

SANTEN PHARMACEUTICAL CO., LTD. (July 29, 2004)
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Financial Report for the Three-month period ended June 30, 2004
(Non-consolidated)
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1. Basis of preparing the financial report for the three months ended June 30, 2004

- (1) No alternative methods have been adopted in accounting policy.
- (2) One change has been made in accounting policy.
- (3) No audit or review by certified public accountant or accounting firm

2. Performance for the three months ended June 30, 2004

(Figures are rounded down to the nearest million yen)

	Three months ended June 30, 2004	Three months ended June 30, 2003	Year ended March 31, 2004
(1) Operating results			
Net sales (millions of yen)	20,822	19,858	80,227
Operating income (millions of yen)	4,809	4,178	17,469
Ordinary income (millions of yen)	5,045	4,511	18,680
Net income (millions of yen)	3,198	2,628	7,176
Net income per share (yen)	36.37	29.89	81.37
Diluted net income per share (yen)	36.35	29.39	81.36
(2) Financial condition			
	June 30, 2004	June 30, 2003	March 31, 2004
Total assets (millions of yen)	142,298	149,126	150,240
Shareholders' equity (millions of yen)	107,595	102,112	106,800
Shareholders' equity ratio	75.6%	68.5%	71.1%
Shareholders' equity per share (yen)	1,223.66	1,161.26	1,214.37

3. Forecasts of results for the year ending March 31, 2005

	Interim	Full year	
Net sales (millions of yen)	42,100	84,500	
Operating income (millions of yen)	8,700	16,400	
Ordinary income (millions of yen)	9,000	16,800	
Net income (millions of yen)	5,200	10,200	
Interim dividends per share (yen)	20.00	-	
Dividends at end of period per share (yen)	-	20.00	
Annual dividends per share (yen)	-	40.00	
Reference: Expected net income per share (full-year basis)			116.00 yen

Caution)

The aforementioned forecast in this brief financial report reflects the Company's current analysis of data available and the Company's assumption as of July 29, 2004. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; changes in related laws and regulations; status of product development programs; and changes in exchange rates.

Quarterly Non-consolidated balance sheets

(Millions of yen)

	June 30,2004		June 30,2003		Increase and decrease		March 31,2004	
	Yen	Composition	Yen	Composition	Yen	% Change 2004.6/2003.6	Yen	Composition
Assets								
Current assets	76,891	54.0 %	78,412	52.6 %	1,521	1.9 %	84,293	56.1 %
Cash and deposits	24,638		19,878		4,760		28,557	
Notes receivable	527		526		1		496	
Accounts receivable	31,941		30,305		1,636		30,378	
Income taxes receivable	-		2,114		2,114		-	
Marketable securities	8,358		8,745		387		9,303	
Goods in stock	1,806		2,349		543		2,003	
Finished products	4,249		6,475		2,226		4,935	
Other inventories	1,907		2,107		200		1,921	
Deferred tax assets	994		913		81		2,298	
Others	2,726		5,137		2,411		4,657	
Allowance for doubtful receivables	258		141		117		258	
Fixed assets	65,406	46.0	70,713	47.4	5,307	7.5	65,946	43.9
Tangible assets	(32,304)	(22.7)	(36,323)	(24.4)	(4,019)	(11.1)	(32,660)	(21.7)
Buildings	17,425		17,374		51		17,800	
Machinery and equipment	765		874		109		798	
Land	10,330		10,666		336		10,343	
Construction in progress	1,518		5,063		3,545		1,346	
Others	2,264		2,344		80		2,371	
Intangible assets	(2,505)	(1.8)	(3,048)	(2.0)	(543)	(17.8)	(2,700)	(1.8)
Patents	546		698		152		584	
Trademarks	687		810		123		717	
Goodwill	145		388		243		206	
Software	1,045		762		283		1,111	
Others	80		389		309		80	
Investments and other assets	(30,596)	(21.5)	(31,341)	(21.0)	(745)	(2.4)	(30,585)	(20.4)
Investment securities	11,805		11,011		794		11,425	
Investment in subsidiaries and affiliates	13,197		4,984		8,213		13,197	
Long-term deferred tax assets	1,536		2,097		561		1,669	
Others	4,060		13,251		9,191		4,297	
Allowance for doubtful receivables	3		3		0		3	
Total assets	142,298	100.0	149,126	100.0	6,828	4.6	150,240	100.0

(Millions of yen)

