

[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. (May 10, 2011)

Code: 4536

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

Financial Report for the Year Ended March 31, 2011

Akira Kurokawa, President and Chief Executive Officer

Contact: Takashi Hibi, Corporate Communication Group Manager

Head of Administration Division Tel: 06-6321-7007

(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the year ended March 31, 2011

(1) Operating results	Year to March 2011	Year to March 2010	% change 2011/2010
Net sales (millions of yen)	110,812	110,594	0.2%
Operating income (millions of yen)	30,738	29,640	3.7%
Ordinary income (millions of yen)	31,484	29,862	5.4%
Net income (millions of yen)	21,333	18,722	13.9%

Note: Comprehensive income:

Fiscal year ended March 31, 2011: ¥ 19,796 million (5.2%)

Fiscal year ended March 31, 2010: ¥ 18,826 million (- %)

	Year to March 2011	Year to March 2010
Net income per share (yen)	249.71	220.10
Diluted net income per share (yen)	249.42	219.85
Net income to equity	14.5%	14.3%
Ordinary income to total assets	17.9%	18.8%
Operating income to net sales	27.7%	26.8%

Reference: Equity in earnings (losses) of affiliates.

Fiscal year ended March 31, 2011: ¥ - million

Fiscal year ended March 31, 2010: (¥ 564 million)

(2) Financial condition	March 31, 2011	March 31, 2010
Total assets (millions of yen)	184,801	166,878
Net assets (millions of yen)	156,404	137,603
Equity ratio	84.5%	82.3%
Net assets per share (yen)	1,793.15	1,614.08

Reference: Equity at year-end (consolidated):

Fiscal year ended March 31, 2011: ¥ 156,098 million

Fiscal year ended March 31, 2010: ¥ 137,342 million

(3) Cash flows	Year to March 2011	Year to March 2010
Cash flows from operating activities (millions of yen)	17,769	26,110
Cash flows from investing activities (millions of yen)	(7,676)	(829)
Cash flows from financing activities (millions of yen)	(1,570)	(6,753)
Cash and cash equivalents at end of year (millions of yen)	72,482	64,348

* Figures in parentheses indicate a decrease.

2. Dividends

	Year to March 2011	Year to March 2010	(Forecasts) Year to March 2012
Second quarter dividends per share (yen)	40.00	40.00	50.00
Year-end dividends per share (yen)	50.00	40.00	50.00
Annual dividends per share (yen)	90.00	80.00	100.00
Total dividends paid (full-year) (millions of yen)	7,757	6,806	—
Payout ratio (consolidated)	36.0%	36.3%	41.7%
Dividends paid on net assets (consolidated)	5.3%	5.2%	—

3. Consolidated Forecasts of results for the year ending March 31, 2012

	First half year	Full year	(Full year) % change 2011/2010
Net sales (millions of yen)	57,300	116,000	4.7%
Operating income (millions of yen)	14,500	30,000	(2.4%)
Ordinary income (millions of yen)	14,800	30,500	(3.1%)
Net income (millions of yen)	10,000	20,500	(3.9%)
Net income per share (yen)	117.05	239.95	

* Figures in parentheses indicate a decrease.

4. Others

(1) No change on significant consolidated subsidiaries

(2) Change in accounting policy

[i] Changes in connection with the amendment of accounting policies and methods: Yes

[ii] Changes other than [i]: None

(3) Number of shares outstanding (common stock)

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

March 31, 2011: 87,053,103

March 31, 2010: 86,992,503

② Number of treasury stock at the end of period

March 31, 2011: 464

March 31, 2010: 1,902,026

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

March 31, 2011: 85,433,011

March 31, 2010: 85,065,092

(Reference)

1. Non-consolidated Performance for the year ended March 31, 2011

(1) Operating results	Year to March 2011	Year to March 2010	% change 2011/2010
Net sales (millions of yen)	99,514	100,528	(1.0%)
Operating income (millions of yen)	28,839	28,677	0.6%
Ordinary income (millions of yen)	29,604	29,000	2.1%
Net income (millions of yen)	18,534	17,947	3.3%
Net income per share (yen)	216.94	210.98	
Diluted net income per share (yen)	216.69	210.74	

(2) Financial condition

	March 31, 2011	March 31, 2010
Total assets (millions of yen)	185,394	168,787
Net assets (millions of yen)	159,602	142,643
Equity ratio	85.9%	84.4%
Net assets per share (yen)	1,829.89	1,673.32

Reference: Equity at year-end:

Fiscal year ended March 31, 2011: ¥ 159,296 million

Fiscal year ended March 31, 2010: ¥ 142,383 million

(Caution)

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.