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SANTEN PHARMACEUTICAL CO., LTD. (February 7, 2012)

Code: 4536

URL <http://www.santen.com>

Third Quarter Financial Results for the Fiscal Year Ending March 31, 2012

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(Figures are rounded down to the nearest million yen)

### 1. Consolidated Performance for the Third Quarter ended December 31, 2011

(1) Operating results	Third quarter ended December 31, 2011	Third quarter ended December 31, 2010	% change 2012/2011
Net sales (millions of yen)	86,438	82,105	5.3%
Operating income (millions of yen)	22,220	22,107	0.5%
Ordinary income (millions of yen)	23,032	22,820	0.9%
Net income (millions of yen)	14,766	14,677	0.6%
Net income per share (yen)	169.49	172.43	
Diluted net income per share (yen)	169.33	172.24	

Note: Comprehensive income:

Third quarter ended December 31, 2011: ¥ 13,934 million( 6.5%)

Third quarter ended December 31, 2010: ¥ 13,084 million( - %)

### (2) Financial condition

	December 31, 2011	March 31, 2011
Total assets (millions of yen)	187,577	184,801
Net assets (millions of yen)	161,784	156,404
Equity ratio	86.1%	84.5%
Net assets per share (yen)	1,852.87	1,793.15

Reference: Equity (Consolidated):

Third quarter ended December 31, 2011 : ¥ 161,434 million

Fiscal year ended March 31, 2011 : ¥ 156,098 million

### 2. Dividends

	Year to March 2012	(Forecasts) Year to March 2012	Year to March 2011
First quarter dividends per share (yen)	—	—	—
Second quarter dividends per share (yen)	50.00	—	40.00
Third quarter dividends per share (yen)	—	—	—
End-of-period dividends per share (yen)	—	50.00	50.00
Annual dividends per share (yen)	—	100.00	90.00

### 3. Consolidated Forecasts of results for the year ending March 31, 2012

	Full year	(Full year) % change 2012/2011
Net sales (millions of yen)	116,000	4.7%
Operating income (millions of yen)	30,000	(2.4%)
Ordinary income (millions of yen)	30,500	(3.1%)
Net income (millions of yen)	20,500	(3.9%)
Net income per share (yen)	239.95	

### 4. Others

#### (1) No significant changes on consolidated subsidiaries

Note: Two companies, Novagali Pharma S.A. and Santen India Private Limited, have newly become our consolidated subsidiaries.

#### (2) No alternative methods have been adopted in accounting policy

#### (3) No changes in accounting policy

#### (4) Number of shares outstanding (common stock)

[ i ] Number of shares outstanding at the end of period (including treasury stock)

December 31, 2011 : 87,127,603

March 31, 2011 : 87,053,103

[ ii ] Number of treasury stock at the end of period

December 31, 2011 : 1,069

March 31, 2011 : 464

[ iii ] Average number of outstanding shares (during the Third quarter ended December 31)

Third quarter ended December 31, 2011 : 87,122,363

Third quarter ended December 31, 2010 : 85,121,256

#### (Caution)

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.

## Quarterly consolidated balance sheets

(Millions of yen)

