

SANTEN PHARMACEUTICAL CO., LTD. (May 8, 2007)

Code: 4536

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

Financial Report for the Year Ended March 31, 2007

Takakazu Morita, Chairman and Chief Executive Officer

Contact: Yoshihiro Noutsuka, Corporate Officer

Head of Planning & Control Division Tel: 06-6321-7007

(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the year ended March 31, 2007

(1) Operating results	Year to March 2007	Year to March 2006	% change 2007/2006
Net sales (millions of yen)	100,485	98,397	2.1%
Operating income (millions of yen)	20,412	20,995	(2.8%)
Ordinary income (millions of yen)	20,843	21,507	(3.1%)
Net income (millions of yen)	13,147	13,022	1.0%
Net income per share (yen)	151.58	150.26	
Diluted net income per share (yen)	151.31	150.01	
Net income to equity	10.6%	11.5%	
Ordinary income to total assets	13.5%	14.8%	
Operating income to net sales	20.3%	21.3%	

(2) Financial condition	March 31, 2007	March 31, 2006
Total assets (millions of yen)	159,098	150,458
Net assets (millions of yen)	128,645	118,637
Equity ratio	80.8%	78.9%
Net assets per share (yen)	1,481.83	1,368.27

(3) Cash flows	Year to March 2007	Year to March 2006
Cash flows from operating activities (millions of yen)	14,959	20,878
Cash flows from investing activities (millions of yen)	(5,845)	(1,330)
Cash flows from financing activities (millions of yen)	(5,691)	(5,900)
Cash and cash equivalents at end of year (millions of yen)	49,841	46,104

2. Dividends

	Year to March 2007	Year to March 2006	(Forecasts) Year to March 2008
Interim dividends per share (yen)	30.00	25.00	40.00
End-of-period dividends per share (yen)	35.00	35.00	40.00
Annual dividends per share (yen)	65.00	60.00	80.00
Total dividends paid (full-year) (millions of yen)	5,639	5,201	-
Payout ratio (consolidated)	42.9%	39.9%	50.7%
Dividends paid on net assets (consolidated)	4.6%	4.6%	-

3. Consolidated Forecasts of results for the year ending March 31, 2008

	Interim	Full year	(Full year) % change 2008/2007
Net sales (millions of yen)	52,000	104,000	3.5%
Operating income (millions of yen)	10,000	20,500	0.4%
Ordinary income (millions of yen)	10,300	21,200	1.7%
Net income (millions of yen)	6,600	13,700	4.2%
Net income per share (yen)	76.09	157.95	

4. Others

(1) Change on consolidated subsidiaries

Two subsidiaries have been excluded from consolidated subsidiaries.

(2) Change on accounting policy

Two changes have been made in the revision of accounting standards.

No other change has been made.

(3) Number of shares outstanding (common stock)

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

March 31, 2007: 86,825,303

March 31, 2006: 86,751,203

Number of treasury stock at the end of period

March 31, 2007: 50,282

March 31, 2006: 45,090

(Reference)

1. Non-consolidated Performance for the year ended March 31, 2007

	Year to March 2007	Year to March 2006	% change 2007/2006
(1) Operating results			
Net sales (millions of yen)	91,770	90,840	1.0%
Operating income (millions of yen)	20,067	20,644	(2.8%)
Ordinary income (millions of yen)	20,926	21,376	(2.1%)
Net income (millions of yen)	13,381	13,118	2.0%
Net income per share (yen)	154.28	151.37	
Diluted net income per share (yen)	154.00	151.12	
(2) Financial condition	March 31, 2007	March 31, 2006	
Total assets (millions of yen)	161,134	153,300	
Net assets (millions of yen)	132,619	123,495	
Equity ratio	82.3%	80.6%	
Net assets per share (yen)	1,527.63	1,424.30	

2. Non-consolidated Forecasts of results for the year ending March 31, 2008

	Interim	Full year	(Full year) % change 2008/2007
Net sales (millions of yen)	47,200	94,200	2.6%
Operating income (millions of yen)	9,800	19,900	(0.8%)
Ordinary income (millions of yen)	10,200	20,700	(1.1%)
Net income (millions of yen)	6,500	13,200	(1.4%)
Net income per share (yen)	74.94	152.19	

(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.