

# Data Book

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**Year Ended March 31, 2016**

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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				
	2012	2013	2014*	2014	2015	2016	% Change	2017 Forecast
Net sales/Revenue	114,416	119,066	148,663	146,260	161,831	195,291	20.7	204,000
Operating income/profit	26,733	24,681	27,414	29,878	35,374	80,180	126.7	38,700
Net income/Net profit for the year	17,160	16,520	17,109	19,718	24,032	53,373	122.1	26,900
Dividends per share (yen)*	100	100	100	100	110	25	(77.3)	26
Dividend payout ratio (%)	50.8	51.1	48.2	41.9	37.8	19.4	(48.7)	40.0
*The company implemented a 5-for-1 stock split on April 1, 2015. Dividends per share until the fiscal year ending March 31, 2015 are actual figures before the stock split.								
Core operating profit	—	—	—	30,403	39,088	43,067	10.2	46,000
Core net profit for the year	—	—	—	19,813	25,948	29,163	12.4	31,800

### ■ Consolidated balance sheets summary

(Millions of yen)

Year ended March 31	J-GAAP			IFRS			
	2012	2013	2014*	2014	2015	2016	% Change
Total assets	198,801	199,640	231,105	237,640	304,200	355,399	16.8
Equity	164,861	165,132	181,209	187,210	211,779	260,009	22.8
Interest-bearing debts	157	133	110	153	37,161	22,484	(39.5)

### ■ Consolidated financial indexes

Year ended March 31	J-GAAP				IFRS			
	2012	2013	2014*	2014 [12month]	2014	2015	2016	% Change
EPS (yen)	Santen Ph: 195.81	195.81	207.29	229.26	47.78	58.18	128.99	121.7
Core EPS (yen)	—	—	—	—	48.01	62.82	70.48	12.2
BPS (yen) #1	1,887.81	1,998.44	2,189.50	2,234.70	452.43	511.14	627.78	22.8
Debt equity ratio (times)	0.0	0.0	0.0	0.0	0.0	0.2	0.1	(53.7)
PER (times)	17.9	22.7	22.1	20.0	19.2	30.1	13.1	(56.5)
Core PER (times)	—	—	—	—	19.1	27.9	24.0	(13.9)
PBR (times)	1.9	2.2	2.1	2.1	2.0	3.4	2.7	(20.7)
ROE (%) #1	10.7	10.0	9.9	10.8	11.1	12.0	22.6	88.5
Core ROE (%) #1	—	—	—	—	11.2	13.0	12.4	(5.2)
ROA (%)	8.9	8.3	7.9	8.8	8.9	8.9	16.2	82.4
Equity ratio(%) #1	82.8	82.6	78.2	79.3	78.8	69.6	73.2	5.2
Free cash flows (millions of yen) #2	18,203	6,334	21,172	—	20,806	20,105	18,051	(10.2)
EBITDA (millions of yen) #3	30,601	28,255	29,812	—	22,565	31,081	133,093	328.2

#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 = (Cash flows from operating activities) - (Capital expenditures)

Not adjusting increase/decrease in trade receivables for fiscal years ending on holidays.

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

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

### ■ Exchange rates

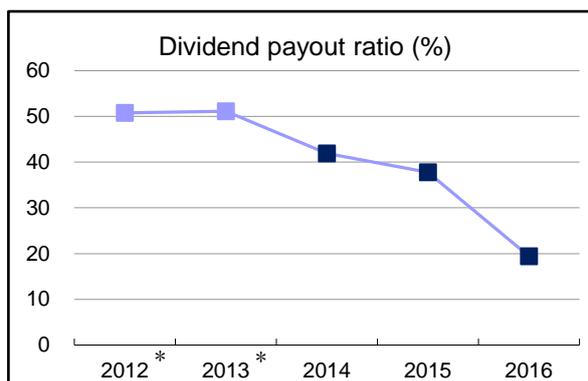
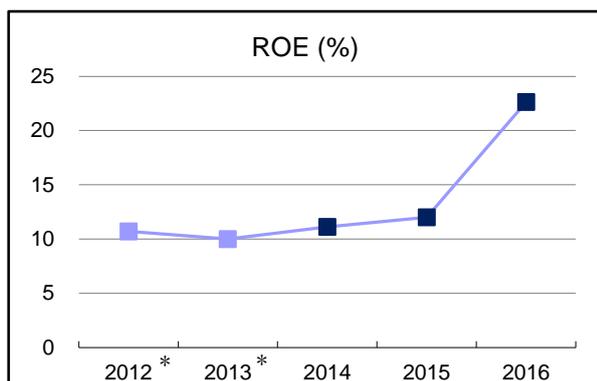
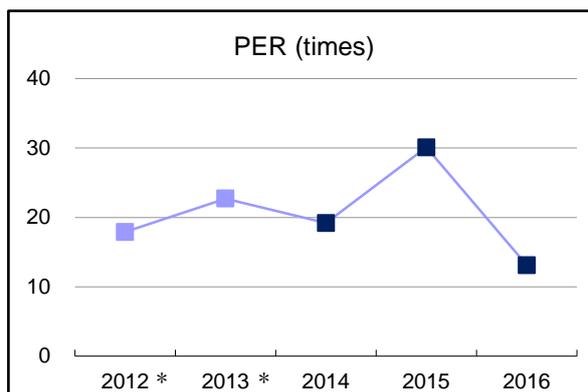
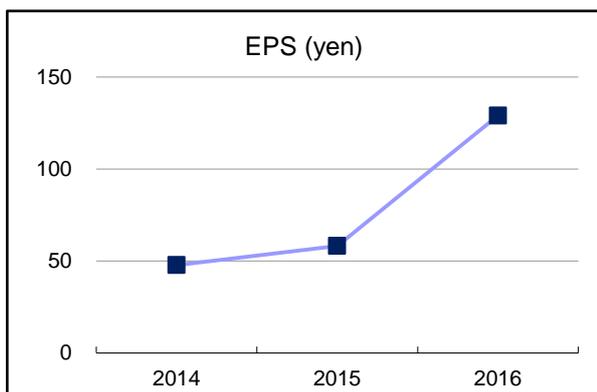
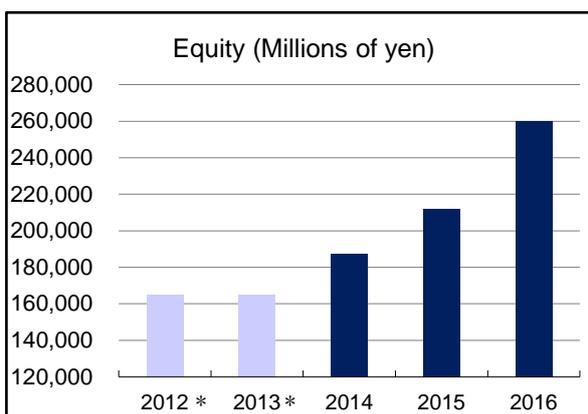
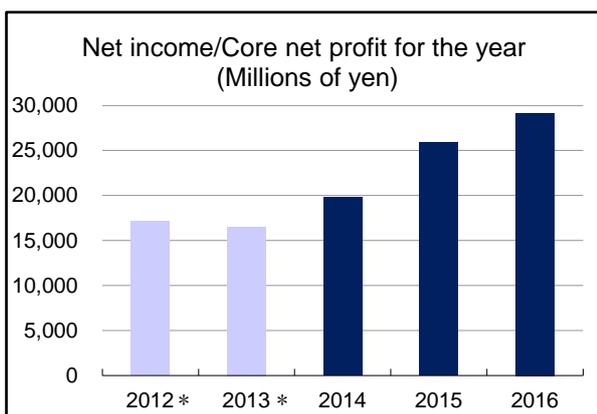
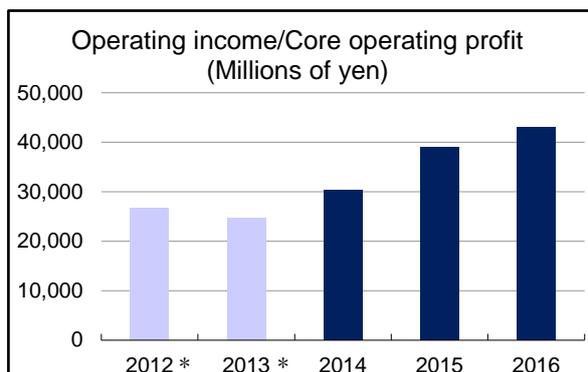
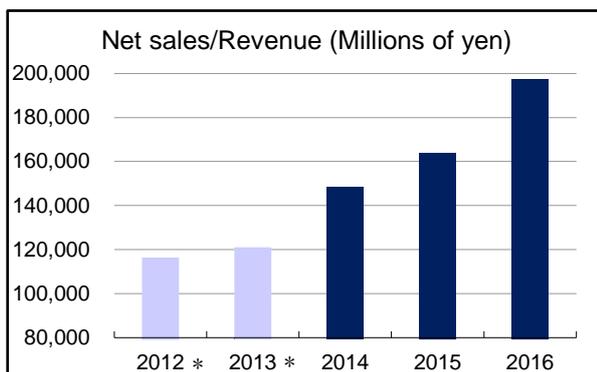
(Yen)

