



Consolidated Financial Results
for the Year ended
March 31, 2007

Consolidated Financial Forecasts for
the Year ending March, 2008

May 9, 2007

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[A Caution Concerning Forward-Looking Statements]

Forecasts of future business results are based on the judgment of the management of Santen using information currently available. Actual results may differ materially from forecasts due to a number of factors, including but not limited to changes in the business environment, launch of new products, fluctuations in exchange rates and changes in related laws and regulations.



Consolidated Financial Results for the Year ended March, 2007



Consolidated Performance Summary

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007		
		Actual	Change	% change
Net sales	98.3	100.4	2.1	2.1 %
Operating income	20.9	20.4	-0.5	-2.8 %
Ordinary income	21.5	20.8	-0.7	-3.1 %
Net income	13.0	13.1	0.1	1.0 %



Consolidated Performance Forecasts: Difference Between the Forecast of the Half Year Announcement(November,2006)

(Billions of yen)

	Year ended March,2007			
	Forecast as of Q2 (Nov.2006)	Actual	Change	% change
Net sales	100.5	100.4	-0.1	0.0 %
Operating income	20.7	20.4	-0.3	-1.4 %
Ordinary income	20.9	20.8	-0.1	-0.3 %
Net income	13.2	13.1	-0.1	-0.4 %



Net Sales by Business Segment/Overseas Sales

● Net Sales by Business Segment

(Billions of yen)

	Year ended March, 2007					
	Japan		Overseas		Total	
	Net sales	% change from previous year	Net sales	% change from previous year	Net sales	% change from previous year
Prescription Pharmaceuticals	80.74	0.5 %	11.10	11.7 %	91.84	1.8 %
Ophthalmic	71.27	0.1 %	10.88	12.1 %	82.15	1.5 %
Anti-rheumatic	9.20	3.8 %	0.17	-0.9 %	9.37	3.7 %
Others	0.26	17.6 %	0.05	-14.7 %	0.31	10.4 %
OTC pharmaceuticals	5.28	1.1 %	0.02	3.9 %	5.30	1.1 %
Medical devices	0.51	-16.6 %	0.02	8.7 %	0.53	-15.9 %
Others	0.60	-3.8 %	2.18	34.0 %	2.79	23.5 %
Total	87.15	0.4 %	13.33	14.8 %	100.48	2.1 %

● Overseas Sales

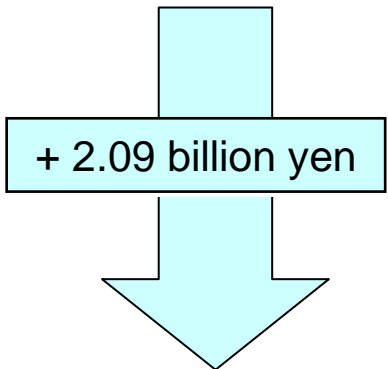
(Billions of yen)

	Year ended March, 2006 Actual	Year ended March, 2007		
		Actual	Change	% change
Europe	6.08	6.91	0.83	13.6 %
North America	1.91	2.12	0.21	11.2 %
Others	3.60	4.28	0.68	18.8 %
Total	11.61	13.33	1.72	14.8 %



Consolidated Net Sales: Variances

Net sales for the Year ended March, 2006
98.39 billion yen



Net Sales for the Year ended March, 2007
100.48 billion yen

Japan +0.37 billion yen

[Increase]

- + Prescription ophthalmics +0.06 billion yen
- + RA drugs +0.34 billion yen
- + OTC eye drops +0.06 billion yen

[Decrease]

- + Medical devices -0.1 billion yen

Overseas +1.72 billion yen

[Increase]

- + Europe +0.83 billion yen
- + North America +0.21 billion yen
- + Asia & Others +0.68 billion yen
 - China +0.20 billion yen
 - Korea +0.40 billion yen

