

SANTEN PHARMACEUTICAL CO., LTD. (January 31, 2006)

Code: 4536

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Financial Report for the Nine-month period ended December 31, 2005

(Consolidated)

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1. Basis of preparing the financial report for the nine months ended December 31, 2005

- (1) No alternative methods have been adopted in accounting policy.
- (2) No change has been made in accounting policy.
- (3) One company newly added in the scope of 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, 2005

(Figures are rounded down to the nearest million yen)

(1) Operating results	Nine months ended December 31, 2005	Nine months ended December 31, 2004	Year ended March 31, 2005
Net sales (millions of yen)	76,750	70,245	92,696
Operating income (millions of yen)	19,172	16,347	18,982
Ordinary income (millions of yen)	19,532	16,243	18,837
Net income (millions of yen)	11,735	8,865	11,022
Net income per share (yen)	135.44	101.15	125.85
Diluted net income per share (yen)	135.21	101.06	125.71

(2) Financial condition	December 31, 2005	December 31, 2004	March 31, 2005
Total assets (millions of yen)	146,253	144,189	139,979
Shareholders' equity (millions of yen)	116,627	105,721	108,239
Shareholders' equity ratio	79.7%	73.3%	77.3%
Shareholders' equity per share (yen)	1,345.43	1,220.68	1,249.32

(3) Cash flows	Nine months ended December 31, 2005	Nine months ended December 31, 2004	Year ended March 31, 2005
Cash flows from operating activities (millions of yen)	13,003	3,822	6,619
Cash flows from investing activities (millions of yen)	(1,370)	(7,842)	(2,907)
Cash flows from financing activities (millions of yen)	(4,753)	(7,137)	(12,711)
Cash and cash equivalents at end of year (millions of yen)	39,381	30,284	32,380

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

	Full year
Net sales (millions of yen)	98,000
Operating income (millions of yen)	21,200
Ordinary income (millions of yen)	21,500
Net income (millions of yen)	12,900
Reference: Expected net income per share (full-year basis)	148.82 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, 2006. 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.