

Data Book

Year Ended March 31, 2018

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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						
	2014*	2014	2015	2016	2017	2018	% Change	2019 Forecast
Net sales/Revenue	148,663	146,260	161,831	195,291	199,096	224,942	13.0	237,000
Operating income/profit	27,414	29,878	35,374	80,180	32,479	38,691	19.1	40,700
Net income/Net profit for the year	17,109	19,718	24,032	53,373	21,724	35,261	62.3	30,400
Dividends per share (yen)#	20	20	22	25	26	26	0.0	26
Dividend payout ratio (%)	48.2	41.9	37.8	19.4	49.1	30.0	(38.9)	34.6

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	45,378	14.3	48,000
Core net profit for the year	—	19,813	25,948	29,163	29,125	33,458	14.9	35,300

■ Consolidated statement of financial position summary

(Millions of yen)

Year ended March 31	J-GAAP	IFRS						
	2014*	2014	2015	2016	2017	2018	% Change	
Total assets	231,105	237,640	304,200	355,399	358,906	388,463	8.2	
Total equity	181,209	187,210	211,779	260,009	255,929	287,557	12.4	
Interest-bearing debt	110	153	37,161	22,484	16,963	7,618	(55.1)	

■ Consolidated financial indexes

Year ended March 31	J-GAAP		IFRS					
	2014*	2014 [12month]	2014	2015	2016	2017	2018	% Change
EPS (yen)	207.29	229.26	47.78	58.18	128.99	52.96	86.73	63.8
BPS (yen) #1	2,189.50	2,234.70	452.43	511.14	627.78	628.09	702.54	11.9
Debt equity ratio (times)	0.0	0.0	0.0	0.2	0.1	0.1	0.0	(60.1)
PER (times)	22.1	20.0	19.2	30.1	13.1	30.4	19.8	(34.9)
PBR (times)	2.1	2.1	2.0	3.4	2.7	2.6	2.4	(4.9)
ROE (%) #1	9.9	10.8	11.1	12.0	22.6	8.4	13.0	54.5
ROA (%)	7.9	8.8	8.9	8.9	16.2	6.1	9.4	55.1
Equity ratio (%) #1	78.2	79.3	78.8	69.6	73.2	71.1	73.6	3.5
Free cash flows (millions of yen) #2	21,172	—	20,807	(41,054)	13,433	1,342	32,906	2,351.1
EBITDA (millions of yen) #3	29,812	—	22,565	22,660	38,596	42,832	49,718	16.1

#1 BPS (equity per share), ROE (return on equity) 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)

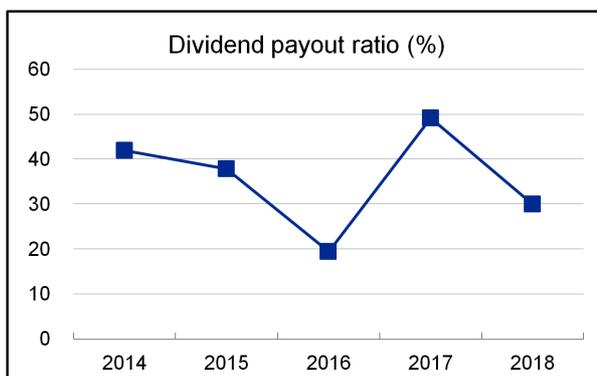
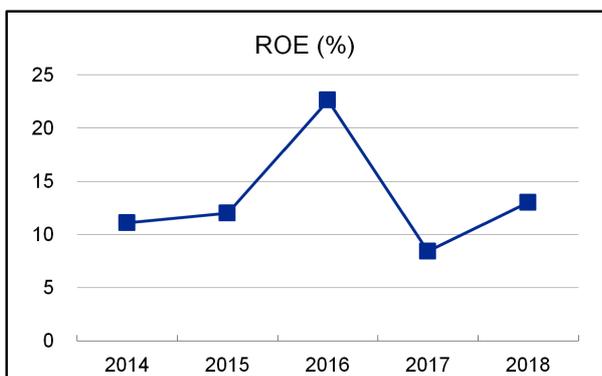
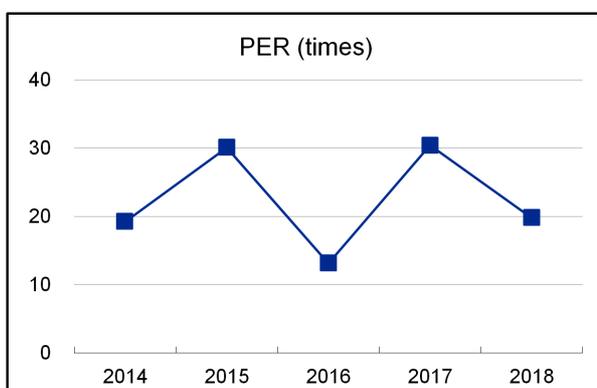
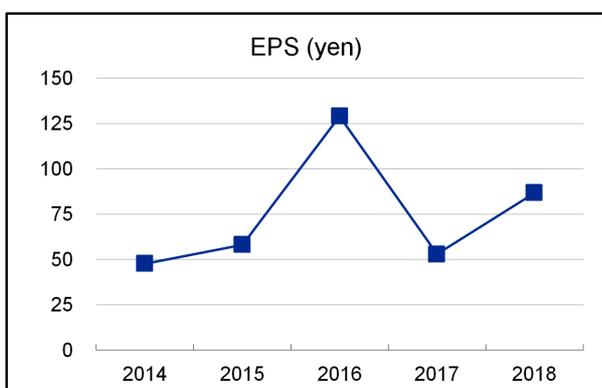
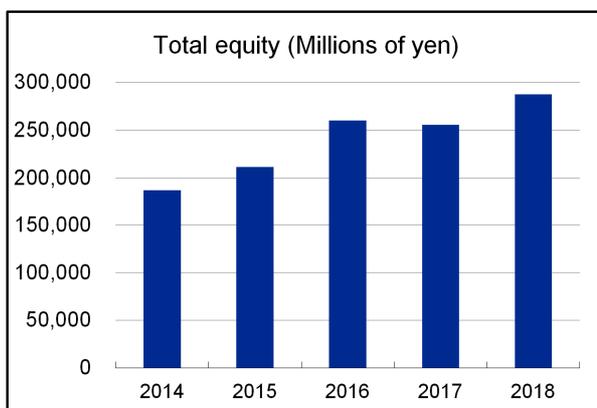
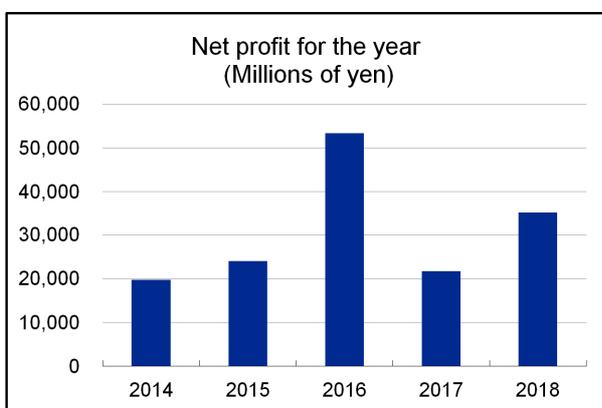
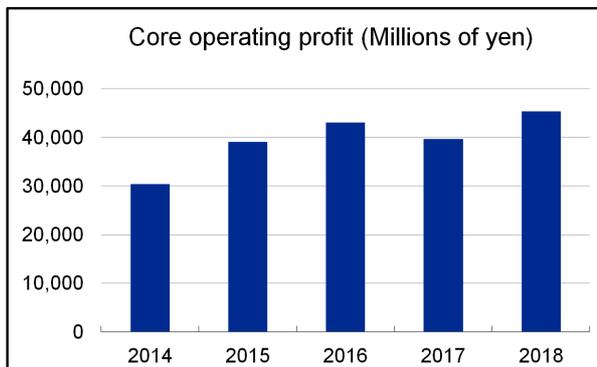
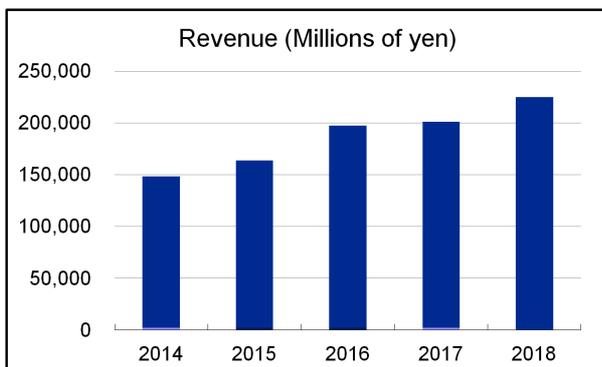
■ Exchange rates