Prescription ophthalmics in Japan

- + Anti-infective -0.76 billion yen
- + Corneal disease +0.53 billion yen
- + Glaucoma -0.23 billion yen
- + Allergy +0.33 billion yen
- + Vernal keratoconjunctivitis
PAPILOCK +0.10 billion yen
- + Adjuvant for ophthalmic operations
OPEGAN +0.08 billion yen
- + Others +0.01 billion yen

Europe

- + Prescription Ophthalmics +0.93 billion yen
 - Germany +0.20 billion yen
 - Sweden +0.17 billion yen
 - Finland +0.12 billion yen
 - Poland +0.05 billion yen
- + Contract manufacturing & Others -0.10 billion yen

North America

- + Prescription Ophthalmics -0.45 billion yen
- + Contract manufacturing & Others +0.66 billion yen



Summary of Changes in Income Statements (1)

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007		Major changes
		Actual	Change	
Net sales	98.3	100.4	2.1	
Cost of sales	34.5	35.4	0.9	<ul style="list-style-type: none"> ▪ Impact of NHI drug price cut (+0.6ppt) ▪ Cost reductions (-0.3ppt) ▪ EU subsidiaries (-0.1ppt)
(% of net sales)	35.1%	35.3%	0.2 ppt	
Selling, General and administration expenses	42.8	44.5	1.7	
(% of net sales)	43.6%	44.4%	0.8 ppt	
SGA expenses excl.R&D	28.8	30.9	2.1	<ul style="list-style-type: none"> ▪ Japan Selling expense increased (+1.0billion) ▪ Europe Selling expense increased (+0.5billion) ▪ Asia Selling expense increased (+0.4billion)
(% of net sales)	29.4%	30.8%	1.4 ppt	
R&D expense	13.9	13.6	-0.3	<ul style="list-style-type: none"> ▪ Decreased in glaucoma treatment (-1.2billion) ▪ Increased in cornea disorders (+0.6billion) ▪ Increased in retina (+0.1billion)
(% of net sales)	14.2%	13.6%	-0.6 ppt	
Operating income	20.9	20.4	-0.5	
(% of net sales)	21.3%	20.3%	-1.0 ppt	

<Exchange rate>		
	FY2005	FY2006
US\$	113.42yen	116.86yen
Euro	137.77yen	148.99yen



Summary of Changes in Income Statements (2)

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007		Major items
		Actual	Change	
Non-operating income/expense	0.5	0.4	-0.1	
Non-operating income	1.0	1.1	0.1	[March 2006] -Interest and dividends income (0.2billion) -Currency exchange income(0.1billion) -Gain on investment limited partnership distribution(0.1billion) -Other miscellaneous incomes(0.3billion) [March 2007] -Interest and dividends income (0.4billion) -Receipt of matured insurance (0.1billion) -Other miscellaneous incomes(0.5billion)
Non-operating expenses	0.5	0.7	0.2	[March 2006] -Amortization of goodwill (0.3billion) [March 2007] -Interest expenses (0.1billion) -Amortization of goodwill (0.3billion) -Currency exchange loss (0.1billion)
Ordinary income	21.5	20.8	-0.7	
Extraordinary gain/loss	-1.2	0.2	1.4	
Extraordinary gain	0.0	0.2	0.2	[March 2007] -Gain on sales of fixed assets (0.2billion)
Extraordinary loss	1.2	0.0	-1.2	[March 2006] -Loss on impairment of fixed assets (0.9billion) -Additional amount for retirement benefit (0.1billion)
Net income before tax	20.3	21.0	0.7	
Income taxes	7.3	7.8	0.5	Tax rate [March 2006] 36.0% [March 2007] 37.5%
Net income before tax	13.0	13.1	0.1	

<Exchange rate>

	FY2005	FY2006
US\$	113.42yen	116.86yen
Euro	137.77yen	148.99yen



Performance by Geographic Segment

【Net sales】

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007	
		Actual	Change
Japan	89.8	90.6	0.8
Europe	8.1	9.1	1.0
Europe	6.3	7.0	0.7
United states	1.7	2.1	0.4
	0.3	0.6	0.3
Total	98.3	100.4	2.1

【Operating income】

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007	
		Actual	Change
Japan	22.6	21.7	-0.9
Europe	0.9	0.9	0.0
Europe	0.0	0.0	0.0
United states	1.0	0.9	-0.1
Others ※1	-0.7	-0.7	0.0
Elimination	-1.8	-1.5	0.3
Total	20.9	20.4	-0.5

※1: "Others" are U.S., China, Taiwan and Korea. Details of major sales and expenses of "Others" are noted below.