Year ended March 31	2012	2013	2014*	2014 [12month]	2015	2016	2017 Forecast
	Exchange rate: US dollar	79.03	82.91	100.04	100.04	110.14	120.45
: Euro	110.27	106.01	132.98	132.34	139.01	132.46	125.00
: RMB	12.34	12.64	15.93	15.72	17.84	19.05	17.50

\* After reflecting unification of accounting period.

# Financial highlights

## ■ Consolidated Financial summary (Graph)



\*J-GAAP

## Consolidated Information

### Statements of income and comprehensive income

#### ■ IFRS

(Millions of yen)

Year ended March 31	2014	2015	2016	% Change 2016/2015
<b>Revenue</b>	<b>146,260</b>	<b>161,831</b>	<b>195,291</b>	20.7
Cost of sales	(57,353)	(56,373)	(72,829)	29.2
(Percent of revenue)	39.2%	34.8%	37.3%	—
<b>Gross profit</b>	<b>88,907</b>	<b>105,458</b>	<b>122,463</b>	16.1
(Percent of revenue)	60.8%	65.2%	62.7%	—
Selling, general and administrative expenses	(41,642)	(48,893)	(59,406)	21.5
(Percent of revenue)	28.5%	30.2%	30.4%	—
Research and development expenses	(16,862)	(17,477)	(19,990)	14.4
(Percent of revenue)	11.5%	10.8%	10.2%	—
Amortization on intangible assets associated with products	(190)	(3,979)	(6,205)	56.0
(Percent of revenue)	0.1%	2.5%	3.2%	—
Other income	681	723	44,999	—
Other expenses	(1,016)	(458)	(1,681)	267.0
<b>Operating profit</b>	<b>29,878</b>	<b>35,374</b>	<b>80,180</b>	126.7
(Percent of revenue)	20.4%	21.9%	41.1%	—
Finance income	916	768	782	1.8
Finance expenses	(433)	(279)	(1,492)	434.1
<b>Profit before tax</b>	<b>30,361</b>	<b>35,863</b>	<b>79,470</b>	121.6
(Percent of revenue)	20.8%	22.2%	40.7%	—
Income tax expenses	(10,643)	(11,831)	(26,097)	120.6
<b>Net profit for the year</b>	<b>19,718</b>	<b>24,032</b>	<b>53,373</b>	122.1
(Percent of revenue)	13.5%	14.9%	27.3%	—
ROE (%)	11.1	12.0	22.6	—

#### ■ IFRS (Core Base)

(Millions of yen)

Year ended March 31	2014	2015	2016	% Change 2016/2015
<b>Revenue</b>	<b>146,260</b>	<b>161,831</b>	<b>195,291</b>	20.7
Cost of sales	(57,353)	(56,373)	(72,829)	29.2
(Percent of revenue)	39.2%	34.8%	37.3%	—
<b>Gross profit</b>	<b>88,907</b>	<b>105,458</b>	<b>122,463</b>	16.1
(Percent of revenue)	60.8%	65.2%	62.7%	—
Selling, general and administrative expenses	(41,642)	(48,893)	(59,406)	21.5
(Percent of revenue)	28.5%	30.2%	30.4%	—
Research and development expenses	(16,862)	(17,477)	(19,990)	14.4
(Percent of revenue)	11.5%	10.8%	10.2%	—
<b>Operating profit</b>	<b>30,403</b>	<b>39,088</b>	<b>43,067</b>	10.2
(Percent of revenue)	20.8%	24.2%	22.1%	—
<b>Profit before tax</b>	<b>30,403</b>	<b>39,088</b>	<b>43,067</b>	10.2
(Percent of revenue)	20.8%	24.2%	22.1%	—
Income tax expenses	(10,590)	(13,140)	(13,904)	5.8
<b>Net profit for the year</b>	<b>19,813</b>	<b>25,948</b>	<b>29,163</b>	12.4
(Percent of revenue)	13.6%	16.0%	14.9%	—
ROE (%)	11.2	13.0	12.4	—

## Consolidated Information

# Consolidated statements of income and comprehensive income

### ■ Consolidated financial summary (J-GAAP)

(Millions of yen)

Year ended March 31	2012	2013	2014*	2014 [12month]	2015	% Change 2016/2015
<b>Net sales</b>	<b>114,416</b>	<b>119,066</b>	<b>148,663</b>	<b>146,013</b>	<b>161,881</b>	<b>10.9</b>
Cost of sales	35,385	41,501	58,104	57,171	56,423	(1.3)
(Percent of net sales)	30.9%	34.9%	39.1%	39.2%	34.9%	
<b>Gross profit</b>	<b>79,031</b>	<b>77,564</b>	<b>90,558</b>	<b>88,842</b>	<b>105,458</b>	<b>18.7</b>
(Percent of net sales)	69.1%	65.1%	60.9%	60.8%	65.1%	
Selling, general and administrative expenses	52,298	52,883	63,144	60,006	71,942	19.9
(Percent of net sales)	45.7%	44.4%	42.5%	41.1%	44.4%	
R&D expenditures	17,225	16,719	19,040	18,235	18,062	(0.9)
(Percent of net sales)	15.1%	14.0%	12.8%	12.5%	11.2%	
<b>Operating income</b>	<b>26,733</b>	<b>24,681</b>	<b>27,414</b>	<b>28,835</b>	<b>33,516</b>	<b>16.2</b>
(Percent of net sales)	23.4%	20.7%	18.4%	19.7%	20.7%	
Non-operating income	1,119	1,007	975	952	1,333	40.0
Non-operating expenses	71	86	465	455	333	(26.8)
<b>Ordinary income</b>	<b>27,780</b>	<b>25,602</b>	<b>27,924</b>	<b>29,332</b>	<b>34,516</b>	<b>17.7</b>
(Percent of net sales)	24.3%	21.5%	18.8%	20.1%	21.3%	
Extraordinary gain	61	17	473	473	155	(67.2)
Extraordinary loss	51	28	1,504	1,014	344	(66.1)
<b>Income before income taxes</b>	<b>27,791</b>	<b>25,591</b>	<b>26,893</b>	<b>28,792</b>	<b>34,327</b>	<b>19.2</b>
(Percent of net sales)	24.3%	21.5%	18.1%	19.7%	21.2%	
Income taxes - current	9,912	7,908	11,762	11,255	12,600	12.0
Income taxes - deferred	717	1,162	(1,978)	(1,385)	(843)	(39.1)
Income before minority interests	17,160	16,520	17,109	18,922	22,570	19.3
<b>Net income</b>	<b>17,600</b>	<b>1,652</b>	<b>17,109</b>	<b>18,922</b>	<b>22,570</b>	<b>19.3</b>
(Percent of net sales)	15.0%	13.9%	11.5%	13.0%	13.9%	
Income before minority interests	17,160	16,520	17,109	18,922	22,570	19.3
Other comprehensive income	(194)	5,208	8,269	10,188	8,708	(14.5)
Comprehensive income	16,966	21,728	25,378	29,111	31,278	7.4

\* After reflecting unification of accounting period.