(Yen)

Year ended March 31	2014*	2014 [12month]	2015	2016	2017	2018	2019 Forecast
Exchange rate: US dollar	100.04	100.04	110.14	120.45	108.64	110.94	110.00
: Euro	132.98	132.34	139.01	132.46	118.96	129.92	130.00
: CNY	15.93	15.72	17.84	19.05	16.14	16.84	17.00

Financial highlights

■ Consolidated Financial summary (Graph)



Consolidated statements of income and comprehensive income

■IFRS

(Millions of yen)

Year ended March 31	2015	2016	2017	2018	% Change 2018/2017
Revenue	161,831	195,291	199,096	224,942	13.0
Cost of sales (Percent of revenue)	(56,373) 34.8%	(72,829) 37.3%	(74,966) 37.7%	(86,378) 38.4%	15.2 —
Gross profit (Percent of revenue)	105,458 65.2%	122,463 62.7%	124,130 62.3%	138,564 61.6%	11.6 —
Selling, general and administrative expenses (Percent of revenue)	(48,893) 30.2%	(59,406) 30.4%	(62,193) 31.2%	(68,788) 30.6%	10.6 —
Research and development expenses (Percent of revenue)	(17,477) 10.8%	(19,990) 10.2%	(22,786) 11.4%	(24,398) 10.8%	7.1 —
Amortization on intangible assets associated with products (Percent of revenue)	(3,979) 2.5%	(6,205) 3.2%	(6,412) 3.2%	(6,740) 3.0%	5.1 —
Other income	723	44,999	468	417	(10.9)
Other expenses	(458)	(1,681)	(728)	(364)	(50.0)
Operating profit (Percent of revenue)	35,374 21.9%	80,180 41.1%	32,479 16.3%	38,691 17.2%	19.1 —
Finance income	768	782	1,105	1,004	(9.2)
Finance expenses	(279)	(1,492)	(3,529)	(434)	(87.7)
Profit before tax (Percent of revenue)	35,863 22.2%	79,470 40.7%	30,055 15.1%	39,261 17.5%	30.6 —
Income tax expenses	(11,831)	(26,097)	(8,331)	(4,000)	(52.0)
Net profit for the year (Percent of revenue)	24,032 14.9%	53,373 27.3%	21,724 10.9%	35,261 15.7%	62.3 —
ROE (%)	12.0	22.6	8.4	13.0	—

■IFRS (Core basis)

(Millions of yen)

Year ended March 31	2015	2016	2017	2018	% Change 2018/2017
Revenue	161,831	195,291	199,096	224,942	13.0
Cost of sales (Percent of revenue)	(56,373) 34.8%	(72,879) 37.3%	(74,966) 37.7%	(86,378) 38.4%	15.2 —
Gross profit (Percent of revenue)	105,458 65.2%	122,463 62.7%	124,130 62.3%	138,564 61.6%	11.6 —
Selling, general and administrative expenses (Percent of revenue)	(48,893) 30.2%	(59,406) 30.4%	(61,657) 31.0%	(68,788) 30.6%	10.6 —
Research and development expenses (Percent of revenue)	(17,477) 10.8%	(19,990) 10.2%	(22,786) 11.4%	(24,398) 10.8%	7.1 —
Operating profit (Percent of revenue)	39,088 24.2%	43,067 22.1%	39,687 19.9%	45,378 20.2%	14.3 —
Profit before tax (Percent of revenue)	39,088 24.2%	43,067 22.1%	39,687 19.9%	45,378 20.2%	14.3 —
Income tax expenses	(13,140)	(13,904)	(10,562)	(11,920)	12.9
Net profit for the year (Percent of revenue)	25,948 16.0%	29,163 14.9%	29,125 14.6%	33,458 14.9%	14.9 —
ROE (%)	13.0	12.4	11.3	12.4	—

Consolidated statements of income and comprehensive income

■J-GAAP

(Millions of yen)

Year ended March 31	2014*	2014 [12month]	2015	% Change 2016/2015
Net sales	148,663	146,013	161,881	10.9
Cost of sales	58,104	57,171	56,423	(1.3)
(Percent of net sales)	39.1%	39.2%	34.9%	—
Gross profit	90,558	88,842	105,458	18.7
(Percent of net sales)	60.9%	60.8%	65.1%	—
Selling, general and administrative expenses	63,144	60,006	71,942	19.9
(Percent of net sales)	42.5%	41.1%	44.4%	—
R&D expenditures	19,040	18,235	18,062	(0.9)
(Percent of net sales)	12.8%	12.5%	11.2%	—
Operating income	27,414	28,835	33,516	16.2
(Percent of net sales)	18.4%	19.7%	20.7%	—
Non-operating income	975	952	1,333	40.0
Non-operating expenses	465	455	333	(26.8)
Ordinary income	27,924	29,332	34,516	17.7
(Percent of net sales)	18.8%	20.1%	21.3%	—
Extraordinary gain	473	473	155	(67.2)
Extraordinary loss	1,504	1,014	344	(66.1)
Income before income taxes	26,893	28,792	34,327	19.2
(Percent of net sales)	18.1%	19.7%	21.2%	—
Income taxes - current	11,762	11,255	12,600	12.0
Income taxes - deferred	(1,978)	(1,385)	(843)	(39.1)
Income before minority interests	17,109	18,922	22,570	19.3
Net income	17,109	18,922	22,570	19.3
(Percent of net sales)	11.5%	13.0%	13.9%	—
Income before minority interests	17,109	18,922	22,570	19.3
Other comprehensive income	8,269	10,188	8,708	(14.5)
Comprehensive income	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					2019 Forecast
	2014*	2014 [12month]	2015	2016	2017	2018	% Change	
Prescription pharmaceuticals	139,257	136,610	152,556	181,550	183,469	206,967	12.8%	214,716
Ophthalmics	127,395	124,790	136,059	172,545	181,859	205,868	13.2%	213,572
Anti-rheumatics	10,251	10,251	9,629	3,495	—	—	—	—
Other pharmaceuticals	1,610	1,569	6,868	5,510	1,610	1,099	(31.1)%	1,144
OTC pharmaceuticals	6,455	6,453	6,706	11,004	12,553	14,594	16.3%	16,498
Medical devices	2,678	2,678	2,313	2,394	2,536	2,583	1.8%	2,953
Others	272	272	256	343	537	798	48.6%	2,833
Total net sales/revenue	148,663	146,013	161,831	195,291	199,096	224,942	13.0%	237,000