Sales: Prescription pharmaceuticals in Taiwan and Korea

Expenses: R&D expenses for medical devices in the U.S.

Note: Sales by geographic region differ from overseas sales (i.e. sales by destination).



Balance Sheets

(Billions of yen)

	Year ended March,2006		Year ended March,2007		
	Actual	% of total	Actual	% of total	Change
Current assets	93.8	62.4 %	100.8	63.4 %	7.0
Fixed assets	56.5	37.6 %	58.2	36.6 %	1.7
Total assets	150.4	100.0 %	159.0	100.0 %	8.6
Current liabilities	24.1	16.0 %	22.3	14.0 %	-1.8
Noncurrent liabilities	7.7	5.1 %	8.0	5.1 %	0.3
Total liabilities	31.8	21.1 %	30.4	19.1 %	-1.4
Total net assets	118.6	78.9 %	128.6	80.9 %	10.0
Total liabilities and net assets	150.4	100.0 %	159.0	100.0 %	8.6

【Major changes】

- Current assets: Marketable securities +5.7 billion yen, Notes and accounts receivable-trade +0.6 billion yen, Inventories +0.5 billion yen
- Fixed assets:
 - [Increase] Investment securities +3.3 billion yen, Tangible and intangible assets +2.7 billion yen (Incl. Construction in progress+1.5 billion yen)
 - [Decrease] Depreciation and amortization -3.2billion yen, Other assets -1.1 billion yen,
- Current liabilities: Other payable -0.7billion yen, Income taxes payable -1.0 billion yen
- Noncurrent liabilities: Deferred tax liabilities +0.4 billion yen
- Total net assets:
 - [Increase] Net income + 13.1 billion yen, Unrealized holding gains on securities +1.2 billion yen
 - [Decrease] Cash dividends -5.6 billion yen



Summary of Cash Flows

(Billions of yen)

	Year ended March, 2006 Actual	Major items
Cash and cash equivalents, beginning of year	46.1	
Net increase/decrease in cash and cash equivalents	3.7	
Cash flows from operating activities	14.9	<ul style="list-style-type: none"> • Income before income taxes (21.0billion) • Depreciation and amortization (4.7billion) • Increase in trade receivables (-0.4billion) • Increase in trade accounts payable (0.4billion) • Income tax paid (-8.9billion)
Cash flows from investing activities	-5.8	<ul style="list-style-type: none"> • Increase/decrease in fixed deposits (-0.6 billion) • Payments for acquisition of fixed assets (-3.5billion) • Proceed from sale of fixed assets (0.6 billion) • Purchase of investment securities (-2.2billion)
Cash flows from financing activities	-5.6	<ul style="list-style-type: none"> • Payment of long-term debt (-0.1 billion) • Dividends paid (-5.6 billion)
Effect of exchange rate changes on cash and cash equivalents	0.3	
Cash and cash equivalents, end of year	49.8	

Note: "Cash and cash equivalents" include cash equivalents, and thus differ from "cash and deposits" shown in the Balance Sheets.



