

[ 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. (November 2, 2007)  
 Code: 4536  
 URL <http://www.santen.co.jp>  
 Financial Report for the Six-month period ended September 30, 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 six months ended September 30, 2007**

(1) <b>Operating results</b>	Six months to September 2007	Six months to September 2006	% change 2007/2006
Net sales (millions of yen)	51,942	51,380	1.1%
Operating income (millions of yen)	10,668	12,105	(11.9%)
Ordinary income (millions of yen)	10,971	12,247	(10.4%)
Net income (millions of yen)	6,918	7,747	(10.7%)
Net income per share (yen)	79.72	89.34	
Diluted net income per share (yen)	79.58	89.20	

(2) <b>Financial condition</b>	September 30, 2007	September 30, 2006
Total assets (millions of yen)	160,797	154,205
Net assets (millions of yen)	131,827	124,804
Equity ratio	81.9%	80.9%
Net assets per share (yen)	1,517.43	1,438.24

(3) <b>Cash flows</b>	Six months to September 2007	Six months to September 2006
Cash flows from operating activities (millions of yen)	7,125	5,866
Cash flows from investing activities (millions of yen)	(938)	(1,932)
Cash flows from financing activities (millions of yen)	(3,089)	(3,072)
Cash and cash equivalents at end of year (millions of yen)	52,878	47,142

**2. Dividends**

	Year to March 2008	(Forecasts) Year to March 2008	Year to March 2007
Interim dividends per share (yen)	40.00	-	30.00
End-of-period dividends per share (yen)	-	40.00	35.00
Annual dividends per share (yen)	-	80.00	65.00

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

	Full year	% change 2008/2007
Net sales (millions of yen)	103,300	2.8%
Operating income (millions of yen)	20,500	0.4%
Ordinary income (millions of yen)	21,200	1.7%
Net income (millions of yen)	13,700	4.2%
Net income per share (yen)	157.74	

#### **4. Others**

**(1) No change on consolidated subsidiaries**

**(2) Change on accounting policy**

One change has 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)

September 30, 2007: 86,849,303

September 30, 2006: 86,781,203

March 31, 2007: 86,825,303

Number of treasury stock at the end of period

September 30, 2007: 53,167

September 30, 2006: 46,706

March 31, 2007: 50,282

**(Reference)**

**1. Non-consolidated Performance for the six months ended September 30, 2007**

<b>(1) Operating results</b>	Six months to September 2007	Six months to September 2006	% change 2007/2006
Net sales (millions of yen)	47,161	47,050	0.2%
Operating income (millions of yen)	10,529	11,712	(10.1%)
Ordinary income (millions of yen)	10,919	12,137	(10.0%)
Net income (millions of yen)	3,683	7,619	(51.7%)
Net income per share (yen)	42.44	87.86	

<b>(2) Financial condition</b>	September 30, 2007	September 30, 2006
Total assets (millions of yen)	159,387	156,791
Net assets (millions of yen)	132,622	128,829
Equity ratio	83.1%	82.1%
Net assets per share (yen)	1,526.60	1,484.65

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

	Full year	% change 2008/2007
Net sales (millions of yen)	94,200	2.6%
Operating income (millions of yen)	19,900	(0.8%)
Ordinary income (millions of yen)	20,700	(1.1%)
Net income (millions of yen)	9,900	(26.0%)
Net income per share (yen)	113.99	

**(Caution)**

1. 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.

2. Consolidated forecasts of net sales and non-consolidated forecasts of net income are revised from the forecasts announced on May 8, 2007, respectively.