[Japan]

(Millions of yen)

Year ended March 31	J-GAAP		IFRS					2019 Forecast
	2014*	2014 [12month]	2015	2016	2017	2018	% Change	
Prescription pharmaceuticals	112,798	112,767	115,672	128,278	130,018	141,067	8.5%	139,755
Ophthalmics	101,779	101,779	105,345	124,165	129,594	140,415	8.3%	139,439
Anti-rheumatics	10,162	10,162	9,568	3,495	—	—	—	—
Other pharmaceuticals	856	825	759	617	424	653	59.1%	315
OTC pharmaceuticals	6,417	6,417	6,638	10,918	12,421	14,301	15.1%	16,144
Medical devices	2,625	2,625	2,269	2,323	2,514	2,527	0.5%	2,746
Others	272	272	256	330	404	758	87.4%	2,652
Total net sales/revenue	122,113	122,082	124,835	141,849	145,358	158,653	9.1%	161,296
(Japan sales/total sales)	82.1%	83.6%	77.1%	72.6%	73.0%	70.5%	—	68.1%

[Overseas]

(Millions of yen)

Year ended March 31	J-GAAP		IFRS					2019 Forecast
	2014*	2014 [12month]	2015	2016	2017	2018	% Change	
Prescription pharmaceuticals	26,459	23,843	36,884	53,271	53,451	65,900	23.3%	74,962
Ophthalmics	25,616	23,010	30,714	48,379	52,265	65,453	25.2%	74,132
Anti-rheumatics	88	88	61	—	—	—	—	—
Other pharmaceuticals	754	743	6,109	4,892	1,186	447	(62.3)%	829
OTC pharmaceuticals	37	35	67	87	132	293	121.8%	355
Medical devices	52	52	44	71	22	56	153.6%	207
Others	—	—	—	13	132	40	(69.8)%	181
Total net sales/revenue	26,550	23,931	36,995	53,442	53,738	66,289	23.4%	75,704
(Overseas sales/total sales)	17.9%	16.4%	22.9%	27.4%	27.0%	29.5%	—	31.9%

■Overseas net sales/revenue by region

(Millions of yen)

Year ended March 31	J-GAAP	IFRS					2019 Forecast	
	2014*	2014	2015	2016	2017	2017		% Change
North America	1,073	1,016	6,169	5,265	1,433	371	(74.1)%	476
EMEA#1	12,302	11,527	14,377	25,674	28,657	35,015	22.2%	39,093
Asia	13,173	11,645	16,450	22,504	23,647	30,903	30.7%	36,134
Total overseas net sales/revenue	26,550	24,188	36,995	53,442	53,738	66,289	23.4%	75,704

■Overseas profit contribution

(Millions of yen)

Year ended March 31	—	2014	2015	2016	2017	2018	% Change	2019 Forecast
North America	—	(1,662)	(2,033)	(2,197)	(3,424)	(4,627)	35.1%	(4,523)
EMEA#1	—	(81)	(734)	4,781	3,514	5,980	70.2%	8,794
Asia	—	1,087	3,181	5,088	4,912	7,334	49.3%	9,565
Total overseas profit	—	(656)	414	7,672	5,001	8,686	73.7%	13,836

#1 Europe, the Middle East and Africa

Net sales/Revenue details

■ Net sales/Revenue of major pharmaceuticals

(Millions of yen)

