

Santen Announces Closing of Asset Purchase Agreement with Respect to Acquisition of Ophthalmology Assets from Merck

Osaka, Japan –July 1, 2014 (US-EST)—Santen Pharmaceutical Co., Ltd. (Osaka, Japan) (Santen) announced the closing of an asset purchase agreement (“Agreement”) which was entered on May 13, 2014 between Merck & Co., Inc. (Whitehouse Station, NJ, USA, known as MSD outside of the U.S.A and Canada) (Merck) with respect to the acquisition of certain ophthalmology assets, following the fulfillment of all of the transfer conditions, except in some territories, in accordance with the terms of the Agreement. Accordingly, on July 1st, 2014 (US-EST), Santen completed the payment to Merck as stated below.

The completed transaction concerns products primarily intended for Asia including Japan, South Korea and Europe excluding some countries. Santen's payment for the closed transaction totaled approximately USD 550 million (approximately JPY 56 billion). The total amount of consideration for the transfer, when completed as provided for under the Agreement, will reach approximately USD 600 million, as previously announced on May 13, 2014, with additional contingency payments based on certain sales milestones and an agreement to purchase product supply from Merck. The remaining assets will be transferred as soon as the closing conditions are fulfilled.

Also as announced previously, Santen is funding the transaction with a combination of cash on hand and bank loans.

Santen plans to disclose separately information relating to the impact that this transaction may have on the company's forecasted fiscal performance for the fiscal year ending on March 31, 2015.

About Santen

As a specialty company dedicated to the ophthalmic and anti-rheumatic fields, Santen carries out the research, development, sales, and marketing of pharmaceuticals. The company has 15 bases in 12 countries globally and delivers products to consumers in more than 50 countries. In Japan, Santen holds the No. 1 share in the prescription ophthalmic pharmaceutical market. 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.

Santen Forward-looking Statements

Information provided in this press release contains so-called “Forward-looking Statements”. The realizations of these forecasts are 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 condition are subject to the effects of change 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.

This press release is also prepared in other languages. However this English document is the original document, and documents prepared in other languages are for your reference only. In case of any discrepancy between the English and translated versions, the English version will prevail. Please refer to <http://www.santen.com> for the original English document.