	June 30,2004		June 30,2003		Increase and decrease		March 31,2004	
	Yen	Composition	Yen	Composition	Yen	% Change 2004.6/2003.6	Yen	Composition
Liabilities								
Current liabilities	15,615	11.0 %	37,616	25.2 %	22,001	58.5 %	24,337	16.2 %
Accounts payable	4,264		4,882		618		4,436	
Current portion of convertible bonds	-		19,945		19,945		-	
Current portion of long-term debt	416		416		-		416	
Other accounts payables	7,504		7,945		441		8,228	
Income taxes payable	988		1,629		641		8,075	
Reserve for bonuses	937		960		23		1,808	
Reserve for returned goods unsold	264		193		71		259	
Reserve for sales promotion expenses	-		464		464		390	
Others	1,238		1,179		59		722	
Noncurrent liabilities	19,087	13.4	9,397	6.3	9,690	103.1	19,102	12.7
Long-term debt	12,179		2,595		9,584		12,270	
Reserve for retirement benefits	5,412		5,386		26		5,303	
Reserve for retirement benefits for directors and auditors	401		417		16		441	
Others	1,095		998		97		1,088	
Total liabilities	34,702	24.4	47,014	31.5	12,312	26.2	43,440	28.9
Shareholders' equity								
Common stock	6,214	4.4	6,214	4.2	-	-	6,214	4.1
Capital surplus reserves	6,908	4.8	6,908	4.6	0	0.0	6,908	4.6
Capital reserves	6,908		6,908		-		6,908	
Others	0		-		0		0	
Appropriated retained earnings	92,831	65.2	91,862	61.6	969	1.1	92,291	61.4
Earned surplus reserves	1,551		1,551		-		1,551	
Voluntary reserves	84,775		84,806		31		84,806	
Undivided profits	6,503		5,504		999		5,933	
Unrealized holding gains on securities	1,683	1.2	403	0.3	1,280	317.6	1,426	1.0
V Treasury stock	41	0.0	3,277	2.2	3,236	98.7	40	0.0
Total shareholders' equity	107,595	75.6	102,112	68.5	5,483	5.4	106,800	71.1
Total liabilities and shareholders' equity	142,298	100.0	149,126	100.0	6,828	4.6	150,240	100.0

Quarterly Non-consolidated income statements

(Millions of yen)

	Three months ended June 30,2004		Three months ended June 30,2003		Increase and decrease		Year ended March 31,2004	
	Yen	Composition	Yen	Composition	Yen	% Change 2004.6/2003.6	Yen	Composition
Net sales	20,822	100.0 %	19,858	100.0 %	964	4.9 %	80,227	100.0 %
Cost of sales	7,296	35.0	6,631	33.4	665	10.0	27,653	34.5
Gross profit	13,525	65.0	13,226	66.6	299	2.3	52,573	65.5
Selling, general and administrative expenses	8,716	41.9	9,048	45.6	332	3.7	35,103	43.7
Operating income	4,809	23.1	4,178	21.0	631	15.1	17,469	21.8
Non operating income	(282)	(1.3)	(396)	(2.0)	(114)	(28.8)	(2,651)	(3.3)
Interest income and dividends income	94		209		115		364	
Others	188		187		1		2,286	
Non operating expenses	(46)	(0.2)	(63)	(0.3)	(17)	(27.0)	(1,439)	(1.8)
Interest expenses	36		39		3		242	
Others	9		23		14		1,196	
Ordinary income	5,045	24.2	4,511	22.7	534	11.8	18,680	23.3
Extraordinary gain	(229)	(1.1)	(0)	(0.0)	(229)	(-)	(682)	(0.8)
Gain on sale of fixed assets	229		0		229		5	
Others	-		-		-		677	
Extraordinary loss	(9)	(0.0)	(80)	(0.4)	(71)	(88.8)	(5,058)	(6.3)
Loss on disposal of fixed assets	2		45		43		116	
Impairment losses on golf membership rights	-		35		35		40	
Others	7		-		7		4,901	
Income before income taxes	5,265	25.3	4,431	22.3	834	18.8	14,305	17.8
Income taxes - current	804	3.9	1,702	8.6	898	52.8	8,662	10.8
Income taxes - deferred	1,261	6.0	100	0.5	1,161	1,161.0	1,533	1.9
Net income	3,198	15.4	2,628	13.2	570	21.7	7,176	8.9
Unappropriated retained earnings brought forward	3,305		2,875		430		2,875	
Amount of extinguished treasury stock	-		-		-		3,239	
Interim cash dividends	-		-		-		879	
Undivided profits	6,503		5,504		999		5,933	