Brand name Generic name/formulation	Therapeutic category	Region	J-GAAP	IFRS						% Change 2017/2016	2019 Forecast
			2014*	2014	2015	2016	2017	2018			
Cravit levofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	14,210	13,584	13,399	14,250	12,884	14,944	16.0	15,443	
		Japan	8,175	8,175	6,498	5,918	4,660	4,105	(11.9)	3,415	
		Asia	4,670	4,139	5,423	7,001	6,980	9,225	32.2	10,154	
		EMEA	1,364	1,267	1,478	1,331	1,245	1,614	29.7	1,874	
Tarivid ofloxacin/ophthalmic solution	Bacterial conjunctivitis	Total	2,040	1,924	1,910	1,761	1,541	1,581	2.6	1,467	
		Japan	955	955	762	673	559	508	(9.2)	418	
		Asia	1,085	969	1,147	1,088	982	1,073	9.3	1,049	
		EMEA	—	—	—	—	—	—	—	—	
Tapcom tafluprost-timolol maleate/ combination ophthalmic solution	Glaucoma	Total	—	—	381	1,534	2,798	3,892	39.1	4,880	
		Japan	—	—	342	1,381	2,256	2,479	9.9	2,454	
		Asia	—	—	—	—	38	158	317.6	219	
		EMEA	—	—	39	153	504	1,255	148.8	2,208	
Tapros tafluprost/ophthalmic solution	Glaucoma	Total	12,731	12,516	12,330	15,633	16,406	17,844	8.8	18,883	
		Japan	8,957	8,957	8,329	9,168	9,592	9,610	0.2	9,686	
		Asia	553	520	817	1,097	1,227	1,807	47.3	2,026	
		EMEA	3,221	3,040	3,185	5,368	5,587	6,427	15.0	7,171	
Cosopt dorzolamide hydrochloride-timolol maleate/combination ophthalmic solution	Glaucoma	Total	11,846	11,846	12,478	20,583	22,164	24,200	9.2	21,202	
		Japan	11,846	11,846	10,689	11,214	11,366	11,403	0.3	8,957	
		Asia	—	—	892	2,493	2,669	3,197	19.8	3,317	
		EMEA	—	—	897	6,876	8,128	9,600	18.1	8,928	
Timoptol timolol maleate/ ophthalmic solution	Glaucoma	Total	1,185	1,185	1,267	1,930	1,509	1,451	(3.8)	990	
		Japan	1,185	1,185	1,216	1,182	967	787	(18.7)	470	
		Asia	—	—	29	140	119	116	(2.7)	112	
		EMEA	—	—	22	608	422	548	30.1	408	
Timoptol XE timolol maleate/ long-acting ophthalmic solution	Glaucoma	Total	1,931	1,931	1,984	2,463	2,382	2,221	(6.8)	1,976	
		Japan	1,931	1,931	1,918	1,886	1,614	1,407	(12.9)	1,203	
		Asia	—	—	27	87	88	105	19.1	109	
		EMEA	—	—	39	489	679	709	4.4	664	
Trusopt dorzolamide hydrochloride/ ophthalmic solution	Glaucoma	Total	—	—	1,853	4,561	4,343	4,677	7.7	4,547	
		Japan	—	—	1,545	2,125	1,731	1,641	(5.2)	1,446	
		Asia	—	—	55	446	271	327	20.9	462	
		EMEA	—	—	252	1,990	2,342	2,709	15.7	2,639	
Rescula isopropyl unoprostone/ ophthalmic solution	Glaucoma	Total	2,147	2,147	1,935	1,845	1,633	1,467	(10.1)	1,256	
		Japan	2,147	2,147	1,935	1,845	1,633	1,467	(10.1)	1,256	
Alesion epinastine hydrochloride/ ophthalmic solution	Allergy	Total	2,103	2,103	6,698	9,483	12,235	16,851	37.7	17,727	
		Japan	2,103	2,103	6,698	9,483	12,235	16,851	37.7	17,727	
Flumetholon fluorometholone/ ophthalmic solution	Inflammation	Total	3,973	3,899	3,811	3,775	3,347	3,497	4.5	3,141	
		Japan	3,075	3,075	2,844	2,655	2,224	2,113	(5.0)	1,652	
		Asia	898	823	967	1,120	1,123	1,385	23.2	1,490	
Kary Uni pirenoxine/ ophthalmic solution	Senile cataract	Total	4,060	3,978	3,909	4,187	4,124	4,413	7.0	4,398	
		Japan	3,162	3,162	2,908	2,900	2,833	2,741	(3.2)	2,644	
		Asia	898	816	1,001	1,287	1,291	1,672	29.6	1,755	
Ofgan Catachrom cytochrome C, adenosine, nicotinamide/ ophthalmic solution	Senile cataract	Total	—	1,605	1,850	1,870	2,224	2,695	21.2	2,800	
		EMEA	—	1,605	1,850	1,870	2,224	2,695	21.2	2,800	
Opegan Hi sodium hyaluronate/ adjuvant for ophthalmic operations	Adjuvant for ophthalmic operations	Total	2,868	2,868	2,574	2,568	2,285	2,304	0.8	2,109	
		Japan	2,868	2,868	2,574	2,568	2,285	2,304	0.8	2,109	
Eylea afibercept/ soulution for intravitreal injection	Intravitreal VEGF inhibitor	Total	18,757	18,757	24,886	39,988	45,155	51,517	14.1	54,473	
		Japan	18,757	18,757	24,886	39,988	45,155	51,517	14.1	54,473	
Hyalein sodium hyaluronate/ophthalmic solution	Dry eye	Total	21,823	21,416	19,611	19,864	17,595	18,170	3.3	17,708	
		Japan	18,179	18,179	15,316	14,491	11,852	10,772	(9.1)	8,541	
		Asia	3,645	3,237	4,295	5,372	5,743	7,397	28.8	9,167	
Diquas diquafosol sodium/ophthalmic solution	Dry eye	Total	7,938	7,938	7,895	9,631	11,940	14,286	19.6	16,087	
		Japan	7,831	7,831	7,419	8,880	11,016	12,822	16.4	14,463	
		Asia	106	107	476	751	924	1,463	58.3	1,625	
Ikervis ciclosporin/ophthalmic solution	Dry eye	Total	—	—	—	751	1,303	2,049	57.2	2,880	
		Asia	—	—	—	—	2	68	—	327	
		EMEA	—	—	—	751	1,301	1,981	52.2	2,553	
Cationorm	Dry eye	Total	—	473	819	1,453	1,835	2,092	14.0	3,116	
		Asia	—	—	5	69	116	199	72.3	173	
		EMEA	—	383	671	1,141	1,439	1,670	16.1	2,713	
		North America	—	91	143	242	280	223	(20.4)	230	
OTC pharmaceuticals		Total	6,455	6,440	6,705	11,004	12,553	14,594	16.3	16,498	
		Japan	6,418	6,404	6,638	10,918	12,421	14,301	15.1	16,144	
		Asia	38	36	67	87	132	293	121.8	355	

(Yen)

Year ended March 31	2014*	2014	2015	2016	2017	2018	2019 Forecast
Exchange rates : US dollar	100.04	100.04	110.14	120.45	108.64	110.94	110.00
: Euro	132.98	132.34	139.01	132.46	118.96	129.92	130.00
: CNY	15.93	15.72	17.84	19.05	16.14	16.84	17.00

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

(Millions of yen)

Year ended March 31	2015		2016		2017		2018	
	%		%		%		%	
■Assets								
Non-current assets								
Property, plant and equipment	29,104	9.6	27,991	7.9	28,550	8.0	29,706	7.6
Intangible assets	84,433	27.8	83,681	23.5	138,935	38.7	134,495	34.6
Financial assets	34,725	11.4	44,535	12.5	29,889	8.3	35,775	9.2
Deferred tax assets	2,978	1.0	2,345	0.7	2,396	0.7	2,264	0.6
Other non-current assets	2,288	0.8	2,109	0.6	2,124	0.6	2,855	0.7
Total non-current assets	153,528	50.5	160,660	45.2	201,894	56.3	205,095	52.8
Current assets								
Inventories	20,133	6.6	24,996	7.0	28,502	7.9	30,636	7.9
Trade and other receivables	61,701	20.3	65,998	18.6	70,970	19.8	78,654	20.2
Other financial assets	187	0.1	234	0.1	333	0.1	472	0.1
Other current assets	2,728	0.9	3,714	1.0	3,909	1.1	4,322	1.1
Cash and cash equivalents	65,923	21.7	99,798	28.1	53,297	14.8	69,283	17.8
Total current assets	150,672	49.5	194,739	54.8	157,011	43.7	183,367	47.2
Total assets	304,200	100.0	355,399	100.0	358,906	100.0	388,463	100.0
■Equity and liabilities								
Equity								
Share capital	7,383	2.4	7,695	2.2	7,792	2.2	8,032	2.1
Capital surplus	8,077	2.7	8,389	2.4	8,417	2.3	8,657	2.2
Treasury shares	(18)	(0.0)	(24)	(0.0)	(10)	(0.0)	(11)	(0.0)
Retained earnings	178,840	58.8	221,945	62.4	223,283	62.2	249,225	64.2
Other components of equity	17,497	5.8	22,003	6.2	15,628	4.4	19,921	5.1
Total equity attributable to owners of the company	211,779	69.6	260,009	73.2	255,110	71.1	285,823	73.6
Non-controlling interests	—	—	—	—	819	0.2	1,734	0.4
Total equity	211,779	69.6	260,009	73.2	255,929	71.3	287,557	74.0
Liabilities								
Non-current liabilities								
Financial liabilities	25,351	8.3	12,944	3.6	26,288	7.3	21,244	5.5
Net defined benefit liabilities	5,459	1.8	2,556	0.7	1,900	0.5	1,804	0.5
Provisions	1,444	0.5	1,629	0.5	1,426	0.4	1,367	0.4
Deferred tax liabilities	2,874	0.9	3,988	1.1	17,963	5.0	12,909	3.3
Other non-current liabilities	953	0.3	1,043	0.3	1,919	0.5	1,380	0.4
Total non-current liabilities	36,081	11.9	22,161	6.2	49,496	13.8	38,704	10.0
Current liabilities								
Trade and other payables	20,250	6.7	24,504	6.9	23,937	6.7	29,743	7.7
Other financial liabilities	19,298	6.3	19,881	5.6	17,649	4.9	14,404	3.7
Income tax payable	6,729	2.2	20,431	5.7	3,279	0.9	7,656	2.0
Provisions	1,197	0.4	1,276	0.4	1,372	0.4	1,508	0.4
Other current liabilities	8,866	2.9	7,138	2.0	7,244	2.0	8,890	2.3
Total current liabilities	56,340	18.5	73,230	20.6	53,481	14.9	62,201	16.0
Total liabilities	92,421	30.4	95,391	26.8	102,977	28.7	100,905	26.0
Total equity and liabilities	304,200	100.0	355,399	100.0	358,906	100.0	388,463	100.0