Capital Expenditures / Depreciation and Amortization / Lease Expenses

(Billions of yen)

	Year ended March,2006 Actual	Year ended March,2007	
		Actual	Change
Capital expenditures	1.4	2.7	1.3
Depreciation and amortization	3.3	3.2	-0.1
Lease expenses	1.1	1.0	-0.1

● Major capital expenditures for the year ended March, 2007

- Investment in plant construction in China
- Replacing and extending of production facilities
- Replacing of machinery for research and development



Consolidated Financial Forecasts for the Year ending March, 2008



Consolidated Performance Forecasts

(Billions of yen)

	Year ended March,2007 Actual	Year ending March,2008		
		Forecast	Change	% change
Net sales	100.4	104.0	3.6	3.5 %
Operating income	20.4	20.5	0.1	0.4 %
Ordinary income	20.8	21.2	0.4	1.7 %
Net income	13.1	13.7	0.6	4.2 %



Net Sales by Business Segment/Overseas Sales

● Sales by business Segment

(Billions of yen)

	Year ending March, 2008					
	Japan		Overseas		Total	
	Net Sales	% change from previous year	Net Sales	% change from previous year	Net Sales	% change from previous year
Prescription Pharmaceuticals	82.81	2.6 %	12.44	12.1 %	95.26	3.7 %
Ophthalmic	72.80	2.2 %	12.23	12.5 %	85.04	3.5 %
Anti-rheumatic	9.75	5.9 %	0.14	-12.2 %	9.90	5.6 %
Others	0.26	-0.3 %	0.06	11.0 %	0.32	1.6 %
OTC pharmaceuticals	5.30	0.3 %	0.01	-8.1 %	5.32	0.2 %
Medical devices	0.61	18.4 %	0.05	159.3 %	0.66	24.1 %
Others	0.57	-5.1 %	2.17	-0.6 %	2.74	-1.6 %
Total	89.30	2.5 %	14.69	10.2 %	104.00	3.5 %