	March 31, 2011	December 31, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	65,558	57,614
Notes and accounts receivable-trade	38,980	40,147
Short-term investment securities	13,332	12,940
Merchandise and finished goods	11,784	11,231
Work in process	449	554
Raw materials and supplies	2,469	2,443
Deferred tax assets	1,986	1,193
Other	3,106	3,006
Allowance for doubtful receivables	(1)	(1)
<b>Total current assets</b>	<b>137,668</b>	<b>129,130</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	40,719	40,494
Accumulated depreciation and impairment loss	(27,268)	(27,877)
<b>Buildings and structures, net</b>	<b>13,450</b>	<b>12,616</b>
Machinery, equipment and vehicles	11,153	11,084
Accumulated depreciation and impairment loss	(9,520)	(9,575)
<b>Machinery, equipment and vehicles, net</b>	<b>1,632</b>	<b>1,509</b>
Land	8,216	8,202
Lease assets	233	219
Accumulated depreciation and impairment loss	(47)	(55)
<b>Lease assets, net</b>	<b>186</b>	<b>164</b>
Construction in progress	186	1,466
Other	10,937	11,066
Accumulated depreciation and impairment loss	(9,653)	(9,729)
<b>Other, net</b>	<b>1,283</b>	<b>1,337</b>
<b>Total property, plant and equipment</b>	<b>24,956</b>	<b>25,297</b>
<b>Intangible assets</b>		
Goodwill	—	6,199
Software	952	840
Other	39	6,333
<b>Total intangible assets</b>	<b>991</b>	<b>13,373</b>
<b>Investments and other assets</b>		
Investment securities	12,141	11,840
Deferred tax assets	7,538	6,660
Other	1,505	1,275
<b>Total investments and other assets</b>	<b>21,185</b>	<b>19,776</b>
<b>Total non-current assets</b>	<b>47,133</b>	<b>58,447</b>
<b>Total assets</b>	<b>184,801</b>	<b>187,577</b>

	<b>(Millions of yen)</b>	
	March 31, 2011	December 31, 2011
<b><u>Liabilities</u></b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	6,031	4,945
Other payables	8,444	8,420
Income taxes payable	4,631	2,182
Provision for bonuses	2,712	1,541
Other	2,285	2,436
<b>Total current liabilities</b>	<b>24,104</b>	<b>19,526</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	20	2,077
Retirement and severance benefits for employee	3,266	3,290
Retirement and severance benefits for directors and auditors	453	206
Asset retirement obligations	160	162
Other	391	529
<b>Total non-current liabilities</b>	<b>4,292</b>	<b>6,266</b>
<b>Total liabilities</b>	<b>28,397</b>	<b>25,792</b>
<b><u>Net assets</u></b>		
<b>Shareholders' equity</b>		
Common stock	6,614	6,670
Capital surplus	7,968	8,025
Retained earnings	147,578	153,636
Treasury stock, at cost	(1)	(3)
<b>Total shareholders' equity</b>	<b>162,159</b>	<b>168,328</b>
<b>Accumulated other comprehensive income</b>		
Unrealized losses on securities, net of taxes	(443)	(316)
Foreign currency translation adjustments	(5,618)	(6,577)
<b>Total accumulated other comprehensive income</b>	<b>(6,061)</b>	<b>(6,894)</b>
Stock subscription rights	305	350
<b>Total net assets</b>	<b>156,404</b>	<b>161,784</b>
<b>Total liabilities and net assets</b>	<b>184,801</b>	<b>187,577</b>

**Quarterly consolidated statements of income and comprehensive income**

	(Millions of yen)	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	82,105	86,438
Cost of sales	26,190	26,950
Gross profit	55,915	59,487
Selling, general and administrative expenses	33,807	37,267
Operating income	22,107	22,220
Non-operating income		
Interest income	33	37
Dividend income	443	440
Exchange gains	—	39
Other	364	352
Total non-operating income	841	869
Non-operating expenses		
Interest expenses	30	17
Exchange losses	71	—
Other	26	40
Total non-operating expenses	127	57
Ordinary income	22,820	23,032
Extraordinary income		
Gain on sales of fixed assets	5	4
Gain on sales of investment securities	—	57
Gain on sales of membership rights	7	—
Total extraordinary income	12	61
Extraordinary loss		
Loss on disposal of non-current assets	7	12
Loss on sales of investment securities	—	15
Loss on valuation of investment securities	150	—
Loss on sales of membership rights	1	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	108	—
Total extraordinary losses	268	27
Income before income taxes	22,564	23,066
Income taxes - current	6,380	6,868
Income taxes - deferred	1,506	1,430
Total income taxes	7,886	8,299
Income before minority interests	14,677	14,766
Net income	14,677	14,766
Income before minority interests	14,677	14,766
Other comprehensive income		
Unrealized gains (losses) on securities, net of taxes	(536)	127
Foreign currency translation adjustments	(1056)	(959)
Other comprehensive income	(1,593)	(832)
Total comprehensive income	13,084	13,934
Total comprehensive income attributable to :		
Owners of the parent	13,084	13,934
Minority interests	—	—