## Net sales/Revenue details

### ■ Net sales/Revenue by segment

(Millions of yen)

Year ended March 31	J-GAAP				IFRS			
	2012	2013	2014*	2014 [12month]	2015	2016	% Change	2017 Forecast
Pharmaceuticals Business	111,846	116,810	145,712	143,063	159,262	192,554	20.9%	200,800
Prescription pharmaceuticals	107,249	110,336	139,257	136,610	152,556	181,550	19.0%	186,900
Ophthalmics	93,620	98,981	127,395	124,790	136,059	172,545	26.8%	184,900
Anti-rheumatics	9,987	9,874	10,251	10,251	9,629	3,495	(63.7%)	—
Other pharmaceuticals	3,641	1,480	1,610	1,569	6,868	5,510	(19.8%)	2,000
OTC pharmaceuticals	4,597	6,474	6,455	6,453	6,706	11,004	64.1%	13,800
Other Businesses	2,570	2,255	2,950	2,950	2,569	2,737	6.5%	3,200
Medical devices	2,558	2,245	2,678	2,678	2,313	2,394	3.5%	2,600
Others	11	10	272	272	256	343	33.8%	600
Total net sales/revenue	114,416	119,066	148,663	146,013	161,831	195,291	20.7%	204,000

### [Domestic]

(Millions of yen)

Year ended March 31	J-GAAP				IFRS			
	2012	2013	2014*	2014 [12month]	2015	2016	% Change	2017 Forecast
Pharmaceuticals Business	93,449	98,521	119,215	119,184	122,310	139,196	13.8%	145,200
Prescription pharmaceuticals	88,862	92,062	112,798	112,767	115,672	128,278	10.9%	131,500
Ophthalmics	77,753	81,125	101,779	101,779	105,345	124,165	17.9%	130,800
Anti-rheumatics	9,883	9,810	10,162	10,162	9,568	3,495	(63.5%)	—
Other pharmaceuticals	1,225	1,126	856	825	759	617	(18.7%)	600
OTC pharmaceuticals	4,587	6,458	6,417	6,417	6,638	10,918	64.5%	13,800
Other Businesses	1,924	2,189	2,897	2,897	2,526	2,654	5.1%	3,000
Medical devices	1,912	2,178	2,625	2,625	2,269	2,323	2.4%	2,600
Others	11	10	272	272	256	330	28.8%	400
Total net sales/revenue	95,374	100,711	122,113	122,082	124,835	141,849	13.6%	148,200
(Percent of total net sales/revenue)	83.4%	84.6%	82.1%	83.6%	77.1%	72.6%	(5.8%)	72.7%

### [Overseas]

(Millions of yen)

Year ended March 31	J-GAAP				IFRS			
	2012	2013	2014*	2014 [12month]	2015	2016	% Change	2017 Forecast
Pharmaceuticals Business	18,396	18,288	26,497	23,878	36,952	53,358	44.4%	55,500
Prescription pharmaceuticals	18,386	18,273	26,459	23,843	36,884	53,271	44.4%	55,400
Ophthalmics	15,866	17,855	25,616	23,010	30,714	48,379	57.5%	54,000
Anti-rheumatics	103	63	88	88	61	—	(100.0%)	—
Other pharmaceuticals	2,416	354	754	743	6,109	4,892	(19.9%)	1,400
OTC pharmaceuticals	10	15	37	35	67	87	28.8%	100
Other Businesses	645	66	52	52	44	84	92.4%	300
Medical devices	645	66	52	52	44	71	62.7%	100
Others	—	—	—	—	—	13	—	200
Total net sales/revenue	19,042	18,354	26,550	23,931	36,995	53,442	44.5%	55,800
(Percent of total net sales/revenue)	16.6%	15.4%	17.9%	16.4%	22.9%	27.4%	19.5%	27.3%

### ■ Overseas net sales/revenue by region

(Millions of yen)

Year ended March 31	J-GAAP			IFRS				
	2012	2013	2014*	2014	2015	2016	% Change	2017 Forecast
U.S.	3,450	582	1,073	1,016	6,169	5,265	(14.7%)	1,700
Europe	8,880	9,202	12,294	11,466	14,156	25,562	80.6%	30,400
Asia	6,705	8,559	13,173	11,700	16,668	22,601	35.6%	23,500
Other	5	10	8	7	2	14	613.6%	200
Total overseas net sales/revenue	19,042	18,354	26,550	24,188	36,995	53,442	44.5%	55,800

### ■ Overseas profit contribution (IFRS)

(Millions of yen)

Year ended March 31	—			IFRS				
	—	—	—	2014	2015	2016	% Change	2017 Forecast
U.S.	—	—	—	(1,124)	(1,259)	(2,197)	74.5%	(2,200)
Europe	—	—	—	(74)	3,592	4,781	33.1%	6,000
Asia	—	—	—	1,311	3,780	5,088	34.6%	5,800
Other	—	—	—	0	0	0	—	0
Total overseas profit	—	—	—	113	6,113	7,672	25.5%	9,600

\* After reflecting unification of accounting period.

## Net sales/Revenue details

### ■ Net sales/Revenue of major prescription pharmaceuticals

(Millions of yen)

