

SANTEN PHARMACEUTICAL CO., LTD. (January 31, 2007)
Code: 4536
URL <http://www.santen.co.jp>
Financial Report for the Nine-month period ended December 31, 2006
(Consolidated)
Takakazu Morita, Chairman and Chief Executive Officer
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1. Basis of preparing the financial report for the nine months ended December 31, 2006

- (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

2. Performance for the nine months ended December 31, 2006

(Figures are rounded down to the nearest million yen)

| (1) Operating results | Nine months ended December 31, 2006 | Nine months ended December 31, 2005 | Year ended March 31, 2006 |
|------------------------------------|--|--|------------------------------|
| | Net sales (millions of yen) | 77,766 | 76,750 |
| Operating income (millions of yen) | 18,470 | 19,172 | 20,995 |
| Ordinary income (millions of yen) | 18,645 | 19,532 | 21,507 |
| Net income (millions of yen) | 11,880 | 11,735 | 13,022 |
| Net income per share (yen) | 136.99 | 135.44 | 150.26 |
| Diluted net income per share (yen) | 136.74 | 135.21 | 150.01 |

| (2) Financial condition | December 31, 2006 | December 31, 2005 | March 31, 2006 |
|--------------------------------|--------------------------------|-------------------|----------------|
| | Total assets (millions of yen) | 155,027 | 146,253 |
| Net assets (millions of yen) | 127,469 | 116,627 | 118,637 |
| Shareholders' equity ratio | 82.2% | 79.7% | 78.9% |
| Net assets per share (yen) | 1,469.51 | 1,345.43 | 1,368.27 |

| (3) Cash flows | Nine months ended December 31, 2006 | Nine months ended December 31, 2005 | Year ended March 31, 2006 |
|--|--|--|------------------------------|
| | Cash flows from operating activities (millions of yen) | 8,984 | 13,003 |
| Cash flows from investing activities (millions of yen) | (3,944) | (1,370) | (1,330) |
| Cash flows from financing activities (millions of yen) | (5,576) | (4,753) | (5,900) |
| Cash and cash equivalents at the end of year (millions of yen) | 45,844 | 39,381 | 46,104 |

3. Forecasts of results for the year ending March 31, 2007

| | Full year | |
|--|-----------|------------|
| Net sales (millions of yen) | 100,500 | |
| Operating income (millions of yen) | 20,700 | |
| Ordinary income (millions of yen) | 20,900 | |
| Net income (millions of yen) | 13,200 | |
| Reference: Expected net income per share (full-year basis) | | 152.17 yen |

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.