

SANTEN PHARMACEUTICAL CO., LTD. (July 29, 2004)  
Code: 4536  
URL <http://www.santen.co.jp>  
Financial Report for the Three-month period ended June 30, 2004  
(Consolidated)  
Takakazu Morita, President and Chief Executive Officer  
Contact: Ichiro Otokozawa, Division Manager,  
Corporate Development and Administration Division Tel: 06-6321-7007

**1. Basis of preparing the financial report for the three months ended June 30, 2004**

- (1) No alternative methods have been adopted in accounting policy.
- (2) One change has been made in accounting policy.
- (3) No changes on consolidated subsidiaries and application of the equity method
- (4) No audit or review by certified public accountant or accounting firm

**2. Performance for the three months ended June 30, 2004**

(Figures are rounded down to the nearest million yen)

(1) <b>Operating results</b>	Three months ended June 30, 2004	Three months ended June 30, 2003	Year ended March 31, 2004
Net sales (millions of yen)	22,476	22,803	89,857
Operating income (millions of yen)	4,751	3,834	14,525
Ordinary income (millions of yen)	4,849	3,691	15,790
Net income (millions of yen)	2,953	1,795	6,321
Net income per share (yen)	33.59	20.41	71.65
Diluted net income per share (yen)	33.56	20.15	71.64

(2) <b>Financial condition</b>	June 30, 2004	June 30, 2003	March 31, 2004
Total assets (millions of yen)	140,516	148,282	150,237
Shareholders' equity (millions of yen)	103,871	98,880	103,499
Shareholders' equity ratio	73.9%	66.7%	68.9%
Shareholders' equity per share (yen)	1,181.31	1,124.51	1,176.83

(3) <b>Cash flows</b>	Three months ended June 30, 2004	Three months ended June 30, 2003	Year ended March 31, 2004
Cash flows from operating activities (millions of yen)	(5,357)	3,648	23,196
Cash flows from investing activities (millions of yen)	(351)	(230)	5,246
Cash flows from financing activities (millions of yen)	(2,559)	(904)	(12,122)
Cash and cash equivalents at end of year (millions of yen)	33,174	27,869	41,422

**3. Forecasts of results for the year ending March 31, 2005**

	Interim	Full year	
Net sales (millions of yen)	45,100	90,800	
Operating income (millions of yen)	8,400	16,000	
Ordinary income (millions of yen)	7,800	15,300	
Net income (millions of yen)	4,000	8,700	
Reference: Expected net income per share (full-year basis)			98.94 yen

**Caution)**

The aforementioned forecast in this brief financial report reflects the Company's current analysis of data available and the Company's assumption as of July 29, 2004. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; changes in related laws and regulations; status of product development programs; and changes in exchange rates.