Therapeutic category	Generic name /formulation	Brand name	Region	J-GAAP			IFRS				
				2012	2013	2014*	2014	2015	2016	% Change 2016/2015	2017 Forecast
Bacterial conjunctivitis	Levofloxacin/ophthalmic solution	<b>Cravit</b>	Total	13,266	11,856	14,210	13,584	13,399	14,250	6.4	12,373
			Japan	10,816	8,499	8,175	8,175	6,498	5,918	(8.9)	4,439
			Asia	1,552	2,358	4,670	4,139	5,423	7,001	29.1	6,374
			Europe	894	1,010	1,364	1,270	1,478	1,331	(10.0)	1,561
	Ofloxacin/ophthalmic solution	<b>Tarivid</b>	Total	1,932	1,831	2,040	1,924	1,910	1,761	(7.8)	1,429
			Japan	1,287	1,086	955	955	762	673	(11.6)	422
Glaucoma	Tafluprost-timolol maleate/ combination ophthalmic solution	<b>Tapcom</b>	Total	—	—	—	—	381	1,534	302.6	2,328
			Japan	—	—	—	—	342	1,381	303.7	1,734
			Asia	—	—	—	—	—	—	—	8
			Europe	—	—	—	—	39	153	292.7	586
	Tafluprost/ ophthalmic solution	<b>Tapros</b>	Total	9,407	10,308	12,731	12,516	12,330	15,633	26.8	17,528
			Japan	7,180	7,605	8,957	8,957	8,329	9,168	10.1	10,285
			Asia	172	268	553	520	817	1,097	34.3	1,296
			Europe	2,055	2,435	3,221	3,040	3,185	5,368	68.5	5,947
	Dorzolamide hydrochloride-timolol maleate/combination ophthalmic solution	<b>Cosopt</b>	Total	6,272	9,007	11,846	11,846	12,478	20,583	65.0	22,308
			Japan	6,272	9,007	11,846	11,846	10,689	11,214	4.9	11,719
			Asia	—	—	—	—	892	2,493	179.5	2,453
			Europe	—	—	—	—	897	6,876	666.6	8,136
	Timolol maleate/ ophthalmic solution	<b>Timoptol</b>	Total	1,702	1,367	1,185	1,185	1,267	1,930	52.3	1,443
			Japan	1,702	1,367	1,185	1,185	1,216	1,182	(2.8)	902
			Asia	—	—	—	—	29	140	383.1	118
			Europe	—	—	—	—	22	608	2662.4	422
	Timolol maleate/ long-acting ophthalmic solution	<b>Timoptol XE</b>	Total	2,404	2,085	1,931	1,931	1,984	2,463	24.2	2,473
			Japan	2,404	2,085	1,931	1,931	1,918	1,886	(1.7)	1,558
			Asia	—	—	—	—	27	87	223.9	82
			Europe	—	—	—	—	39	489	1155.0	832
	Dorzolamide hydrochloride/ ophthalmic solution	<b>Trusopt</b>	Total	—	—	—	—	1,853	4,561	146.1	3,791
			Japan	—	—	—	—	1,545	2,125	37.6	1,533
			Asia	—	—	—	—	55	446	710.2	242
			Europe	—	—	—	—	252	1,990	689.7	2,016
Bunazosin hydrochloride/ ophthalmic solution	<b>Detantol</b>	Japan	1,968	1,735	1,549	1,549	1,228	1,117	(9.0)	1,060	
		Rescula	Japan	2,472	2,243	2,147	2,147	1,935	1,845	(4.7)	1,666
Allergy	Epinastine hydrochloride/ ophthalmic solution	<b>Alesion</b>	Japan	—	—	2,103	2,103	6,698	9,483	41.6	11,741
Corneal disease	Sodium hyaluronate/ ophthalmic solution	<b>Hyalein</b>	Total	22,217	21,160	21,823	21,416	19,611	19,864	1.3	16,324
			Japan	19,697	18,274	18,179	18,179	15,316	14,491	(5.4)	10,457
	Diquafosol sodium/ ophthalmic solution	<b>Diquas</b>	Total	2,846	5,563	7,938	7,938	7,895	9,631	22.0	13,401
			Japan	2,846	5,563	7,831	7,831	7,419	8,880	19.7	12,313
Inflammation	Fluorometholone/ ophthalmic solution	<b>Flumetholon</b>	Asia	—	—	106	107	476	751	57.8	1,088
			Total	4,073	4,448	3,973	3,899	3,811	3,775	(0.9)	3,408
Senile cataract	Pirenoxine/ ophthalmic solution	<b>Kary Uni</b>	Japan	3,471	3,736	3,075	3,075	2,844	2,655	(6.6)	2,219
			Asia	602	712	898	823	967	1,120	15.8	1,188
Adjuvant for ophthalmic operations	Sodium hyaluronate/adjuvant for ophthalmic operations	<b>Opegan Hi</b>	Total	3,690	3,766	4,060	3,978	3,909	4,187	7.1	4,185
			Japan	3,176	3,107	3,162	3,162	2,908	2,900	(0.3)	2,835
Intravitreal VEGF inhibitor	Aflibercept/solution for intravitreal injection	<b>Eylea</b>	Asia	514	659	898	816	1,001	1,287	28.5	1,350
			Japan	3,018	2,842	2,868	2,868	2,574	2,568	(0.2)	2,318
Corneal disease	Ciclosporin/ ophthalmic solution	<b>Ikervis</b>	Europe	—	—	—	—	—	751	—	2,063

\* After reflecting unification of accounting period.

## Consolidated Statement of financial position (IFRS)

### ■ Assets

(Millions of yen)

Year ended March 31	2014		2015		2016	
<b>Non-current assets</b>		%		%		%
Property, plant and equipment	27,175	11.4	29,104	9.6	27,991	7.9
Intangible assets	26,610	11.2	84,433	27.8	83,681	23.5
Financial assets	23,334	9.8	34,725	11.4	44,535	12.5
Deferred tax assets	5,215	2.2	2,978	1.0	2,345	0.7
Other non-current assets	2,065	0.9	2,288	0.8	2,109	0.6
Total non-current assets	84,399	35.5	153,528	50.5	160,660	45.2
<b>Current assets</b>						
Inventories	19,461	8.2	20,133	6.6	24,996	7.0
Trade and other receivables	53,986	22.7	61,701	20.3	65,998	18.6
Other financial assets	4,587	1.9	187	0.1	234	0.1
Other current assets	2,356	1.0	2,728	0.9	3,714	1.0
Cash and cash equivalents	72,397	30.5	65,923	21.7	99,798	28.1
Assets held for sale	454	0.2	—	—	—	—
Total current assets	153,241	64.5	150,672	49.5	194,739	54.8
<b>Total assets</b>	<b>237,640</b>	<b>100.0</b>	<b>304,200</b>	<b>100.0</b>	<b>355,399</b>	<b>100.0</b>

■ Equity and liabilities

(Millions of yen)

Year ended March 31	2014		2015		2016	
<b>Equity</b>		%		%		%
Share capital	7,264	3.1	7,383	2.4	7,695	2.2
Capital surplus	7,959	3.4	8,077	2.7	8,389	2.4
Treasury shares	(9)	(0.0)	(18)	(0.0)	(24)	(0.0)
Retained earnings	162,727	68.5	178,840	58.8	221,945	62.4
Other components of equity	9,269	3.9	17,497	5.8	22,003	6.2
Total equity attributable to owners of the company	187,210	78.8	211,779	69.6	260,009	73.2
<b>Total equity</b>	<b>187,210</b>	<b>78.8</b>	<b>211,779</b>	<b>69.6</b>	<b>260,009</b>	<b>73.2</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities	102	0.0	25,351	8.3	12,944	3.6
Net defined benefit liabilities	5,401	2.3	5,459	1.8	2,556	0.7
Provisions	1,467	0.6	1,444	0.5	1,629	0.5
Deferred tax liabilities	2,795	1.2	2,874	0.9	3,988	1.1
Other non-current liabilities	1,479	0.6	953	0.3	1,043	0.3
Total non-current liabilities	11,244	4.7	36,081	11.9	22,161	6.2
<b>Current liabilities</b>						
Trade and other payables	19,072	8.0	20,250	6.7	24,504	6.9
Other financial liabilities	4,880	2.1	19,298	6.3	19,881	5.6
Income tax payable	8,081	3.4	6,729	2.2	20,431	5.7
Provisions	996	0.4	1,197	0.4	1,276	0.4
Other current liabilities	6,157	2.6	8,866	2.9	7,138	2.0
Total current liabilities	39,186	16.5	56,340	18.5	73,230	20.6
<b>Total liabilities</b>	<b>50,430</b>	<b>21.2</b>	<b>92,421</b>	<b>30.4</b>	<b>95,391</b>	<b>26.8</b>
<b>Total equity and liabilities</b>	<b>237,640</b>	<b>100.0</b>	<b>304,200</b>	<b>100.0</b>	<b>355,399</b>	<b>100.0</b>

## Consolidated statements of cash flows (IFRS)

(Millions of yen)

