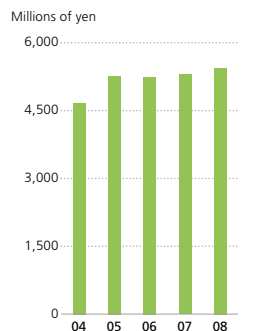


Over-the-Counter Pharmaceuticals

Net Sales of OTC Pharmaceuticals



Sante FX Neo



Sante Medical 10

As a result of continued promotional activities focusing on products for tired eyes, blurred vision and eye refreshment, Santen's OTC net sales rose 2.7%, to ¥5,451 million.

Net Sales ¥ **5,451** million + **2.7%**

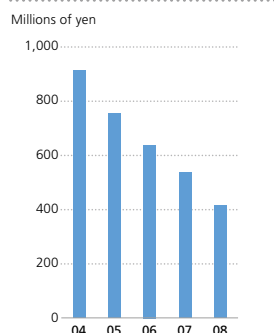
Santen's OTC pharmaceuticals sales are almost entirely generated in the Japanese OTC ophthalmic market. In fiscal 2007, that market grew as demand rose for products for eye fatigue, contact lens wearers and allergies.

Our OTC business specializes in a range of ophthalmic products, including *Sante FX Neo*, Japan's top-selling ophthalmic solution brand, and the *Sante 40* series, highly effective in improving blurred vision. As a result of promotional activities focusing on products for tired eyes, blurred vision and eye refreshment, especially *Sante Medical 10*—a sophisticated formulation with 10 different active ingredients to specifically relieve eye fatigue, which we launched in October 2006—OTC net sales rose 2.7%, to ¥5,451 million.

With fierce competition set to continue in this market, we will promote sales of new products while maintaining the market share of our existing range.

Medical Devices

Net Sales of Medical Devices



The number of cataract surgeries in Japan rose only slightly in fiscal 2007, and combined with heightened competition, this led to a decline in Santen's intraocular lens (IOL) sales and a reduction of 22.8% in net sales of its medical devices, to ¥415 million.

Net Sales ¥ **415** million - **22.8%**

Santen's medical devices business specializes in the cataract surgery field, focusing primarily on IOLs. The number of cataract surgeries in Japan rose slightly in fiscal 2007, but heightened competition led to a fall in the overall unit price of IOLs. As a result, net sales of medical devices declined 22.8%, to ¥415 million.

IOL demand in recent years has shifted primarily to foldable lenses that can be inserted through a small incision. Santen will soon be beginning full-scale marketing in Japan of *Eternity* foldable IOL made of a new highly refractive optical material. *Eternity* is made by Advanced Vision Science, Inc., a U.S. subsidiary of Santen, and will contribute to the expansion in sales of medical devices.