

[Disclaimer: The following is meant to be an accurate translation from the original Financial Report of Santen Pharmaceutical Co., Ltd., written in Japanese, and is prepared for the information disclosure to the Tokyo Stock Exchange. However, in the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail.]

SANTEN PHARMACEUTICAL CO., LTD. (July 31, 2007)

Code: 4536

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

Financial Report for the Three-month period ended June 30, 2007

Takakazu Morita, Chairman and Chief Executive Officer

Contact: Yoshihiro Noutsuka, Corporate Officer

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(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the three months ended June 30, 2007

(1) Operating results	Three months ended	Three months ended	Year ended
	June 30, 2007	June 30, 2006	March 31, 2007
Net sales (millions of yen)	26,524	25,999	100,485
Operating income (millions of yen)	5,915	6,202	20,412
Ordinary income (millions of yen)	6,220	6,314	20,843
Net income (millions of yen)	3,888	4,132	13,147
Net income per share (yen)	44.81	47.65	151.58
Diluted net income per share (yen)	44.72	47.57	151.31

(2) Financial condition	June 30, 2007	June 30, 2006	March 31, 2007
	Total assets (millions of yen)	156,395	146,010
Net assets (millions of yen)	129,405	120,496	128,645
Equity ratio	82.7%	82.5%	80.8%
Net assets per share (yen)	1,490.56	1,389.64	1,481.83

(3) Cash flows	Three months ended	Three months ended	Year ended
	June 30, 2007	June 30, 2006	March 31, 2007
Cash flows from operating activities (millions of yen)	1,203	(2,553)	14,959
Cash flows from investing activities (millions of yen)	735	(1,077)	(5,845)
Cash flows from financing activities (millions of yen)	(2,936)	(2,883)	(5,691)
Cash and cash equivalents at end of year (millions of yen)	49,077	39,662	49,841

2. 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	

3. Others

- (1) No change on consolidated subsidiaries
- (2) No alternative methods have been adopted in accounting policy.
- (3) No change has been made in accounting policy.

(Reference)

1. Non-consolidated Performance for the three months ended June 30, 2007

	Three months ended June 30, 2007	Three months ended June 30, 2006	Year ended March 31, 2007
(1) Operating results			
Net sales (millions of yen)	24,130	23,686	91,770
Operating income (millions of yen)	5,830	5,892	20,067
Ordinary income (millions of yen)	6,189	6,219	20,926
Net income (millions of yen)	3,867	4,063	13,381
Net income per share (yen)	44.57	46.86	154.28
Diluted net income per share (yen)	44.47	46.79	154.00

	June 30, 2007	June 30, 2006	March 31, 2007
(2) Financial condition			
Total assets (millions of yen)	157,878	148,986	161,134
Net assets (millions of yen)	133,005	124,958	132,619
Equity ratio	84.2%	83.9%	82.3%
Net assets per share (yen)	1,532.05	1,441.09	1,527.63

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.