

Notice of Cancellation of Treasury Shares

Osaka, Japan, December 14, 2016 -- Santen Pharmaceutical Co., Ltd. (Osaka, Ticker Code 4536JP) (the "Company") hereby announces that it has resolved at the Board of Directors meeting held on December 14, 2016 to cancel treasury shares as stated below, in accordance with Article 178 of the Companies Act (Japan).

The treasury shares to be canceled by the Company were acquired by repurchases of own shares in accordance with the resolution passed at the Board of Directors meeting held on September 12, 2016 and further described in the Company's announcement on the same day. This cancellation of treasury shares ("Cancellation") includes those acquired by the share repurchase.

Description of Cancellation

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| 1. Class of shares to be canceled: | The Company's common shares |
| 2. Total number of shares to be canceled: | 8,300,000 shares
(Note) The ratio against total number of the outstanding shares before the Cancellation (rounded off to two decimal places): 2.00% |
| 3. Date of cancellation (planned): | December 29, 2016 |

- (1) The total number of the outstanding shares of the Company (including its treasury shares) after the Cancellation is expected to be 406,005,015 shares.
- (2) The number of treasury shares after the Cancellation is expected to be 6,531 shares.

The aforementioned details were calculated based on the total number of outstanding shares of the Company and the number of treasury shares as of September 30, 2016.

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).

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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