Consolidated statements of cash flows

(Millions of yen)

Year ended March 31	2015	2016	2017	2018
I. Cash flows from operating activities:				
Net profit for the year	24,032	53,373	21,724	35,261
Depreciation and amortization	6,958	9,338	9,882	10,896
Impairment losses	290	395	475	150
Finance income and expenses	(529)	(545)	983	(327)
Income tax expenses	11,831	26,097	8,331	4,000
Gain on disposal of disposal groups	—	(44,477)	—	—
Decrease (increase) in trade and other receivables	(7,701)	(4,799)	(5,489)	(7,116)
Decrease (increase) in inventories	(521)	(5,388)	(4,120)	(1,435)
Increase (decrease) in trade and other payables	1,251	4,376	(425)	5,697
Increase (decrease) on net defined benefit liabilities	761	(3,974)	(200)	285
Other	2,554	653	2,877	1,706
Subtotal	38,926	35,049	34,039	49,117
Interest received	81	67	74	145
Dividends received	548	573	681	598
Interest paid	(82)	(98)	(52)	(27)
Income tax paid	(14,087)	(13,067)	(23,900)	(6,990)
Net cash flows from (used in) operating activities	25,386	22,525	10,843	42,843
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)	(565)
Proceeds from sale and redemption of investments	4,149	2,682	1,364	2,879
Increase (decrease) through acquisition of subsidiary	—	—	(19,064)	—
Payments for acquisition of property, plant and equipment	(2,972)	(4,299)	(4,145)	(3,984)
Proceeds from sales of property, plant and equipment	656	696	4	—
Payments for acquisition of intangible assets	(63,468)	(4,793)	(5,355)	(5,953)
Proceeds on disposal of disposal groups	—	45,000	—	—
Other	(60)	(25)	(545)	(636)
Net cash flows from (used in) investing activities	(61,709)	37,052	(28,201)	(8,259)
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)	(8,316)
Acquisition of treasury shares	—	—	(12,380)	(1)
Proceeds from contributions of non-controlling interests	—	—	832	838
Dividends paid	(8,264)	(9,923)	(10,751)	(10,559)
Other	194	489	167	408
Net cash flows from (used in) financing activities	28,960	(24,066)	(28,657)	(17,631)
IV. Net increase (decrease) in cash and cash equivalents	(7,363)	35,510	(46,015)	16,953
V. Cash and cash equivalents at the beginning of year	72,397	65,923	99,798	52,282
VI. Effect of exchange rate changes on cash and cash equivalents	889	(1,636)	(1,501)	48
VII. Cash and cash equivalents at the end of period	65,923	99,798	52,282	69,283

Other consolidated information

■R&D expenses

(Millions of yen)

Year ended March 31	J-GAAP	IFRS				
	2014*	2015	2016	2017	2018	2019 Forecast
Consolidated	19,040	17,477	19,990	22,786	24,398	25,000
Percent of net sales/revenue	12.8%	10.8%	10.2%	11.4%	10.8%	10.5%

■Capital expenditures

(Millions of yen)

Year ended March 31	J-GAAP	IFRS				
	2014*	2015	2016	2017	2018	2019 Forecast
Consolidated	3,155	5,383	4,474	5,216	5,445	7,480

■Depreciation and amortization

(Millions of yen)

Year ended March 31	J-GAAP	IFRS				
	2014*	2015	2016	2017	2018	2019 Forecast
Manufacturing cost	1,330	1,446	1,445	1,515	1,950	2,040
Selling, general and administrative expenses	648	864	1,035	1,246	1,453	1,520
R&D expenses	634	668	653	709	752	700
Consolidated total	2,612	2,979	3,133	3,470	4,155	4,260

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				
	2014*	2015	2016	2017	2018	2019 Forecast
Intangible assets (Merck products)	—	3,734	5,186	5,357	5,592	5,810
Intangible assets (Ikervis)	—	—	625	674	736	740
Other	—	245	394	381	412	380
Consolidated total	—	3,979	6,205	6,412	6,740	6,930

■Additional information of statement of financial position

(Millions of yen)

Year ended March 31	J-GAAP	IFRS			
	2014*	2015	2016	2017	2018
In-process research and development	—	16,145	11,363	54,818	54,311
Investment securities	21,739	33,634	43,413	28,615	34,713
Inventories	20,031	20,133	24,996	28,502	30,636
Notes and accounts receivable	52,086	59,611	63,954	68,829	76,318
Notes and accounts payable#1	14,270	14,330	17,225	17,883	22,471

#1 Including electronically recorded monetary liabilities

■Number of employees

Year ended March 31	2014*	2015	2016	2017	2018
Japan	1,903	1,923	1,915	1,975	2,015
North America	154	162	175	213	232
EMEA#2	530	588	660	669	651
Asia	485	557	713	810	907
Consolidated	3,072	3,230	3,463	3,667	3,805

#2 Europe, the Middle East and Africa

Research & development

As of May 9, 2018

■ Pipeline of prescription pharmaceuticals (clinical stage)