## Quarterly consolidated statements of cash flows

	(Millions of yen)	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
<b><u>Cash flows from operating activities:</u></b>		
Income before income taxes	22,564	23,066
Depreciation and amortization	2,231	2,075
Increase in retirement and severance benefits	240	28
Interest and dividends income	(476)	(477)
Interest expenses	30	17
Increase in notes and accounts receivable-trade	(3,091)	(1,279)
Increase in inventories	95	345
Decrease in notes and accounts payable-trade	(571)	(1,278)
Other, net	(172)	(1,461)
<b>Subtotal</b>	<b>20,850</b>	<b>21,035</b>
Interest and dividends income received	462	476
Interest expenses paid	(32)	(12)
Income taxes paid	(11,828)	(9,262)
<b>Net cash provided by operating activities</b>	<b>9,451</b>	<b>12,237</b>
<b><u>Cash flows from investing activities:</u></b>		
Increase in fixed deposits	(4,061)	(150)
Proceeds from withdrawal of fixed deposits	2,329	2,183
Purchase of short-term investment securities	(1,501)	(1,416)
Proceeds from sales of short-term investment securities	—	3,038
Capital expenditures	(1,386)	(2,690)
Proceeds from sales of fixed assets	185	5
Purchase of investment securities	(3,684)	(1,007)
Proceeds from sales of investment securities	3	376
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(10,278)
Other, net	—	(6)
<b>Net cash used in investing activities</b>	<b>(8,116)</b>	<b>(9,945)</b>
<b><u>Cash flows from financing activities:</u></b>		
Increase in short-term debt	263	—
Repayment of short-term loans payable	(789)	—
Dividends paid	(6,702)	(8,591)
Other, net	69	103
<b>Net cash used in financing activities</b>	<b>(7,158)</b>	<b>(8,487)</b>
Effect of exchange rate changes on cash and cash equivalents	(462)	(501)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,285)</b>	<b>(6,697)</b>
Cash and cash equivalents at beginning of period	64,348	72,482
<b>Cash and cash equivalents at end of period</b>	<b>58,063</b>	<b>65,784</b>

## Segment information

### Segment information

#### 1. Nine months ended December 31, 2010

##### Sales and profits(loss) by segment

(Millions of yen)

	<Reporting segment> Pharmaceuticals	Other (Note)	Total	Adjustments	Consolidated total
<b>Net sales:</b>					
External costumers	80,633	1,472	82,105	—	82,105
Intersegment	—	93	93	(93)	—
Total	80,633	1,565	82,199	(93)	82,105
<b>Segment income (loss)</b>	22,366	(259)	22,107	—	22,107

Notes: Other segment mainly includes medical equipments.

#### 2. Nine months ended December 31, 2011

##### (1) Sales and profits(loss) by segment

(Millions of yen)

	<Reporting segment> Pharmaceuticals	Other (Note 1)	Total	Adjustments	Consolidated total
<b>Net sales:</b>					
External costumers	84,403	2,034	86,438	—	86,438
Intersegment	—	86	86	(86)	—
Total	84,403	2,120	86,524	(86)	86,438
<b>Segment income</b>	22,011	208	22,220	—	22,220

Notes: 1. Other segment mainly includes medical equipments.

2. Assets in the Pharmaceuticals segment increased to a large extent compared to the end of the previous consolidated fiscal year primarily due to the acquisition of all outstanding shares of Novagali Pharma S.A.

##### (2) Depreciation of non-current assets and goodwill by business segment

(Significant change in goodwill)

In the Pharmaceuticals segment, a significant change in the amount of goodwill occurred as a result of the acquisition of all outstanding shares of Novagali Pharma S.A. The resulting increase in goodwill for the third quarter ended December 31, 2011 under review was ¥6,199 million.

\*As allocation of the acquisition cost has not been completed, this amount is a provisional estimate.

