22,852	96.6
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
Total	7,998	100.0	7,780	100.0	11,368	100.0	23,533	100.0	23,650	100.0

Breakdown of shareholding by number of shares (as of Mar. 2017)



Breakdown of shareholding by number of shareholders (as of Mar. 2017)



Consolidated subsidiaries

【Japan】

As of March 31, 2017

Company name	Main business	Location	Paid-in capital	Equity owned
Claire Co., Ltd.	Cleaning of antidust and sterilized clothing	Japan	90 million yen	100%
Santen Business Services Co., Ltd.	Support of indirect operations	Japan	10 million yen	100%
Santen Eye Care Co., Ltd.	Production and marketing of pharmaceuticals	Japan	10 million yen	100%

【North America】

Company name	Main business	Location	Paid-in capital	Equity owned
Santen Holdings U.S. Inc.	Holding company for North American businesses and business development	U.S.A.	24,784 thousand US\$	100%
Santen Inc.	Clinical development and business development of pharmaceuticals	U.S.A.	8,765 thousand US\$	100% #1
Advanced Vision Science, Inc.	Development, production and marketing of medical devices	U.S.A.	10 thousand US\$	100% #1
InnFocus, Inc.	Development, production of devices for glaucoma	U.S.A.	2 thousand US\$	100%

【EMEA】

Company name	Main business	Location	Paid-in capital	Equity owned
Santen Holdings EU B.V.	Holdings company for EMEA business operation	Netherlands	50 thousand euros	100%
Santen Oy	Clinical development, production and marketing of pharmaceuticals	Finland	20,000 thousand euros	100% #2
Santen S.A.S.	Clinical development and marketing of pharmaceuticals	France	1,976 thousand euros	100% #2
Santen GmbH	Marketing of pharmaceuticals and business development	Germany	25 thousand euros	100% #2
SantenPharma AB	Marketing support of pharmaceuticals	Sweden	500 thousand SEK	100% #2
Santen Switzerland SA	Headquarter of EMEA business, production and marketing of pharmaceuticals	Switzerland	2,000 thousand Swiss franc	100% #2
Santen Italy S.r.l.	Marketing of pharmaceuticals	Italy	10 thousand euros	100% #2
Santen UK Limited	Marketing of pharmaceuticals	UK	2,300 thousand pounds	100% #2
Santen Pharmaceutical Spain, S.L.	Marketing of pharmaceuticals	Spain	3 thousand euros	100% #2
SANTEN LIMITED LIABILITY COMPANY	-	Russia	10 thousand RUB	100% #2

【Asia】

Company name	Main business	Location	Paid-in capital	Equity owned
Santen Pharmaceutical (China) Co., Ltd.	Clinical development, production and marketing of pharmaceuticals	China	3,800 million yen	100%
Santen Pharmaceutical Sales and Marketing (Suzhou) Co., Ltd.	Marketing of pharmaceuticals	China	35,000 thousand CNY	100% #3
Chongqing Santen Kerui Pharmaceutical Co., Ltd	Production and marketing of pharmaceuticals	China	200,000 thousand CNY	49% #4
Santen Pharmaceutical Korea Co., Ltd.	Clinical development, import and marketing of pharmaceuticals	Korea	29,000,000 thousand won	100%
Taiwan Santen Pharmaceutical Co., Ltd.	Import and marketing of pharmaceuticals	Taiwan	42,000 thousand Taiwan dollars	100%
Santen India Private Limited	Market research of pharmaceuticals	India	48,500 thousand India rupees	99.9%, 0.1% #1
Santen Pharmaceutical Asia Pte. Ltd.	Headquarter of ASEAN business, production and marketing of pharmaceuticals	Singapore	20,500 thousand Singapore dollars	100%
SANTEN (THAILAND) CO., LTD.	Import and marketing of pharmaceuticals	Thailand	100,000 thousand Thai baht	100% #5
SANTEN PHARMA MALAYSIA SDN. BHD.	Import and marketing of pharmaceuticals	Malaysia	4,000 thousand Malaysian ringgit	100% #5
SANTEN PHILIPPINES INC.	Import and marketing of pharmaceuticals	Philippines	43,308 thousand Philippine peso	100% #5
SANTEN PHARMACEUTICAL (HONG KONG) LIMITED	Import and marketing of pharmaceuticals	Hong Kong	600 thousand HKD	100% #5

#1 Indirect investment through Santen Holdings U.S. Inc.

#2 Indirect investment through Santen Holdings EU B.V.

#3 Indirect investment through Santen Pharmaceutical (China) Co., Ltd.

#4 Indirect investment through Santen Pharmaceutical (China) Co., Ltd., Chongqing Kerui Pharmaceutical (Group) Co., Ltd. hold 51% of share.

#5 Indirect investment through Santen Pharmaceutical Asia Pte. Ltd.

