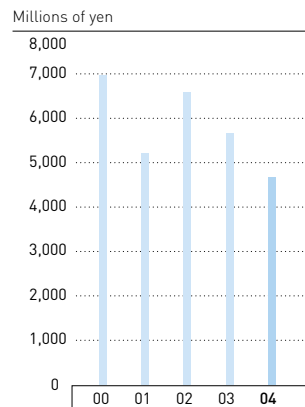


➔ Over-The-Counter Pharmaceuticals



Sales of Over-The-Counter Pharmaceuticals



In the area of over-the-counter (OTC) pharmaceuticals, Santen focuses on the marketing of eye drop products including *Sante FX Neo*, a leading eye drop brand in Japan, and *Sante 40*, which provides effective relief from blurred vision. Santen's OTC pharmaceuticals business is supported by its advanced drug manufacturing technology and planning capabilities. Santen's strength in the OTC eye drop segment is due to the superior abilities of our sales and marketing staff, the large share we hold with large-scale retailers, and products designed to help people maintain and improve their ophthalmic health.

For the year ended March 31, 2004, the OTC eye drops market in Japan expanded marginally from the previous year, owing in part to the growth of products for eye strain treatment and eye refreshment, which offset the impact of reduced distribution prices.

During the year under review, we continued working on sales promotions mainly for our eye drops for eye strain and blurred vision products, as well as the eye refreshment drops. We maintained our market share in the OTC pharmaceuticals market at approximately 20%, a level comparable to the previous year. However, sales for the year were ¥4,672 million, down 17.4% from the previous year, as a result of reductions in trade inventory.

For the current fiscal year ending March 31, 2005, we will develop and execute a restructuring plan based on cost analysis in order to improve profitability in our OTC pharmaceuticals business.



▲ New *Sante 40* TV commercial launched in May 2004.