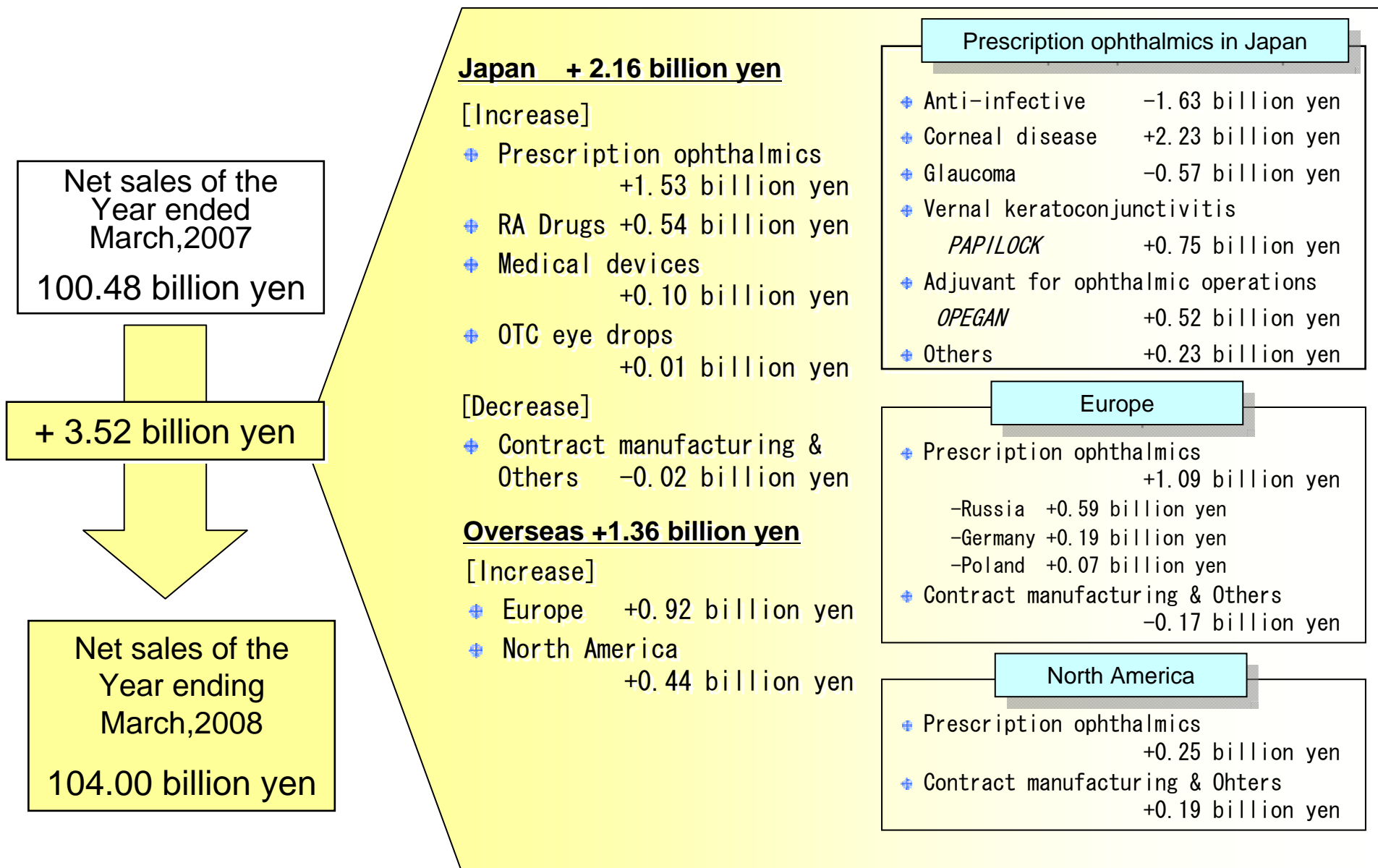
● Overseas Sales

(Billions of yen)

	Year ended March, 2007 Actual	Year ending March, 2008		
		Forecast	Change	% change
Europe	6.91	7.83	0.92	13.3 %
North America	2.12	2.56	0.44	20.5 %
Others	4.28	4.28	0.00	0.0 %
Total	13.33	14.69	1.36	10.2 %



Consolidated Net Sales: Variances





Summary of Changes in Income Statements (1)

(Billions of yen)

	Year ended March, 2007	Year ending March,2008		Major changes
		Forecast	Change	
Net sales	100.4	104.0	3.6	
Cost of sales	35.4	36.5	1.1	<ul style="list-style-type: none"> • Impact of increase of fixed cost (+0.4ppt) • Improve operating rate (-0.1ppt) • Change in product mix (-0.3ppt)
(% of net sales)	35.3%	35.1%	-0.2 ppt	
Selling, General and administration expenses	44.5	47.0	2.5	
(% of net sales)	44.4%	45.2%	0.8 ppt	
SGA expenses excl.R&D	30.9	33.0	2.1	<ul style="list-style-type: none"> • Japan Selling expense increase (+1.2billion) • Europe Selling expense increase (+0.5billion) • Asia Selling expense increase (+0.4billion)
(% of net sales)	30.8%	31.7%	0.9 ppt	
R&D expense	13.6	14.0	0.4	<ul style="list-style-type: none"> • Decrease in glaucoma treatment (-0.1billion) • Increase in cornea disorders (+0.1billion) • Increase in retina (+0.3billion) • Increase in rheumatism treatment(+0.1billion)
(% of net sales)	13.6%	13.5%	-0.1 ppt	
Operating income	20.4	20.5	0.1	
(% of net sales)	20.3%	19.7%	-0.6 ppt	

<Exchange rate>		
	FY2006	FY2007 forecast
US\$	116.86yen	115.00yen
Euro	148.99yen	150.00yen



Summary of Changes in Income Statements (2)

(Billions of yen)

	Year ended March,2007 Actual	Year ending March,2008		Major items
		Forecast	Change	
Non-operating income/expense	0.4	0.7	0.3	
Non-operating income	1.1	0.8	-0.3	[March 2007] -Interest and dividends income (0.4billion) -Receipt of matured insurance (0.1billion) -Other miscellaneous incomes(0.5billion) [March 2008] -Interest and dividends income (0.4billion) -Receipt of matured insurance (0.1billion) -Other miscellaneous incomes(0.2billion)
Non-operating expenses	0.7	0.1	-0.6	[March 2007] -Interest expenses (0.1billion) -Amortization of goodwill (0.3billion) -Currency exchange loss (0.1billion)
Ordinary income	20.8	21.2	0.4	
Extraordinary gain/loss	0.2	0.0	-0.2	
Extraordinary gain	0.2	0.0	-0.2	[March 2007] -Gain on sales of fixed assets (0.2billion)
Extraordinary loss	0.0	0.0	0.0	
Net income before tax	21.0	21.2	0.2	
Income taxes	7.8	7.5	-0.3	Tax rate [March 2007] 37.5% [March 2008] 35.4%
Net income	13.1	13.7	0.6	