News releases

News releases during April 2016-March 2017

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

2016

- 18-Apr Santen Donates to Kumamoto Earthquake Relief Efforts**
- 11-May Santen Provides Update on EU Marketing Authorization Application for DE-109 (Sirolimus)**
Santen announced that it plans to withdraw and later resubmit its Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) for the use of DE-109 as a treatment of patients with chronic noninfectious uveitis of the posterior segment (NIU-PS) in the European Union.
- 19-Jul Santen to Acquire InnFocus, Developer of "MicroShunt" Glaucoma Implant Device**
Santen Pharmaceutical Co., Ltd. and InnFocus, Inc. (hereinafter, "InnFocus") announced that the two companies have entered into a definitive agreement under which Santen will acquire privately held InnFocus, developer of the InnFocus MicroShunt® (hereinafter, "MicroShunt") glaucoma implant device. InnFocus is developing the MicroShunt implant to lower and sustain intraocular pressure (IOP) for the treatment of primary open-angle glaucoma (mild to severe stage disease). The MicroShunt has shown significant and sustainable lowering of IOP when used alone or in combination with cataract surgery in clinical trials outside of the U.S. Late stage clinical studies are underway in the U.S. and Europe in advance of PMA (Pre-Market Approval) application to the U.S. Food and Drug Administration (FDA) planned in the near future. The MicroShunt has received CE Mark in Europe.
- 2-Aug Santen to Grant Subscription Rights to New Shares as Stock Options for Stock-Linked Remuneration**
- 3-Aug Santen and University College London to collaborate on ophthalmic research and education**
Santen and University College London announced that we have signed a Memorandum of Understanding (hereinafter, "MoU") to collaborate on ophthalmic research and education. As part of collaboration, Santen will conduct research programs with scientists in the UCL Institute of Ophthalmology, and provide PhD candidates with important funding support. The collaboration provides a framework for both parties to work together on ophthalmic research, and translate the research into therapies that can meet unmet medical needs. The framework will also pave the way for both parties to collaborate on capability and talent development in various fields of ophthalmology.
- 22-Aug Santen Completes Acquisition of InnFocus, Developer of "MicroShunt" Glaucoma Implant Device**
Santen announced that it has completed the acquisition of InnFocus, Inc., developer of the InnFocus MicroShunt®, on August 19, 2016, Eastern Time, U.S. As originally announced on July 19, 2016, the acquisition price included an upfront payment of USD 225 million and future performance-based consideration upon achievement of certain development, regulatory and commercial milestones.
- 30-Aug Santen Announces the Completion of Establishment Procedures for Chongqing Santen Kerui Pharmaceutical Co., Ltd.**
Santen announced that Santen and Chongqing Kerui Pharmaceutical (Group) Co., Ltd. (Chongqing, China) have established a prescription ophthalmic joint venture as part of a collaboration between the companies originally announced in March 22, 2016. Santen is working to realize its long-term strategic vision through 2020, which is to become a "specialized pharmaceutical company with a global presence." Santen China and Kerui are involved in a strategic collaboration aiming to provide the highest-quality ophthalmic products at a reasonable price to the most patients possible in China. The new joint venture has been established in the city of Chongqing, one of China's four direct-controlled municipalities. The joint venture is established as a consolidated subsidiary of Santen.
- 1-Sep Notice on Details of Subscription Rights to New Shares (Stock Options for Stock-Linked Remuneration)**
- 12-Sep Santen Announces Repurchase of Own Shares**
Santen announced that its Board of Directors has adopted a plan to repurchase its own shares up to 8,284,000 shares (2.0% of the total number of shares outstanding (excluding treasury shares)) or 13 billion yen in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3.
- 3-Oct Santen Announces Status of Repurchase of Own Shares**

2016**6-Oct Santen, RIKEN and FBRI Announce Research Collaboration to Develop New Retinal Disease Treatments**

Santen, RIKEN, and the Foundation for Biomedical Research and Innovation ("FBRI") announce the initiation of a research collaboration to identify new drug candidates for photoreceptor degenerative disease including retinitis pigmentosa¹ and age-related macular degeneration² using iPS cell-derived retinal cells.

1-Nov Santen Announces Status of Repurchase of Own Shares**2-Nov Santen Reports the 2nd Quarter Fiscal 2016 Consolidated Performance****24-Nov Santen Announces Completion of Share Repurchase Program**

Santen announced completion of a program of repurchasing its own shares as stated below. The repurchase was implemented in accordance with Article 156 of the Companies Act (Japan), as applied pursuant to Article 165, paragraph 3.

28-Nov Santen Announces Phase III SAKURA Program Topline Results in Patients with Non-Infectious Uveitis of the Posterior Segment

Santen announced the topline results of its SAKURA (Sirolimus study Assessing double-masked Uveitis tReAtment) largest global clinical development program designed to confirm the efficacy, safety, and optimal dose between three active doses of sirolimus intravitreal injection as monotherapy for patients with non-infectious uveitis of the posterior segment. The SAKURA Program met its objective, demonstrating that 440 µg sirolimus injection (development code: DE-109) can effectively and safely reduce intraocular inflammation (as measured by vitreous haze). Based on the totality of the data from the SAKURA Program, Santen plans to file a New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA).

14-Dec Notice of Cancellation of Treasury Shares

Santen hereby announces that it has resolved at the Board of Directors meeting held on December 14, 2016 to cancel 8,300,000 treasury shares (the ratio against total number of the outstanding shares before the Cancellation: 2.00%) , in accordance with Article 178 of the Companies Act (Japan).

The treasury shares to be canceled by the Company were acquired by repurchases of own shares in accordance with the resolution passed at the Board of Directors meeting held on September 12, 2016 and further described in the Company's announcement on the same day. This cancellation of treasury shares includes those acquired by the share repurchase.

16-Dec Notice of Change in Significant Shareholder**2017****21-Feb Santen to Cosponsor "Light Up in Green" Campaign during World Glaucoma Week from March 12 to 18, 2017****16-Mar Santen and Japan Blind Football Association (JBFA) Enter Partnership**



SANTEN PHARMACEUTICAL CO., LTD.