## ■ Sales of major pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Nine months ended December 31, 2010 Actual	Year ended March 31, 2011 Actual	Nine months ended December 31, 2011 Actual	Year ending March 31, 2012 Forecasts
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	10,239 5.9 %	12,904 5.4 %	10,062 (1.7) %	12,917 0.1 %
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	1,918 (0.6) %	2,419 (0.2) %	1,564 (18.4) %	2,157 (10.8) %
Tapros tafluprost/ophthalmic solution	Glaucoma	5,080 55.2 %	6,633 41.5 %	5,617 10.6 %	8,438 27.2 %
Cosopt Dorzolamide hydrochloride/ timolol maleate Ophthalmic Solution	Glaucoma	1,941 — %	2,935 — %	4,629 138.5 %	5,521 88.1 %
Timoptol timolol maleate/ophthalmic solution	Glaucoma	1,726 (24.1) %	2,152 (24.0) %	1,373 (20.5) %	1,254 (41.7) %
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	2,306 (15.9) %	2,891 (16.8) %	1,922 (16.6) %	2,367 (18.1) %
Detantol bunazosin hydrochloride	Glaucoma	1,625 (4.7) %	2,064 (4.8) %	1,546 (4.9) %	2,054 (0.5) %
Rescula isopropyl unoprostone	Glaucoma	2,200 (26.3) %	2,777 (24.3) %	1,980 (10.0) %	2,146 (22.7) %
Livostin levocabastine hydrochloride/ ophthalmic solution	Allergy	1,699 (11.0) %	3,800 17.7 %	1,852 9.0 %	3,065 (19.4) %
Hyalein sodium hyaluronate/ophthalmic solution	Corneal disease	16,451 (1.1) %	21,257 0.2 %	17,343 5.4 %	22,132 4.1 %
Diqvas diqvafofosol sodium/ophthalmic solution	Corneal disease	365 — %	745 — %	1,929 427.5 %	3,298 342.7 %
Flumetholon fluorometholone/ophthalmic solution	Inflammation	3,278 (2.9) %	4,753 7.2 %	3,037 (7.3) %	4,145 (12.8) %
Kary Uni pirenoxine/ophthalmic solution	Early-stage senile cataract	2,971 2.3 %	3,728 0.0 %	2,923 (1.6) %	3,757 0.8 %
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	2,510 (7.1) %	3,226 (6.0) %	2,369 (5.6) %	3,301 2.3 %
Rimatil bucillamine/tablet	Rheumatoid arthritis	3,087 (10.9) %	3,944 (9.4) %	2,915 (5.6) %	3,725 (5.6) %
Azulfidine EN salazosulfapyridine/enteric coated tablet	Rheumatoid arthritis	3,196 (4.2) %	4,106 (2.6) %	3,173 (0.7) %	4,097 (0.2) %
Metolate methotrexate/tablet	Rheumatoid arthritis	943 24.5 %	1,250 25.6 %	1,293 37.1 %	1,584 26.7 %
<b>OTC pharmaceuticals</b>		<b>3,613 (10.8) %</b>	<b>4,723 (10.1) %</b>	<b>3,596 (0.5) %</b>	<b>4,657 (1.4) %</b>

lower: year on year percentage change

Percentages in parentheses indicate a decrease.

\*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  $F_{2\alpha}$  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 the 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 (Merck)	Japan						Dec-10
				Asia						Dec-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. Marketing approval was obtained 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 in the U.S. is ongoing.

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

A steroid microsphere product with a new drug delivery concept. Stable and sustained efficacy is expected by injection around the affected area. Collaborating with Oakwood Laboratories (U.S.) for manufacturing technology development on commercial scale. Started a new additional study for branch retinal vein occlusion (BRVO).

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
				Korea					Oct-11	

A high-concentration fluoroquinolone antibacterial agent. Launched in Japan in June 2011. In October 2011, NDA filed in Korea.

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

Intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. In Japan, a Phase 3 study was started in December 2011, following the U.S. study.

