

SANTEN PHARMACEUTICAL CO., LTD. (January 31, 2005)

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Financial Report for the Nine-month period ended December 31, 2004

(Consolidated)

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**1. Basis of preparing the financial report for the nine months ended December 31, 2004**

- (1) No alternative methods have been adopted in accounting policy.
- (2) No changes have 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 nine months ended December 31, 2004**

(Figures are rounded down to the nearest million yen)

	December 31, 2004	December 31, 2003	March 31, 2004
<b>(1) Operating results</b>			
Net sales (millions of yen)	70,245	69,987	89,857
Operating income (millions of yen)	16,347	12,610	14,525
Ordinary income (millions of yen)	16,243	14,110	15,790
Net income (millions of yen)	8,865	6,970	6,321
Net income per share (yen)	101.15	79.27	71.65
Diluted net income per share (yen)	101.06	79.27	71.64
<b>(2) Financial condition</b>			
Total assets (millions of yen)	144,189	144,959	150,237
Shareholders' equity (millions of yen)	105,721	102,825	103,499
Shareholders' equity ratio	73.3%	70.9%	68.9%
Shareholders' equity per share (yen)	1,220.68	1,169.40	1,176.83
<b>(3) Cash flows</b>			
Cash flows from operating activities (millions of yen)	3,822	12,735	23,196
Cash flows from investing activities (millions of yen)	(7,842)	4,412	5,246
Cash flows from financing activities (millions of yen)	(7,137)	(11,935)	(12,122)
Cash and cash equivalents at end of year (millions of yen)	30,284	30,051	41,422

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

	Full year
Net sales (millions of yen)	90,700
Operating income (millions of yen)	18,200
Ordinary income (millions of yen)	17,900
Net income (millions of yen)	9,600
Reference: Expected net income per share (full-year basis)	110.84 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 January 31, 2005. 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.