Year ended March 31	2014	2015	2016
<b>I. Cash flows from operating activities:</b>			
Net profit for the year	19,718	24,032	53,373
Depreciation and amortization	2,841	6,958	9,338
Impairment losses	216	290	395
Finance income and expenses	(759)	(529)	(545)
Income tax expenses	10,643	11,831	26,097
Gain on disposal of disposal groups	—	—	(44,477)
Decrease (increase) in trade and other receivables	(8,128)	(7,701)	(4,799)
Decrease (increase) in inventories	1,411	(521)	(5,388)
Increase (decrease) in trade and other payables	5,242	1,251	4,376
Increase (decrease) on net defined benefit liabilities	346	761	(3,974)
Other	1,883	2,554	653
Subtotal	33,413	38,926	35,049
Interest received	104	81	67
Dividends received	518	548	573
Interest paid	(9)	(82)	(98)
Income tax paid	(7,340)	(14,087)	(13,067)
<b>Net cash flows from (used in) operating activities</b>	<b>26,686</b>	<b>25,386</b>	<b>22,525</b>
<b>II. Cash flows from investing activities:</b>			
Payments into time deposits	(111)	(84)	(21)
Proceeds from withdrawal of time deposits	92	184	21
Payments for acquisition of investments	(4,825)	(114)	(2,210)
Proceeds from sale and redemption of investments	2,933	4,149	2,682
Payments for acquisition of property, plant and equipment	(3,461)	(2,972)	(4,299)
Proceeds from sales of property, plant and equipment	2	656	696
Payments for acquisition of intangible assets	(2,418)	(63,468)	(4,793)
Proceeds on disposal of disposal groups	—	—	45,000
Other	(59)	(60)	(25)
<b>Net cash flows from (used in) investing activities</b>	<b>(7,847)</b>	<b>(61,709)</b>	<b>37,052</b>
<b>III. Cash flows from financing activities:</b>			
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
Repayments of long-term loans payable	(29)	(2,970)	(15,133)
Dividends paid	(8,247)	(8,264)	(9,923)
Other	322	194	489
<b>Net cash flows from (used in) financing activities</b>	<b>(7,954)</b>	<b>28,960</b>	<b>(24,066)</b>
<b>IV. Net increase (decrease) in cash and cash equivalents</b>	<b>10,885</b>	<b>(7,363)</b>	<b>35,510</b>
<b>V. Cash and cash equivalents at the beginning of year</b>	<b>60,237</b>	<b>72,397</b>	<b>65,923</b>
<b>VI. Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,275</b>	<b>889</b>	<b>(1,636)</b>
<b>VII. Cash and cash equivalents at the end of period</b>	<b>72,397</b>	<b>65,923</b>	<b>99,798</b>

## Other Consolidated information

### ■ R&D expenditures

(Millions of yen)

Year ended March 31	J-GAAP			IFRS		
	2012	2013	2014*	2015	2016	2017 Forecast
Consolidated	17,225	16,719	19,040	17,477	19,990	20,500
Percent of net sales/revenue	15.1%	14.0%	12.8%	10.8%	10.2%	10.0%

### ■ Capital expenditures

(Millions of yen)

Year ended March 31	J-GAAP			IFRS		
	2012	2013	2014*	2015	2016	2017 Forecast
Consolidated	3,492	4,202	3,155	5,383	4,474	7,340

### ■ Depreciation and amortization

(Millions of yen)

Year ended March 31	J-GAAP			IFRS		
	2012	2013	2014*	2015	2016	2017 Forecast
Manufacturing cost	1,400	1,211	1,330	1,446	1,445	1,640
Selling, general and administrative expenses	553	533	648	864	1,035	1,290
R&D expenses	764	785	634	668	653	660
Consolidated total	2,717	2,530	2,612	2,979	3,133	3,590

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		
	2012	2013	2014*	2015	2016	2017 Forecast
Intangible assets (Merck products)	—	—	—	3,734	5,185	5,310
Intangible assets (Ikervis)	—	—	—	—	625	710
Other	—	—	—	245	394	980
Consolidated total	—	—	—	3,979	6,205	7,000

### ■ Additional information (Assets)

(Millions of yen)

Year ended March 31	J-GAAP			IFRS	
	2012	2013	2014*	2015	2016
In-process research and development	—	—	—	16,145	11,363
Investment securities	12,411	18,173	21,739	33,634	43,413
Notes and accounts receivable	37,923	43,840	52,086	59,611	63,954

### ■ Additional information (Liabilities)

(Millions of yen)

Year ended March 31	J-GAAP			IFRS	
	2012	2013	2014*	2015	2016
Notes and accounts payable	8,074	9,266	14,270	14,330	17,225

### ■ Number of employees

Year ended March 31	2012	2013	2014*	2015	2016
Consolidated	3,053	3,050	3,072	3,230	3,463
Japan	1,950	1,925	1,903	1,923	1,915
U.S.	147	156	154	162	175
Europe	541	511	530	588	660
Asia	415	458	485	557	713

\*After reflecting unification of accounting period.

## 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	Asia						Mar-10
				China						

A prostaglandin  $F_{2\alpha}$  derivative for the treatment of glaucoma and ocular hypertension. Since December, 2008, launched in Japan, Europe, and the U.S. In Asia, launched in Hong Kong, Korea, Indonesia, and Singapore, etc. Launched in China in March 2016.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Diquafosol sodium	DE-089	Dry eye	Merck Sharp & Dohme Corp. (U.S.)	China						Jan-12
				Asia						

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 and in October 2013 in Korea. NDA filed in China in January 2012. Marketing approval in Thailand in July 2015. Marketing approval in Vietnam in October 2015. Currently seeking sequential approvals for marketing in Asia.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Lomerizine HCl	DE-090	Glaucoma	MSD K.K.	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, it has excellent safety profile with mild systemic adverse drug reactions.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Sirolimus	DE-109	Uveitis	Original	U.S.						
				Japan						
				Europe						
				Asia						Apr-15

An intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Phase 3 study is ongoing in multiple countries including the U.S. NDA filed in Asia in April 2015. Plan to withdraw NDA file and intend to resubmit an application in Europe.

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	Europe						Jan-15
				Korea						Jun-15
				Asia						Mar-16

A fixed dose combination drug of a prostaglandin  $F_{2\alpha}$  derivative and a beta-adrenergic receptor blocker. Launched in Japan in November 2014. Approved successively in EU countries since October 2014 and launched since January 2015. Acquired import drug license in Korea in June 2015. NDA being filed in Asian countries successively, and approved in Thailand in March 2016.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-117	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S.						
				Japan						(Phase 2b/3)

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.

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						Oct-13
				Asia						Apr-16

A prostaglandin  $F_{2\alpha}$  derivative for the treatment of glaucoma and ocular hypertension. Preservative-free, single dose type product. Launched in October 2013 in Japan. Acquired marketing approval in Hong Kong since June 2015. Seeking sequential approvals for marketing in Asian countries. Launched in Singapore in April, 2016.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	DE-120	Wet Age-related macular degeneration	Original	U.S.						

An intravitreal injection with dual inhibitor of VEGF and PDGF. Started Phase 2a in the U.S. in April 2015.

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
(Undetermined)	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.

## ■ Pipeline of prescription pharmaceuticals (Clinical Stage)

Generic name	Dev. code	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Sepetaprost	DE-126	Glaucoma/ Ocular hypertension	ONO PHARMACEUTICAL	U.S.						
A prostaglandin 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.										

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Cyclokot	Severe keratitis in patients with dry eye	Original	Europe						Jul-15
				U.S.						
				Korea					Dec-15	
				Asia					Nov-15	
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 UK in July 2015 and planning successive launches in EU countries. NDA filed in Asian countries successively since November 2015 and in Korea in December 2015.										

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Ciclosporin	Vekacia	Vernal Keratoconjunctivitis	Original	Europe						
An ophthalmic emulsion which improves vernal keratoconjunctivitis by immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption. Completed Phase3 in Europe in March 2016.										

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Latanoprost	Catioprost	Glaucoma/ Ocular hypertension	Original	Europe						
An ophthalmic emulsion of a prostaglandin $F_{2\alpha}$ derivative, for the treatment of glaucoma and ocular hypertension.										

