

## **Santen Announces the Completion of Establishment Procedures for Chongqing Santen Kerui Pharmaceutical Co., Ltd.**

August 30, 2016 -- Santen Pharmaceutical Co., Ltd. (Osaka, Japan, hereinafter “Santen”) announced today that Santen Pharmaceutical (China) Co., Ltd. (hereinafter “Santen China”) and Chongqing Kerui Pharmaceutical (Group) Co., Ltd. (Chongqing, China; hereinafter “Kerui”) have established a prescription ophthalmic joint venture as part of a collaboration between the companies originally announced in March 22, 2016.

### **1. Purpose of Joint Venture**

Santen is working to realize its long-term strategic vision through 2020, which is to become a “specialized pharmaceutical company with a global presence.” Santen China and Kerui are involved in a strategic collaboration aiming to provide the highest-quality ophthalmic products at a reasonable price to the most patients possible in China. The new joint venture has been established in the city of Chongqing, one of China's four direct-controlled municipalities. The joint venture is established as a consolidated subsidiary of Santen.

### **2. Company Profiles of Joint Venture**

|                                                      |                                                                                                                                           |                                                                           |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| (1) Name                                             | Chongqing Santen Kerui Pharmaceutical Co., Ltd                                                                                            |                                                                           |
| (2) Location                                         | Chongqing, China                                                                                                                          |                                                                           |
| (3) Name and title of representative                 | Shaohong Li, Chairman (Chairman, Kerui)<br>Ye Liu, Director, General Manager (Corporate Officer of Santen, General Manager, Santen China) |                                                                           |
| (4) Business activities                              | Production and sales of ophthalmic products                                                                                               |                                                                           |
| (5) Stated capital                                   | 200 million RMB (around 3 billion JPY) *                                                                                                  |                                                                           |
| (6) Date of establishment                            | August 22, 2016                                                                                                                           |                                                                           |
| (7) Major shareholders and their shareholding ratios | Kerui 51%<br>Santen China 49%                                                                                                             |                                                                           |
| (8) Relationships between parties                    | Capital relationship                                                                                                                      | Santen holds 49% of share through Santen China, a consolidated subsidiary |
|                                                      | Personnel relationship                                                                                                                    | 4 of 7 board members are employees in Santen or Santen China              |
|                                                      | Business relationship                                                                                                                     | Not applicable                                                            |

\* 1 RMB is converted to 15 JPY.

### **3. Company Profiles of Partner to Establish Joint Venture**

|                                      |                                                  |                 |
|--------------------------------------|--------------------------------------------------|-----------------|
| (1) Name                             | Chongqing Kerui Pharmaceutical (Group) Co., Ltd. |                 |
| (2) Location                         | Chongqing, China                                 |                 |
| (3) Name and title of representative | Shaohong Li, Chairman                            |                 |
| (4) Business activities              | Production and marketing of pharmaceuticals      |                 |
| (5) Relationships between parties    | Capital relationship                             | Not applicable. |
|                                      | Personnel relationship                           | Not applicable. |
|                                      | Business relationship                            | Not applicable. |

#### 4. Future Outlook

The impact of the event on Santen's forecasts for the fiscal year ending March 31, 2017 is negligible.

#### **About Santen**

As a specialty company dedicated to the ophthalmic field, Santen carries out research, development, sales, and marketing of pharmaceuticals. Santen is the market leader in Japan for prescription ophthalmic pharmaceuticals and sells products in over 50 countries. As a leading company in the field of ophthalmology, Santen aims to contribute to society by supplying valuable products and services to satisfy unmet medical needs. For more details, please see Santen's website ([www.santen.com](http://www.santen.com)).

#### **Santen Forward-looking Statements**

Information provided in this press release contains forward-looking statements. The achievement of these forecasts is subject to risk and uncertainty from various sources. Therefore, please note that the actual results may differ significantly from the forecasts. Business performance and financial conditions are subject to the effects of changes in regulations made by the governments of Japan and other nations concerning medical insurance, drug pricing and other systems, and to fluctuations in market variables such as interest rates and foreign exchange rates.

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