

SANTEN PHARMACEUTICAL CO., LTD. (July 29, 2005)

Code: 4536

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

Financial Report for the Three-month period ended June 30, 2005

(Consolidated)

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1. Basis of preparing the financial report for the three months ended June 30, 2005

- (1) No alternative methods have been adopted in accounting policy.
- (2) No 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, 2005

(Figures are rounded down to the nearest million yen)

| | Three months ended June 30, 2005 | Three months ended June 30, 2004 | Year ended March 31, 2005 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| (1) Operating results | | | |
| Net sales (millions of yen) | 25,246 | 22,476 | 92,696 |
| Operating income (millions of yen) | 6,534 | 4,751 | 18,982 |
| Ordinary income (millions of yen) | 6,701 | 4,849 | 18,837 |
| Net income (millions of yen) | 4,202 | 2,953 | 11,022 |
| Net income per share (yen) | 48.52 | 33.59 | 125.85 |
| Diluted net income per share (yen) | 48.44 | 33.56 | 125.71 |

| | June 30, 2005 | June 30, 2004 | March 31, 2005 |
|--|---------------|---------------|----------------|
| (2) Financial condition | | | |
| Total assets (millions of yen) | 137,687 | 140,516 | 139,979 |
| Shareholders' equity (millions of yen) | 109,459 | 103,871 | 108,239 |
| Shareholders' equity ratio | 79.5% | 73.9% | 77.3% |
| Shareholders' equity per share (yen) | 1,263.60 | 1,181.31 | 1,249.32 |

| | Three months ended June 30, 2005 | Three months ended June 30, 2004 | Year ended March 31, 2005 |
|--|-------------------------------------|-------------------------------------|------------------------------|
| (3) Cash flows | | | |
| Cash flows from operating activities (millions of yen) | 1,211 | (5,357) | 6,619 |
| Cash flows from investing activities (millions of yen) | (73) | (351) | (2,907) |
| Cash flows from financing activities (millions of yen) | (2,496) | (2,559) | (12,711) |
| Cash and cash equivalents at end of year (millions of yen) | 31,031 | 33,174 | 32,380 |

3. Forecasts of results for the year ending March 31, 2006

| | Interim | Full year |
|------------------------------------|---------|-----------|
| Net sales (millions of yen) | 49,200 | 97,500 |
| Operating income (millions of yen) | 10,700 | 20,800 |
| Ordinary income (millions of yen) | 10,900 | 21,000 |
| Net income (millions of yen) | 6,700 | 12,500 |

Reference: Expected net income per share (full-year basis) 144.30 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, 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.