Generic name	Dev. name	Indication	Original/Licensor	Region	P1	P2	P3	NDA Filed	Approved	Launched
Dexamethasone Palmitate	Cortiject	Diabetic macular edema	Original	Europe	(Phase 1/2)					
An intravitreal injection with anti-inflammatory effect.										

## ■ Changes since 3Q FY15, February 2, 2016

Dev. Code / name	Changes
DE-085	Launched in China in March 2016.
DE-109	Plan to withdraw NDA file and intend to resubmit an application in Europe.
DE-111	Approved in Thailand in March 2016.
DE-118	Launched in Singapore in April 2016.
DE-126	In-licensing from ONO PHARMACEUTICAL in March 2016.
Ciclosporin/Vekacia	Completed Phase3 in Europe in March 2016.

# Pharmaceutical market in Japan

## ■ Revision of National Health Insurance (NHI) drug prices

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Industry average	—	early -5%	—	mid -6%	—	-6.25%	—	-2.7%	—	-5.57%*
Ophthalmic drugs	—	high -3%	—	early -3%	—	mid -4%	—	high -1%	—	early -6%
Santen	—	mid -3%	—	mid -5%	—	high -5%	—	high -1%	—	early -7%**

(Compiled by Santen)

\*Excluding market expansion re-pricing -0.9%

\*\* 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	2012	2013	2014	2015	2016
Prescription ophthalmics	36.1%	35.3%	39.4%	40.1%	44.0%
	254.9	273.4	301.3	323.7	347.5

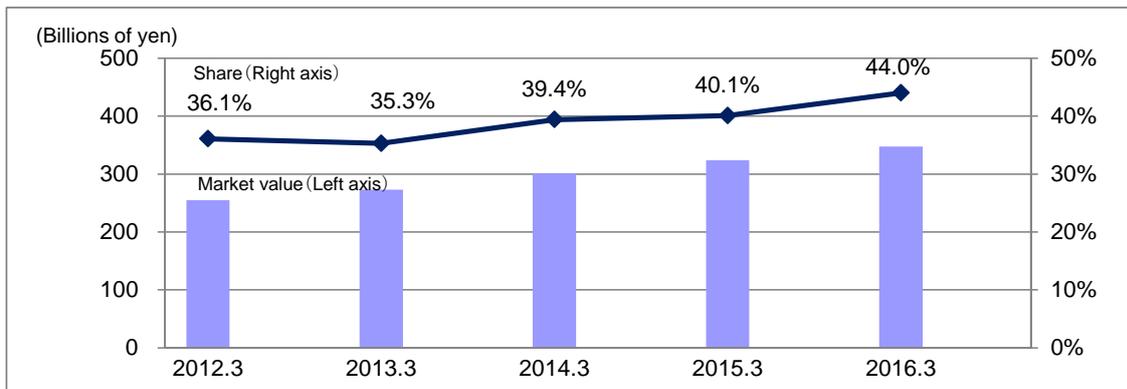
Notes: - On an NHI drug price basis.

- Lower figures indicate market value.

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Period: 2011.4-2016.3; Unauthorized copy prohibited



## ■ Market shares by therapeutic area - prescription ophthalmics

(Billions of yen)

Year ended March 31	2012	2013	2014	2015	2016
Glaucoma treatments	28.4%	30.4%	30.5%	32.1%	32.6%
	92.2	94.8	104.7	105.7	112.6
Corneal disease treatments	77.5%	74.6%	70.5%	65.6%	63.4%
	35.6	39.7	44.2	44.2	46.4
Anti-infective	67.5%	61.6%	58.5%	54.0%	49.8%
	21.5	18.9	18.3	16.8	16.4
Anti-allergy	17.6%	16.0%	21.2%	32.0%	36.3%
	26.4	30.9	27.9	33.9	35.8
Anti-VEGF*	—	10.9%	48.7%	48.8%	65.7%
	—	28.3	43.2	61.6	74.5

Notes: - On an NHI drug price basis.

- Lower figures indicate market size.

\*Anti-Vascular Endothelial Growth Factor

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Source: Santen analysis based on IMS JPM

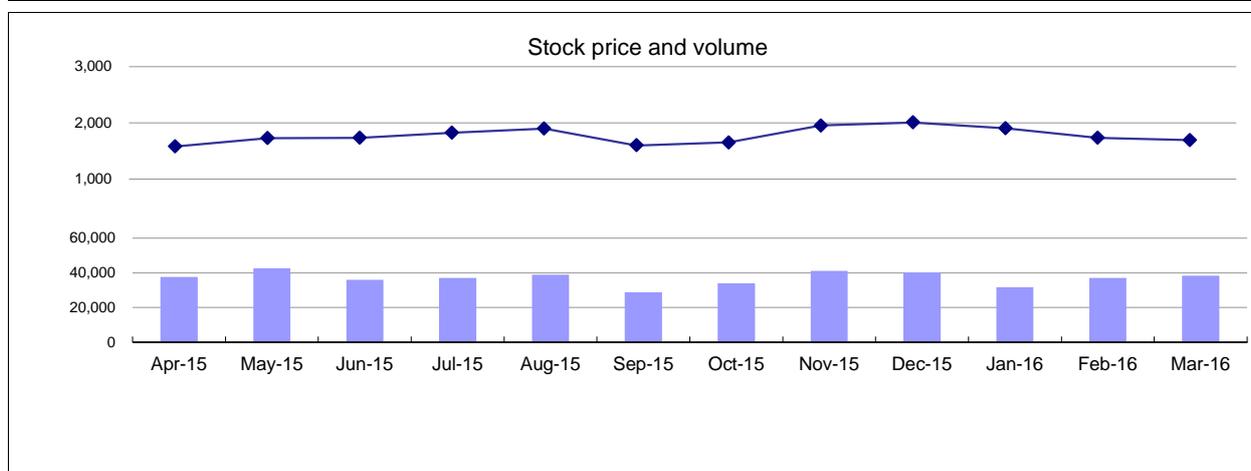
Period: 2011.4-2016.3; Unauthorized copy prohibited

## Stock information

### ■ Stock price (Tokyo Securities Exchange 1st market)

(Yen and thousand shares)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Stock price:												
End of month	1,581	1,727	1,733	1,825	1,895	1,599	1,651	1,952	2,006	1,901	1,733	1,693
Volume	37,692	42,639	35,882	37,109	38,942	28,740	33,988	41,100	40,282	31,707	37,094	38,344



### ■ Major shareholders (top 10)

As of March 31, 2016

Name	Number of shares held	Percent of investment
Japan Trustee Service Bank, Ltd.(Trust Account)	31,249	7.5
State Street Bank and Trust Company 505223	24,029	5.8
The Master Trust Bank of Japan, Ltd.(Trust Account)	16,789	4.1
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	2.2
Daiichi Sankyo Company,Ltd.	9,180	2.2
Development Bank of Japan Inc.	8,275	2.0
National Mutual Insurance Federation of Agricultural Cooperatives	7,121	1.7
State Street Bank West Clint - Treaty 505234	6,979	1.7

### ■ Major stock information

Year ended March 31	2012	2013	2014	2015	2016
Issued shares (thousands)	87,146	82,469	82,582	82,653	414,192
Treasury stock (thousands)	1	0	2	3	22
Market Capitalization (million)	308,059	366,983	378,219	723,181	701,188
A purchased amount of money (millions of yen)	—	13,735	—	—	—
The number of the purchased stocks (thousand shares)	—	4,937	—	—	—