<Exchange rate>		
	FY2006	FY2007 forecast
US\$	116.86yen	115.00yen
Euro	148.99yen	150.00yen



Forecast by Geographic Segment

【Net sales】

(Billions of yen)

	Year ended March,2007	Year ending March,2008	
		Forecast	Change
Japan	90.6	92.9	2.3
Europe	9.1	10.4	1.3
Europe	7.0	7.9	0.9
United states	2.1	2.4	0.3
Others ※1	0.6	0.6	0.0
Total	100.4	104.0	3.6

【Operating income】

(Billions of yen)

	Year ended March,2007	Year ending March,2008	
		Forecast	Change
Japan	21.7	21.9	0.2
Europe	0.9	1.2	0.3
Europe	0.0	0.0	0.0
United states	0.9	1.2	0.3
Others ※1	-0.7	-0.6	0.1
Elimination	-1.5	-2.0	-0.5
Total	20.4	20.5	0.1

※1: "Others" are U.S., China, Taiwan and Korea. Details of major sales and expenses of "Others" are noted below.

Sales: Prescription pharmaceuticals in Taiwan and Korea

Expenses: R&D expenses for medical devices in the U.S.

Note: Sales by geographic region differ from overseas sales (i.e. sales by destination).



Capital Expenditures / Depreciation and Amortization / Lease Expenses

(Billions of yen)

	Year ended March, 2007 Actual	Year ending March, 2008	
		Forecast	Change
Capital expenditures	2.7	3.7	1.0
Depreciation and amortization	3.2	3.5	0.3
Lease expenses	1.0	0.9	-0.1

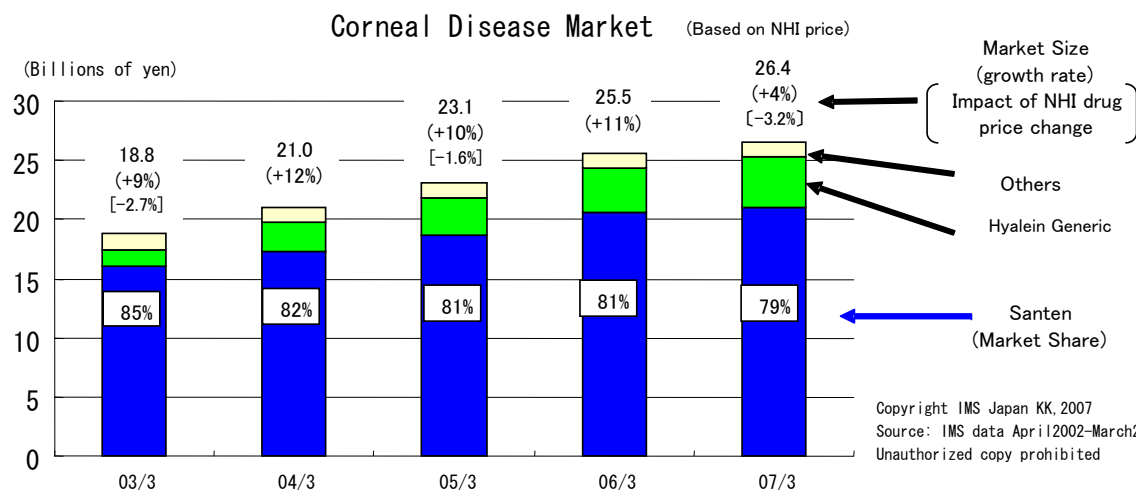
- Major capital expenditures for the year ending March, 2008
 - Investment in plant construction in China
 - Replacing of production facilities
 - Replacing of machinery for research and development



【Appendix】



Japanese Prescription Pharmaceuticals - Corneal Disease -



● Sales of Major Product

(Billions of yen)

Major Product	Year ended March 2006		Year ended March 2007		Year ending March 2008	
	Actual	Change	Actual	Change	Forecast	Change
Hyalein	16.8	12.6 %	17.8	6.0 %	20.0	11.8 %

● Market

(2007/3) In spite of NHI drug price change, the market expanded due to the increase in patients.