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					Oct-17	
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. Acquired import drug license in China in October 2017. 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.						
				Japan						
				Europe						
				Asia				Apr-15		
An intravitreal injection with immunosuppressive effect, anti-angiogenic effect, etc. Planning an additional clinical trial in the U.S. NDA filed in Asia in April 2015.										
epinastine hydrochloride	DE-114A	Allergic conjunctivitis	Nippon Boehringer Ingelheim	Japan						
An H ₁ receptor antagonist with membrane-stabilizing function, as treatment for allergic conjunctivitis. High dose drug. Started Phase 3 in Japan in May 2017.										
omidenepeg isopropyl	DE-117	Glaucoma/ Ocular hypertension	Co-development with Ube Industries	U.S.						
				Japan				Nov-17		
				Asia						
An EP2 receptor agonist with a new mechanism of action. Completed Phase 2b in the U.S. in February 2015. Filed for manufacturing and marketing approval in Japan in November 2017. Started Phase 3 in Asia in December 2016.										
carotuximab	DE-122	Wet Age-related macular degeneration	TRACON Pharmaceuticals	U.S.		(Phase 2a)				
An intravitreal injection of anti-endothelin antibody. Started Phase 2a in July 2017 for development in the U.S.										
sepetaprost	DE-126	Glaucoma/ Ocular hypertension	ONO PHARMACEUTICAL	U.S.		(Phase 2b)				
				Japan		(Phase 2b)				
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. Started Phase 2b in the U.S. and Japan in July 2017.										
atropine sulfate	DE-127	Myopia	Singapore Health Services, Nanyang Technological University	Asia						
Muscarinic antagonist which reduces juvenile myopia progression. Started Phase 2 in Asia in November 2017.										
—	DE-128 (InnFocus MicroShunt)	Glaucoma	Original	U.S.		(Phase 2/3)				
				Europe						
In August 2016, acquired InnFocus, developer of InnFocus MicroShunt. MicroShunt is a drainage implant device designed to lower and sustain intraocular pressure (IOP) for the treatment of primary open-angle glaucoma through the drainage of aqueous humor.										
ciclosporin	DE-076B (Cyclokot)	Severe keratitis in patients with dry eye	Original	U.S.						
				Asia						Dec-17
An ophthalmic emulsion to treat severe keratitis in adult patients with dry eye through an immunosuppressive effect. Cationic emulsion technology has enhanced ocular tissue absorption. Launched in Germany and England in July 2015 with successive launches following in European countries. Currently seeking sequential approvals for marketing in Asia and launched in Thailand in December 2017. Received a Notice of Non-compliance (NON) from Health Canada in April 2018.										

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	NDA Filed	Approved	Launched
ciclosporin	DE-076C (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. In July 2017, the Committee for Human Medicinal Products of the European Medicines Agency adopted a positive opinion, recommending the marketing authorization.										

Generic name	Dev. code	Indication	Original/Licensors	Region	P1	P2	P3	NDA Filed	Approved	Launched
latanoprost	DE-130A (Catioprost)	Glaucoma/ Ocular hypertension	Original	Europe						
An ophthalmic emulsion of a prostaglandin F2 α derivative, for the treatment of glaucoma and ocular hypertension.										

■ Changes from Q3 FY17 (February 6, 2018)

Dev. Code	Changes
DE-076B (Cyclokot)	Received a Notice of Non-compliance (NON) from Health Canada in April 2018.

Pharmaceutical market in Japan

■Revision of National Health Insurance (NHI) drug prices

	2009	2010	2011	2012	2013	2014	2015	2016#1	2017	2018
Industry average	—	mid -6%	—	-6.25%	—	-2.7%	—	-5.57%#1	—	-7.48%
Ophthalmic drugs	—	early -3%	—	mid -4%	—	high -1%	—	early -6%	—	mid -5%
Santen	—	mid -5%	—	high -5%	—	high -1%	—	early -7%#2	—	mid -4%

(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%

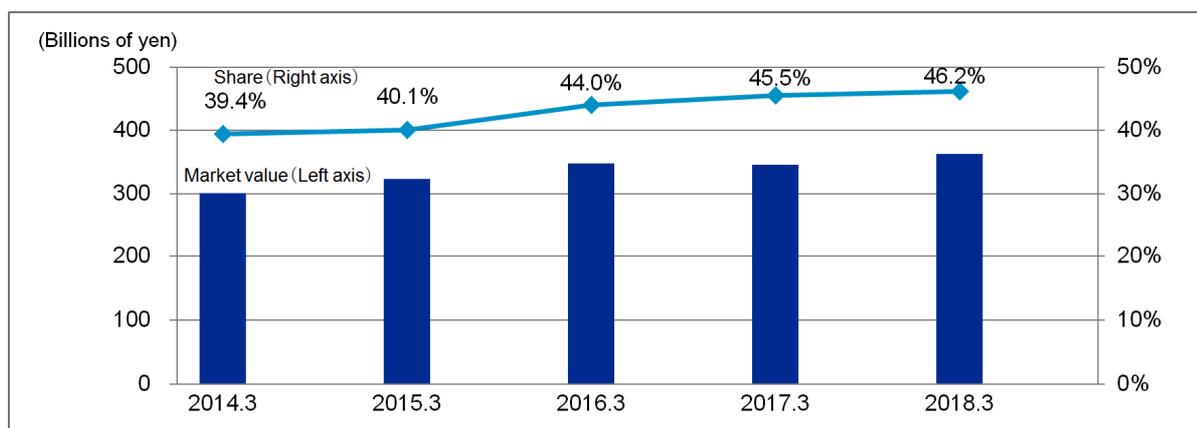
■Market shares in prescription ophthalmics

(Billions of yen)

Year ended March 31	2014	2015	2016	2017	2018
Share	39.4%	40.1%	44.0%	45.5%	46.2%
Market	301.3	323.7	347.5	345.5	363.3

Notes: On an NHI drug price basis.

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■Market shares by therapeutic area - prescription ophthalmics#

(Billions of yen)

Year ended March 31	2014	2015	2016	2017	2018	
Glaucoma treatments	Share	30.5%	32.1%	32.6%	32.2%	31.2%
	Market	104.7	105.7	112.6	114.3	114.9
Corneal disease treatments	Share	70.5%	65.6%	63.4%	62.7%	62.2%
	Market	44.2	44.2	46.4	45.5	46.6
Anti-infective	Share	58.5%	54.0%	49.8%	44.1%	40.0%
	Market	18.3	16.8	16.4	14.6	13.9
Anti-allergy	Share	21.2%	32.0%	36.3%	42.9%	47.9%
	Market	27.9	33.9	35.8	37.7	42.9
Anti-VEGF	Share	48.7%	48.8%	65.7%	72.4%	71.8%
	Market	43.2	61.6	74.5	74.5	85.3

Notes: On an NHI drug price basis.