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

## Stock information

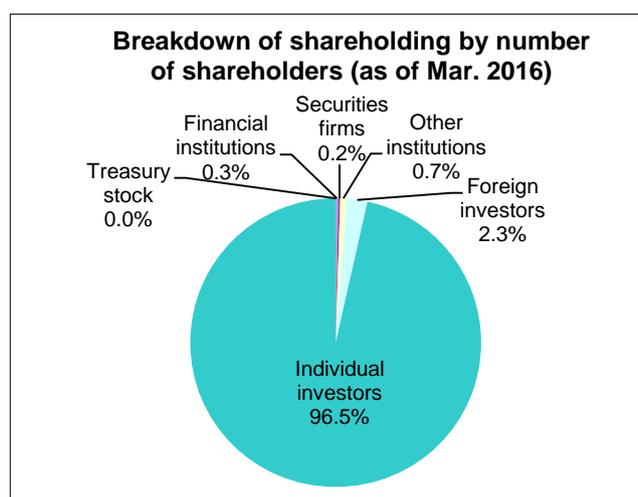
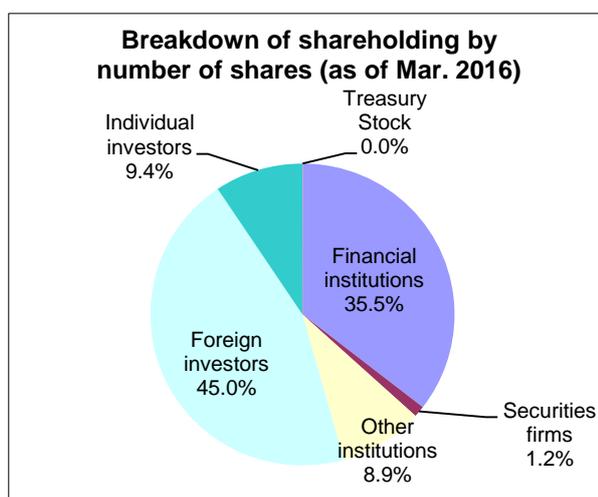
### ■ Breakdown of shareholding by number of shares

Year ended March 31	2012		2013		2014		2015		2016*	
	Thousand shares	Proportion (%)								
Financial institutions	30,457	35.0	29,147	35.4	28,971	35.1	30,049	36.4	146,963	35.5
City & regional banks	2,376	2.7	2,277	2.8	2,270	2.8	2,262	2.7	11,576	2.8
Trust banks	19,316	22.2	17,298	21.0	17,581	21.3	18,726	22.7	98,601	23.8
(concerned in trust works)	16,923		14,908		15,192		16,333		86,474	
Life and non-life insurance	4,740	5.4	4,715	5.7	4,290	5.2	4,196	5.1	21,016	5.1
Other financial institutions	4,023	4.6	4,856	5.9	4,829	5.8	4,862	5.9	15,770	3.8
(concerned in trust works)	16,923		14,908		15,192		16,333			
Securities firms	375	0.4	766	0.9	721	0.9	922	1.1	4,868	1.2
Other institutions	12,098	13.9	7,379	9.0	7,913	9.6	7,880	9.5	36,938	8.9
Foreign investors	35,130	40.3	36,783	44.6	37,597	45.5	36,373	44.0	186,294	45.0
Individual investors	9,083	10.4	8,390	10.1	7,376	8.9	7,423	9.0	39,106	9.4
Treasury Stock	1	0.0	0	0.0	2	0.0	3	0.0	22	0.0
<b>Total</b>	<b>87,146</b>	<b>100.0</b>	<b>82,469</b>	<b>100.0</b>	<b>82,582</b>	<b>100.0</b>	<b>82,653</b>	<b>100.0</b>	<b>414,192</b>	<b>100.0</b>

\*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	2012		2013		2014		2015		2016	
	Number of shareholders	Proportion (%)								
Financial institutions	63	0.8	57	0.7	56	0.8	62	0.6	77	0.3
City & regional banks	5	0.1	6	0.1	5	0.1	4	0.1	8	0.0
Trust banks	28	0.3	26	0.3	25	0.3	27	0.2	30	0.1
Life and non-life insurance	26	0.3	20	0.2	21	0.3	23	0.2	27	0.1
Other financial institutions	4	0.1	5	0.1	5	0.1	8	0.1	12	0.1
Securities firms	33	0.4	38	0.5	35	0.4	33	0.3	52	0.2
Other institutions	121	1.5	110	1.4	114	1.5	122	1.1	154	0.7
Foreign investors	360	4.3	365	4.6	407	5.2	486	4.2	549	2.3
Individual investors	7,710	93.0	7,427	92.8	7,167	92.1	10,664	93.8	22,700	96.5
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
<b>Total</b>	<b>8,288</b>	<b>100.0</b>	<b>7,998</b>	<b>100.0</b>	<b>7,780</b>	<b>100.0</b>	<b>11,368</b>	<b>100.0</b>	<b>23,533</b>	<b>100.0</b>



## Consolidated subsidiaries

[Japan]		As of March 31, 2016					
Claire Co., Ltd.							
Main business	Cleaning of antidust and sterilized clothing	Location	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	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	U.S.A.	Paid-in capital	8,765 thousand US\$	Equity owned	100% *1
Advanced Vision Science, Inc.							
Main business	Research and development, production and marketing of medical devices	Location	U.S.A.	Paid-in capital	10 thousand US\$	Equity owned	100% *1
Santen Holdings EU B.V.							
Main business	Holdings company for European operation	Location	Netherlands	Paid-in capital	50 thousand euros	Equity owned	100%
Santen Oy							
Main business	Development, production and marketing of pharmaceuticals	Location	Finland	Paid-in capital	20,000 thousand euros	Equity owned	100% *2
Santen S.A.S.							
Main business	Development and marketing of pharmaceuticals	Location	France	Paid-in capital	1,976 thousand euros	Equity owned	100% *2
Santen GmbH							
Main business	Marketing of pharmaceuticals and business development	Location	Germany	Paid-in capital	25 thousand euros	Equity owned	100% *2
SantenPharma AB							
Main business	Marketing support of pharmaceuticals	Location	Sweden	Paid-in capital	500 thousand SEK	Equity owned	100% *2
Santen Switzerland SA							
Main business	Marketing of pharmaceuticals	Location	Switzerland	Paid-in capital	2,000 thousand Swiss franc	Equity owned	100% *2
Santen Italy S.r.l.							
Main business	Marketing of pharmaceuticals	Location	Italy	Paid-in capital	10 thousand euros	Equity owned	100% *2
Santen UK Limited							
Main business	Marketing of pharmaceuticals	Location	U.K.	Paid-in capital	2,300 thousand pound	Equity owned	100% *2
Santen Pharmaceutical Spain, S.L.							
Main business	Marketing of pharmaceuticals	Location	Spain	Paid-in capital	3 thousand euros	Equity owned	100% *2
Santen Pharmaceutical (China) Co., Ltd.							
Main business	Development, production and marketing of pharmaceuticals	Location	China	Paid-in capital	3,800 million yen	Equity owned	100%
Santen Pharmaceutical Sales and Marketing (Suzhou) Co., Ltd.							
Main business	Marketing of pharmaceuticals	Location	China	Paid-in capital	10,000 thousand RMB	Equity owned	100% *3
Santen Pharmaceutical Korea Co., Ltd.							
Main business	Development, import and marketing of pharmaceuticals	Location	Korea	Paid-in capital	29,000 million Korean won	Equity owned	100%
Taiwan Santen Pharmaceutical Co., Ltd.							
Main business	Import and marketing of pharmaceuticals	Location	Taiwan	Paid-in capital	42,000 thousand Taiwan dollars	Equity owned	100%
Santen India Private Limited							
Main business	Market research of pharmaceuticals	Location	India	Paid-in capital	48,500 thousand India rupee	Equity owned	99.9%, 0.1% *1
Santen Pharmaceutical Asia Pte. Ltd.							
Main business	Business promotion for the Santen Group within the ASEAN region	Location	Singapore	Paid-in capital	20,500 thousand Singapore dollars	Equity owned	100%
SANTEN (THAILAND) CO., LTD.							
Main business	Import and marketing of pharmaceuticals	Location	Thailand	Paid-in capital	100,000 thousand Thai bahts	Equity owned	100% *4
SANTEN PHARMA MALAYSIA SDN. BHD.							
Main business	Import and marketing of pharmaceuticals	Location	Malaysia	Paid-in capital	4,000 thousand Malaysian Ringgit	Equity owned	100% *4
SANTEN PHILIPPINES INC.							
Main business	Import and marketing of pharmaceuticals	Location	Philippines	Paid-in capital	43,308 thousand Philippine Peso	Equity owned	100% *4

\*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 Asia Pte. Ltd.

