

SANTEN PHARMACEUTICAL CO., LTD. (July 31, 2006)  
Code: 4536  
URL <http://www.santen.co.jp>  
Financial Report for the Three-month period ended June 30, 2006  
(Non-consolidated)  
Takakazu Morita, Chairman and Chief Executive Officer  
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**1. Basis of preparing the financial report for the three months ended June 30, 2006**

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

**2. Performance for the three months ended June 30, 2006**

(Figures are rounded down to the nearest million yen)

	Three months ended June 30, 2006	Three months ended June 30, 2005	Year ended March 31, 2006
<b>(1) Operating results</b>			
Net sales (millions of yen)	23,686	23,547	90,840
Operating income (millions of yen)	5,892	6,525	20,644
Ordinary income (millions of yen)	6,219	6,759	21,376
Net income (millions of yen)	4,063	4,275	13,118
Net income per share (yen)	46.86	49.35	151.37
Diluted net income per share (yen)	46.79	49.28	151.12
<b>(2) Financial condition</b>			
Total assets (millions of yen)	148,986	141,185	153,300
Net assets (millions of yen)	124,958	114,595	123,495
Shareholders' equity ratio	83.9%	81.2%	80.6%
Net assets per share (yen)	1,441.09	1,322.88	1,424.30

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

	Interim	Full year	
Net sales (millions of yen)	46,400	91,800	
Operating income (millions of yen)	9,900	19,600	
Ordinary income (millions of yen)	10,100	20,000	
Net income (millions of yen)	6,600	13,000	
Reference: Expected net income per share (full-year basis)			149.92 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.