*Including co-promoted product of Bayer Yakuhin, Ltd. (MAH) (Anti-VEGF Eylea)

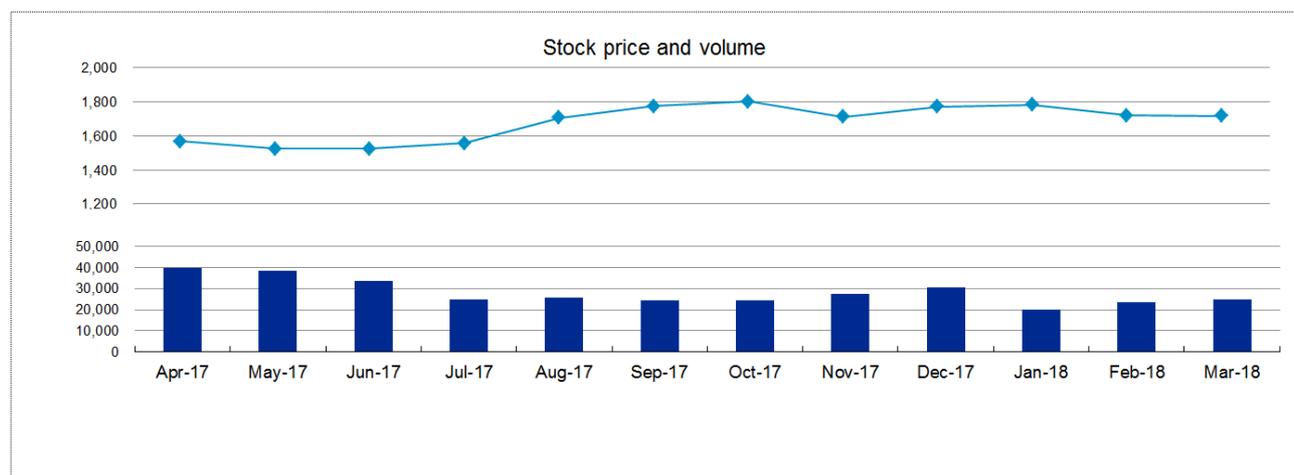
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Stock information

■ Stock price (Tokyo Securities Exchange 1st market)

(Yen and thousand shares)

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Stock price:												
End of month	1,567	1,525	1,524	1,557	1,706	1,773	1,799	1,712	1,771	1,781	1,720	1,715
Volume	39,666	38,446	33,846	24,796	25,667	24,556	24,350	27,355	30,660	20,312	23,774	25,095



■ Major shareholders (top 10)

As of March 31, 2018

Name	Number of shares held	Percent of investment
	Thousand shares	%
State Street Bank and Trust Company 505223	33,702	8.3
Japan Trustee Service Bank, Ltd.(Trust Account)	31,688	7.8
The Master Trust Bank of Japan, Ltd.(Trust Account)	22,288	5.5
RBC IST 15 PCT Lending Account - Client Account	11,280	2.8
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
State Street Bank West Client - Treaty 505234	7,534	1.9
Japan Trustee Service Bank, Ltd.(Trust Account 5)	7,232	1.8

■ Major stock information

Year ended March 31	2014	2015	2016	2017	2018
Issued shares (thousands)	82,582	82,653	414,192	406,173	406,848
Treasury stock (thousands)	2	3	22	7	7
Market Capitalization (million)	378,219	723,181	701,188	654,740	697,731
A purchased amount of money (millions of yen)	—	—	—	12,310	—
The number of the purchased stocks (thousand shares)	—	—	—	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

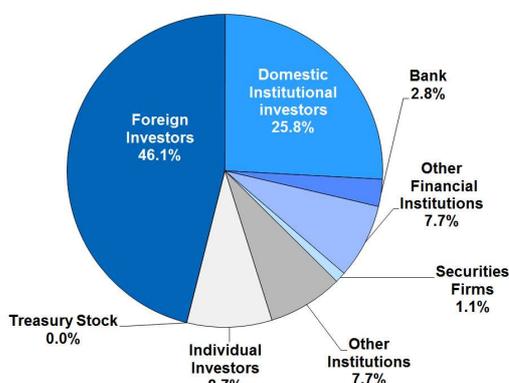
Year ended March 31	2014		2015		2016#		2017		2018	
	Thousand shares	Proportion (%)								
Financial institutions	28,971	35.1	30,049	36.4	146,963	35.5	152,090	37.4	148,006	36.4
City & regional banks	2,270	2.8	2,262	2.7	11,576	2.8	11,496	2.8	11,566	2.8
Trust banks	17,581	21.3	18,726	22.7	98,601	23.8	103,541	25.5	105,060	25.8
(concerned in trust works)	15,192	—	16,333	—	86,474	—	90,732	—	93,483	—
Life and non-life insurance	4,290	5.2	4,196	5.1	21,016	5.1	21,455	5.3	15,810	3.9
Other financial institutions	4,829	5.8	4,862	5.9	15,770	3.8	15,599	3.8	15,570	3.8
Securities firms	721	0.9	922	1.1	4,868	1.2	4,915	1.2	4,536	1.1
Other institutions	7,913	9.6	7,880	9.5	36,938	8.9	34,231	8.4	31,319	7.7
Foreign investors	37,597	45.5	36,373	44.0	186,294	45.0	175,774	43.3	187,543	46.1
Individual investors	7,376	8.9	7,423	9.0	39,106	9.4	39,156	9.6	35,436	8.7
Treasury Stock	2	0.0	3	0.0	22	0.0	7	0.0	7	0.0
Total	82,582	100.0	82,653	100.0	414,192	100.0	406,173	100.0	406,848	100.0

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

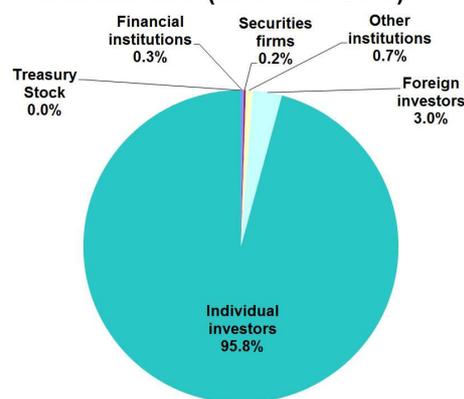
■ Breakdown of shareholding by number of shareholders

Year ended March 31	2014		2015		2016		2017		2018	
	Number of shareholders	Proportion (%)								
Financial institutions	56	0.8	62	0.6	77	0.3	66	0.3	68	0.3
City & regional banks	5	0.1	4	0.1	8	0.0	7	0.0	9	0.0
Trust banks	25	0.3	27	0.2	30	0.1	26	0.1	26	0.1
Life and non-life insurance	21	0.3	23	0.2	27	0.1	24	0.1	23	0.1
Other financial institutions	5	0.1	8	0.1	12	0.1	9	0.1	10	0.1
Securities firms	35	0.4	33	0.3	52	0.2	40	0.2	42	0.2
Other institutions	114	1.5	122	1.1	154	0.7	152	0.6	130	0.7
Foreign investors	407	5.2	486	4.2	549	2.3	539	2.3	593	3.0
Individual investors	7,167	92.1	10,664	93.8	22,700	96.5	22,852	96.6	19,051	95.8
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
Total	7,780	100.0	11,368	100.0	23,533	100.0	23,650	100.0	19,885	100.0

Breakdown of shareholding by number of shares (as of Mar. 2018)



Breakdown of shareholding by number of shareholders (as of Mar. 2018)



