

[Disclaimer: The following is meant to be an accurate translation from the original Financial Report of Santen Pharmaceutical Co., Ltd., written in Japanese, and is prepared for the information disclosure to the Tokyo Stock Exchange. However, in the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail.]

SANTEN PHARMACEUTICAL CO., LTD. (November 5, 2008)

Code: 4536

URL <http://www.santen.co.jp>

Financial Report for the Six-month period ended September 30, 2008

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(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the six months ended September 30, 2008

	Six months ended September 30, 2008	Six months ended September 30, 2007
(1) Operating results		
Net sales (millions of yen)	52,217	51,942
Operating income (millions of yen)	5,636	10,668
Ordinary income (millions of yen)	6,014	10,971
Net income (millions of yen)	3,724	6,918
Net income per share (yen)	43.81	79.72
Diluted net income per share (yen)	43.77	79.58

	September 30, 2008	March 31, 2008
(2) Financial condition		
Total assets (millions of yen)	154,396	156,547
Net assets (millions of yen)	127,583	127,118
Equity ratio	82.5%	81.1%
Net assets per share (yen)	1,498.47	1,494.48

2. Dividends

	Year to March 2009	(Forecasts) Year to March 2009	Year to March 2008
First quarter dividends per share (yen)	0.00	—	0.00
Second quarter dividends per share (yen)	40.00	—	40.00
Third quarter dividends per share (yen)	—	0.00	0.00
End-of-period dividends per share (yen)	—	40.00	40.00
Annual dividends per share (yen)	—	80.00	80.00

3. Consolidated Forecasts of results for the year ending March 31, 2009

	Full year	(Full year) % change 2009/2008
Net sales (millions of yen)	104,000	0.6%
Operating income (millions of yen)	15,100	(25.9%)
Ordinary income (millions of yen)	15,600	(24.6%)
Net income (millions of yen)	9,800	(22.5%)
Net income per share (yen)	115.32	

4. Others

(1) No change on consolidated subsidiaries

(2) No alternative methods have been adopted in accounting policy

(3) Change in accounting policy

- ① Four changes have been made in the revision of accounting standards.
- ② No other change has been made.

(4) Number of shares outstanding (common stock)

① Number of shares outstanding at the end of period (including treasury stock)

September 30, 2008 : 86,908,203

March 31, 2008 : 86,866,703

② Number of treasury stock at the end of period

September 30, 2008 : 1,891,580

March 31, 2008 : 1,888,743

③ Average number of shares outstanding (cumulative from the beginning of the fiscal year)

For six months ended September 30, 2008: 85,004,971

For six months ended September 30, 2007: 86,783,380

(Caution)

1. Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, delays in new products launch, currency exchange rate, legislative and regulatory developments.

2. From the current fiscal year, Santen Pharmaceutical adopts the "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards No.12) and the "Guides for Adopting the Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards Adoption Guide No.14). Santen Pharmaceutical also follows the "Rules for Quarterly Consolidated Financial Statements" to prepare its quarterly consolidated financial statements.