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) for the treatment of corneal and conjunctival epithelial disorders associated with dry eye, 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/ timolol maleate	DE-111	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan						
			Co-development	Europe						
A combination drug of a prostaglandin F <sub>2α</sub> 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 <sub>2A</sub> 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
Tafluprost	DE-118	Glaucoma/ Ocular hypertension	Co-development with Asahi Glass	Japan			Feb-2012			
Prostaglandin F <sub>2α</sub> derivative for the treatment of glaucoma and ocular hypertension. Preservative-free, unit-dose, single-use type product. NDA filed in February, 2012.										

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 (U.S.).										

### ■ Novagali's pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Cyclokat	Severe dry eye	Original	Europe						
				U.S.						
Topical ophthalmic emulsion which improves symptoms and signs of severe dry eye by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption.										
Ciclosporin	Vekacia	Vernal Keratoconjunctivitis	Original	Europe						
				Topical ophthalmic emulsion which improves vernal keratoconjunctivitis symptoms by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption.						
Latanoprost	Catioprost	Glaucoma/ Ocular hypertension	Original	Europe						
				U.S.						
Topical ophthalmic emulsion of a prostaglandin F <sub>2α</sub> derivative, for the treatment of glaucoma and ocular hypertension.										
Dexamethasone Palmitate	Cortiject	Diabetic macular edema	Original	U.S.	(Phase 1/2)					
				Intravitreal injection with anti-inflammatory effect.						

\*Vekacia, Catioprost, Cortiject are under project evaluation.

### ■ Changes from November 1, 2011

Dev. code	Changes
DE-085	Marketing approval obtained (Australia)
DE-089	Marketing approval obtained (Korea)
DE-102	Started Phase 2/3 study for macular edema secondary to BRVO (Japan)
DE-108	NDA filed (Korea)
DE-109	Started Phase 3 study (Japan)
DE-118	NDA filed (Japan)

■ Capital expenditures

(Millions of yen)

	Nine months ended December 31, 2010 <b>Actual</b>	Year ended March 31, 2011 <b>Actual</b>	Nine months ended December 31, 2011 <b>Actual</b>	Year ending March 31, 2012 <b>Forecasts</b>
Capital expenditures	<b>912</b>	<b>1,709</b>	<b>2,700</b>	<b>6,210</b>

■ Depreciation and amortization

(Millions of yen)

	Nine months ended December 31, 2010 <b>Actual</b>	Year ended March 31, 2011 <b>Actual</b>	Nine months ended December 31, 2011 <b>Actual</b>	Year ending March 31, 2012 <b>Forecasts</b>
Consolidated total	<b>2,084</b>	<b>2,808</b>	<b>2,022</b>	<b>2,950</b>
Manufacturing cost	<b>1,107</b>	<b>1,532</b>	<b>1,030</b>	<b>1,530</b>
Selling, general and administrative expenses	<b>409</b>	<b>512</b>	<b>330</b>	<b>630</b>
R&D expenses	<b>567</b>	<b>762</b>	<b>661</b>	<b>790</b>

■ Lease expenses

(Millions of yen)

	Nine months ended December 31, 2010 <b>Actual</b>	Year ended March 31, 2011 <b>Actual</b>	Nine months ended December 31, 2011 <b>Actual</b>	Year ending March 31, 2012 <b>Forecasts</b>
Consolidated total	<b>142</b>	<b>156</b>	<b>20</b>	<b>40</b>
Manufacturing cost	<b>93</b>	<b>94</b>	<b>2</b>	<b>2</b>

■ R&D expenses

(Millions of yen)

	Nine months ended December 31, 2010 <b>Actual</b>	Year ended March 31, 2011 <b>Actual</b>	Nine months ended December 31, 2011 <b>Actual</b>	Year ending March 31, 2012 <b>Forecasts</b>
R&D expenses	<b>9,754</b>	<b>13,221</b>	<b>12,243</b>	<b>16,000</b>
Net sales ratio	<b>11.9%</b>	<b>11.9%</b>	<b>14.2%</b>	<b>13.8%</b>

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