Consolidated subsidiaries

【Japan】

As of March 31, 2018

Company name	Main business	Location	Paid-in capital	Equity owned
Claire Co., Ltd.	Cleaning of antiodust 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	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%
Santen Ventures, Inc.	Investment in ventures	U.S.A.	10 thousand US\$	100% #1

【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, contract manufacturing, 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 SA	Headquarter of EMEA business, production and marketing of pharmaceuticals	Switzerland	12,065 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	Marketing support of pharmaceuticals	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 and marketing of pharmaceuticals	Korea	29,000,000 thousand won	100%
Taiwan Santen Pharmaceutical Co., Ltd.	Marketing of pharmaceuticals	Taiwan	42,000 thousand Taiwan dollars	100%
Santen India Private Limited	Market research and clinical development 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.	Marketing of pharmaceuticals	Thailand	110,000 thousand Thai baht	100% #5
SANTEN PHARMA MALAYSIA SDN. BHD.	Marketing of pharmaceuticals	Malaysia	4,000 thousand Malaysian ringgit	100% #5
SANTEN PHILIPPINES INC.	Marketing of pharmaceuticals	Philippines	43,309 thousand Philippine peso	100% #5
SANTEN PHARMACEUTICAL (HONG KONG) LIMITED	Marketing of pharmaceuticals	Hong Kong	7,600 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 2017-March 2018

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

2017

7-Apr Santen Announces Strategic Investment in Regenerative Patch Technologies LLC

Santen announced that Santen has made an investment in Regenerative Patch Technologies LLC (“RPT”). RPT has developed proprietary technologies that can produce and subsequently deliver a monolayer of stem cell-derived retinal pigment epithelial cells on a scaffold through a minimally invasive surgical approach.

25-Apr Santen Announces U.S. FDA Filing Acceptance of New Drug Application (NDA) for Intravitreal Sirolimus (DE-109) in the Treatment of Non-Infectious Uveitis of the Posterior Segment

Santen announced that the U.S. Food and Drug Administration (FDA) has accepted for review the New Drug Application (NDA) for intravitreal (IVT) sirolimus (440 µg), development code DE-109, for the treatment of non-infectious uveitis of the posterior segment (NIU-PS). The FDA has set an action date of December 24, 2017 to complete its review of the IVT sirolimus NDA, per the Prescription Drug User Fee Act (PDUFA). IVT sirolimus was granted orphan drug designation by the FDA and the European Commission (EC) in 2011.

1-May Santen to Establish a Corporate Venture Capital Fund in the United States

Santen announced plans to establish a corporate venture capital fund (“fund”) to be based in Emeryville, California, United States. The purpose of the fund is to create valuable synergies with early stage companies developing differentiated technologies as ophthalmic treatments in order to enhance Santen’s R&D pipeline and contribute to our goal of improving the quality of life of patients suffering from eye diseases.

18-Jul Santen Donates to Northern Kyushu Area Disaster Relief Efforts

26-Jul Santen Receives Positive CHMP Opinion in Europe for Ciclosporin eye drops for the Treatment of Paediatric Patients with Severe Vernal Keratoconjunctivitis

Santen announced that the Committee for Human Medicinal Products (CHMP) of the European Medicines Agency (EMA) has adopted a positive opinion, recommending the marketing authorization for ciclosporin 1mg/mL eye drops, emulsion, for the treatment of severe vernal keratoconjunctivitis (VKC) in paediatric populations¹.

26-Jul Santen and TRACON Announce Initiation of a Phase 2a Study of DE-122 for the Treatment of Wet Age-Related Macular Degeneration

Santen and TRACON Pharmaceuticals, Inc. (NASDAQ:TCON, TRACON) today announced that Santen has initiated a Phase 2a clinical study of DE-122 in patients with wet age-related macular degeneration (AMD). The initiation of the Phase 2a study triggers a US\$7 million milestone payment from Santen to TRACON.

1-Aug Santen to Grant Subscription Rights to New Shares as Stock Options for Stock-Linked Remuneration

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

19-Sep Santen Selected as a Member of Dow Jones Sustainability Asia Pacific Index, an Index for Socially Responsible Investment

Santen announced that Santen has been selected for the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Asia Pacific version of the Dow Jones Sustainability Indices (DJSI), one of the world’s foremost indices for socially responsible investment (SRI).

2017

18-Oct Santen to Launch on October 18 of *Sante Beautéye Contact*, a New OTC Eye Drop

26-Oct Santen to Participate in UN Global Compact

Santen Pharmaceutical signed the UN Global Compact (UNGC) and became a registered participant on October 23, 2017. As a member of global society, Santen intends to support and practice the ten principles of the UNGC in the four areas of human rights, labour, environment, and anti-corruption in pursuit of a sustainable society.

1-Nov Santen Announces Approval of Diquas for the Treatment of Dry Eye in China

November 1, 2017, Santen Pharmaceutical received an import drug license of Diquas Ophthalmic Solution (generic name: ; hereinafter "Diquas") for the treatment of dry eye in China on October 20, 2017. Diquas was shown to improve dry eye signs. No serious ocular or systemic adverse drug reactions were found during the clinical trials.

27-Nov Santen Files for Manufacturing and Marketing Approval of Glaucoma and Ocular Hypertension Drug Candidate DE-117 (JAN: Omidenepag Isopropyl)

November 27, 2017, Santen Pharmaceutical and Ube Industries, Ltd. (hereinafter, Ube Industries) filed for manufacturing and marketing approval of glaucoma and ocular hypertension treatment DE-117 (JAN: Omidenepag Isopropyl) to the Japanese Ministry of Health, Labour and Welfare on November 22, 2017. Santen and Ube Industries entered into a license and collaboration agreement with DE-117, and co-developed DE-117 ophthalmic solution as a treatment for glaucoma and ocular hypertension.

21-Dec Santen Receives Complete Response Letter from U.S. FDA for Intravitreal Sirolimus (DE-109)

December 21, 2017, the U.S. Food and Drug Administration (FDA) has issued a complete response letter for the New Drug Application (NDA) for intravitreal (IVT) sirolimus (DE-109). IVT sirolimus is an investigational therapy developed as a potential treatment for adults with noninfectious uveitis of the posterior segment, a leading cause of preventable blindness in working-age adults.

2018

20-Feb Santen Announces Appointment of New President

At the meeting of the Board of Directors held on February 20, 2018, Akira Kurokawa was selected as Representative Director, Chairman and Chief Executive Officer, and Shigeo Taniuchi as Representative Director, President and Chief Operating Officer. They all assumed their offices.

20-Feb Santen Awarded for Corporate Governance

The Corporate Governance of the Year awards, established by the Japan Association of Corporate Directors in 2015, honors the companies which have achieved and maintained long term profitability by implementing good corporate governance with the ultimate goal of revitalizing the Japanese economy.

23-Feb Santen to Conduct a Public Awareness Campaign for Glaucoma During World Glaucoma Week March 11 - 17



SANTEN PHARMACEUTICAL CO., LTD.