## News releases

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### News releases during April 2015-March 2016

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

#### 2015

**10-Apr Notice of Change in Significant Shareholder**

**27-Apr Santen Launches New Sante de U  $\alpha$ , an OTC Eye Drop**

**1-May Santen Makes Contributions to Support the Recovery of Areas Affected by the Earthquake in Nepal**

**12-May Santen Announces Assignment of its Anti-Rheumatic Pharmaceuticals Business to Hyperion**

Santen Pharmaceutical announced today that it has resolved at its board of directors meeting held on May 12, 2015 to enter an agreement with Showa Yakuhin Kakou Co., Ltd. ("Showa Yakuhin") and Hyperion Pharma\* Co., Ltd. ("Hyperion") to assign its anti-rheumatic pharmaceuticals business to Hyperion, under a simplified company-split method under the Company Act of Japan ("Assignment"). On the same date, Santen, Hyperion, and Showa have entered into the agreement on the Assignment. Showa Yakuhin is a pharmaceutical company, which is under an investment fund, being advised by Unison Capital, Inc. ("Unison").

\*Currently AYUMI Pharmaceutical Corporation

**24-Jun Santen Launches COSOPT Mini Combination ophthalmic solution for the Treatment of Glaucoma and Ocular Hypertension**

Santen Pharmaceutical announced today that it has launched COSOPT Mini Combination ophthalmic solution (generic name: dorzolamide hydrochloride/timolol maleate; hereinafter "COSOPT Mini") for the treatment of glaucoma and ocular hypertension in the Japanese market. COSOPT Mini is a preservative-free solution in single-dose sterile disposable vial with the same active ingredients as COSOPT Combination ophthalmic solution which contains TRUSOPT ophthalmic solution 1% (generic name: dorzolamide hydrochloride), a carbonic anhydrase inhibitor, and TIMOPTOL ophthalmic solution 0.5% (generic name: timolol maleate), a beta-adrenergic receptor blocker agent.

**26-Jun Intravitreal VEGF Inhibitor "EYLEA" Approved as a Treatment of Retinal Vein Occlusion(RVO)**

Bayer Yakuhin, Ltd. (Osaka, hereinafter Bayer Yakuhin) and Santen Pharmaceutical Co., Ltd. (Osaka) announced today that Bayer Yakuhin has received approval for the treatment of macular edema secondary to retinal vein occlusion (RVO) for the intravitreal VEGF\* inhibitor EYLEA® solution for intravitreal injection 40 mg/mL and EYLEA® intravitreal injection KIT 40 mg/mL (afibercept [genetical recombination]).

\* VEGF=vascular endothelial growth factor

**1-Jul Santen Pharmaceutical Announces IND Filing of DE-122 (TRC105) for the Treatment of Wet Age-Related Macular Degeneration**

Santen Pharmaceutical announced that it filed an Investigational New Drug (IND) Application with the U.S. Food and Drug Administration (FDA) for the initiation of clinical studies for DE-122 in patients with wet AMD. DE-122 is the ophthalmic formulation of TRACON Pharmaceuticals' (California, USA) proprietary anti-

**15-Jul Santen Launches Ikervis in Germany**

Santen announced the launch of Ikervis (generic name: ciclosporin) for treatment of severe keratitis in adult patients with dry eye disease, which has not improved despite treatment with tear substitutes, in Germany. Ikervis will be launched sequentially in Europe. Ikervis is the first drug for the treatment of severe keratitis in adult patients with dry eye disease in Europe.

**3-Aug Notice of Completion of the Transfer of Anti-Rheumatic Pharmaceutical Business to AYUMI Pharmaceutical Corporation**

**4-Aug Santen to Grant Subscription Rights to New Shares as Stock Options for Stock-Linked**

**25-Aug Santen Announces Approval of TAPROS for the Treatment of Open-Angle Glaucoma and Ocular Hypertension in China**

Santen Pharmaceutical announced today that it received an import drug license of TAPROS Ophthalmic Solution 0.0015% (generic name: tafluprost) for the treatment of open-angle glaucoma and ocular hypertension in China on July 27, 2015 with required procedures completed on August 21st.

**1-Sep Notice on Details of Subscription Rights to New Shares (Stock Options for Stock-Linked Remuneration)**

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## 2015

### 4-Nov **NICE recommends the use of IKERVIS in England for the treatment of severe keratitis in adult patients with dry eye disease**

The National Institute for Health and Care Excellence (NICE) has issued positive Final Appraisal Determination (FAD) recommending the use of Santen's IKERVIS (ciclosporin 1 mg/mL eye drops emulsion in single-dose containers) in England for the treatment of severe keratitis in adult patients with dry eye disease, which has not improved despite treatment with tear substitutes. With this recommendation from NICE, IKERVIS provides an important new option for the treatment of patients in England who have not responded to tear substitutes.

## 2016

### 9-Feb **Santen Makes Contribution to Support the Recovery of Areas Affected by the Earthquake in Taiwan**

### 10-Feb **Notice on the Establishment of Santen Business Services Co., Ltd.**

Santen Pharmaceutical announced it establish Santen Business Services Co., Ltd. (hereinafter, "New Company"), a wholly-owned subsidiary of Santen, around April 1, 2016, pursuant to the resolution at the Board of Directors meeting held on February 2016. The New Company will focus on indirect operations at Santen, and will contribute, by increasing business expertise and productivity, to achieving Santen's long-term strategic vision to become "a specialty with a global presence" by 2020.

### 17-Feb **Santen Conducts *the Green Light-up* during the World Glaucoma Week, 6 - 12nd**

### 23-Feb **Santen Announces Proposed Dividend Change**

Santen Pharmaceutical announced that its Board of Directors today approved a change in dividends per share for the fiscal year ending March 31, 2016. Santen will propose a year-end dividend of 13 yen, an increase of 1 yen per share from previous forecast, at the company's 104th Annual General Meeting of Shareholders on June 24, 2016. As a result of this proposed increase in year-end dividend, proposed total annual dividends are 25 yen per share.

### 22-Mar **Santen China and Chongqing Kerui Announce Collaboration to Develop New Ophthalmic Joint Venture**

Santen Pharmaceutical and Chongqing Kerui Pharmaceutical (Group) Co., Ltd. (Chongqing, China; hereinafter "Kerui") announced that Santen Pharmaceutical (China) Co., Ltd. (hereinafter "Santen China") and Kerui have entered into a strategic, multi-year collaboration that includes the establishment of a joint venture in the city of Chongqing, one of China's four direct-controlled municipalities.

Both Santen China and Kerui confirmed the new joint venture's aims to provide the highest-quality ophthalmic products at a reasonable price to the most patients possible in China.

### 30-Mar **Santen Enters Licensing Agreement with Ono for FP/EP3 Dual Agonist, ONO-9054**

Santen Pharmaceutical announced that it has entered an exclusive licensing agreement with ONO PHARMACEUTICAL CO., LTD. (hereinafter, "ONO") whereby Santen will develop and commercialize ONO-9054 on a worldwide basis. ONO-9054 is an FP/EP3 dual agonist for the treatment for glaucoma and ocular hypertension developed by ONO.



**SANTEN PHARMACEUTICAL CO., LTD.**