

[ 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. (May 11, 2010)

Code: 4536

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

Financial Report for the Year Ended March 31, 2010

Akira Kurokawa, President and Chief Executive Officer

Contact: Satoshi Harada, Corporate Officer

Head of Administration Division Tel: 06-6321-7007

(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the year ended March 31, 2010**

(1) Operating results	Year to March 2010	Year to March 2009	% change 2010/2009
Net sales (millions of yen)	110,594	101,618	8.8%
Operating income (millions of yen)	29,640	15,494	91.3%
Ordinary income (millions of yen)	29,862	15,935	87.4%
Net income (millions of yen)	18,722	10,123	84.9%
Net income per share (yen)	220.10	119.08	
Diluted net income per share (yen)	219.85	118.97	
Net income to equity	14.3%	8.0%	
Ordinary income to total assets	18.8%	10.4%	
Operating income to net sales	26.8%	15.2%	

**(2) Financial condition**

	March 31, 2010	March 31, 2009
Total assets (millions of yen)	166,878	151,012
Net assets (millions of yen)	137,603	125,368
Equity ratio	82.3%	82.9%
Net assets per share (yen)	1,614.08	1,472.32

**(3) Cash flows**

	Year to March 2010	Year to March 2009
Cash flows from operating activities (millions of yen)	26,110	11,849
Cash flows from investing activities (millions of yen)	(829)	(5,619)
Cash flows from financing activities (millions of yen)	(6,753)	(11,373)
Cash and cash equivalents at end of year (millions of yen)	64,348	45,956

**2. Dividends**

	Year to March 2010	Year to March 2009	(Forecasts) Year to March 2011
Second quarter dividends per share (yen)	40.00	40.00	40.00
Year-end dividends per share (yen)	40.00	40.00	40.00
Annual dividends per share (yen)	80.00	80.00	80.00
Total dividends paid (full-year) (millions of yen)	6,806	6,801	—
Payout ratio (consolidated)	36.3%	67.2%	38.9%
Dividends paid on net assets (consolidated)	5.2%	5.4%	—

**3. Consolidated Forecasts of results for the year ending March 31, 2011**

	First half year	Full year	(Full year) % change 2011/2010
Net sales (millions of yen)	54,300	108,500	(1.9%)
Operating income (millions of yen)	13,800	26,300	(11.3%)
Ordinary income (millions of yen)	14,200	27,000	(9.6%)
Net income (millions of yen)	9,400	17,500	(6.5%)
Net income per share (yen)	110.50	205.72	

#### **4. Others**

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

**(2) No change on accounting policy**

**(3) Number of shares outstanding (common stock)**

① Number of shares outstanding at the end of period (including treasury stock)

March 31, 2010: 86,992,503

March 31, 2009: 86,916,203

② Number of treasury stock at the end of period

March 31, 2010: 1,902,026

March 31, 2009: 1,893,769

#### **(Reference)**

##### **1. Non-consolidated Performance for the year ended March 31, 2010**

<b>(1) Operating results</b>	Year to March 2010	Year to March 2009	% change 2010/2009
Net sales (millions of yen)	100,528	93,803	7.2%
Operating income (millions of yen)	28,677	15,735	82.2%
Ordinary income (millions of yen)	29,000	16,844	72.2%
Net income (millions of yen)	17,947	12,056	48.9%
Net income per share (yen)	210.98	141.82	
Diluted net income per share (yen)	210.74	141.69	

<b>(2) Financial condition</b>	March 31, 2010	March 31, 2009
Total assets (millions of yen)	168,787	154,154
Net assets (millions of yen)	142,643	130,905
Equity ratio	84.4%	84.8%
Net assets per share (yen)	1,673.32	1,537.44

##### **2. Non-consolidated Forecasts of results for the year ending March 31, 2011**

	First half year	Full year	(Full year) % change 2011/2010
Net sales (millions of yen)	48,300	96,100	(4.4%)
Operating income (millions of yen)	13,100	24,800	(13.5%)
Ordinary income (millions of yen)	13,500	25,500	(12.1%)
Net income (millions of yen)	8,700	16,000	(10.8%)
Net income per share (yen)	102.27	188.09	

#### **(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.