(2008/3) The market is expected to increase due to prevalence of definition and diagnostic method of dry eye.

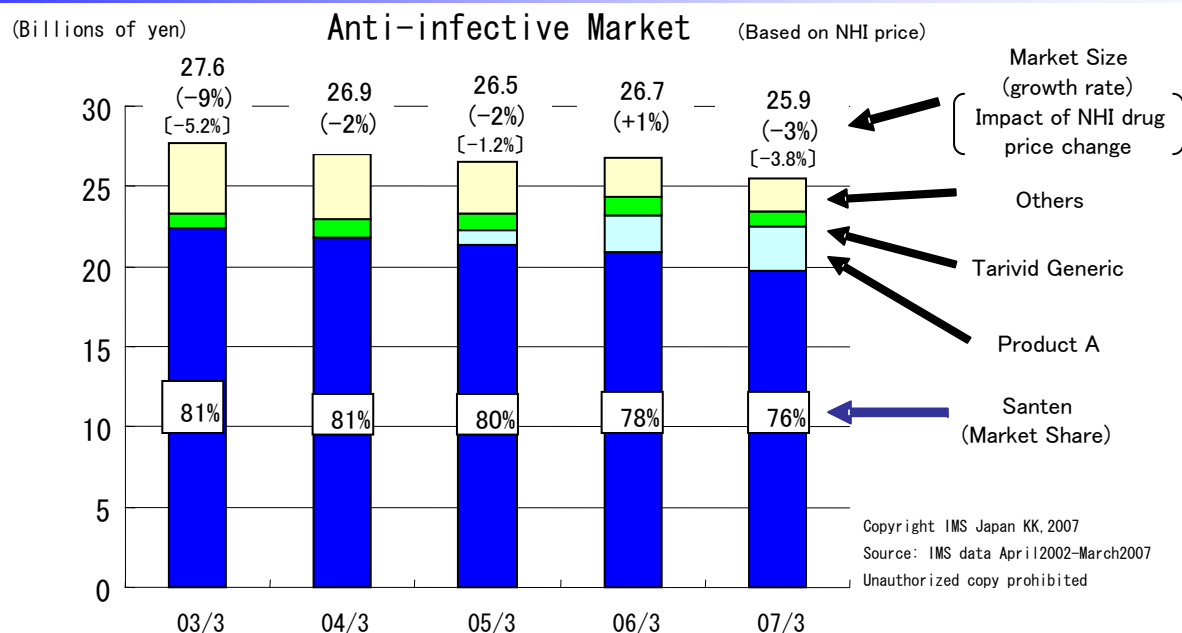
● Santen

(2007/3) The sales of Hyalein has increased due to product quality which has improved the quality of life for patients, and dry-eye awareness-raising activity in the medical fields.

(2008/3) The sales of Hyalein will increase by reinforcing dry-eye awareness in the medical fields.



Japanese Prescription Pharmaceuticals - Anti-infective -



● Sales of major Products

(Billions of yen)

Major Product	Year ended March 2006		Year ended March 2007		Year ending March 2008	
	Actual	Change	Actual	Change	Forecast	Change
Cravit	13.2	3.1 %	13.1	-0.5 %	12.2	-7.1 %
Tarivid	4.1	-7.4 %	3.5	-14.0 %	2.8	-19.1 %
Total	17.3	0.4 %	16.6	-3.7 %	15.0	-9.7 %

● Market

(2007/3) The market has decreased due to NHI drug price change.

(2008/3) The market will be nearly flat.

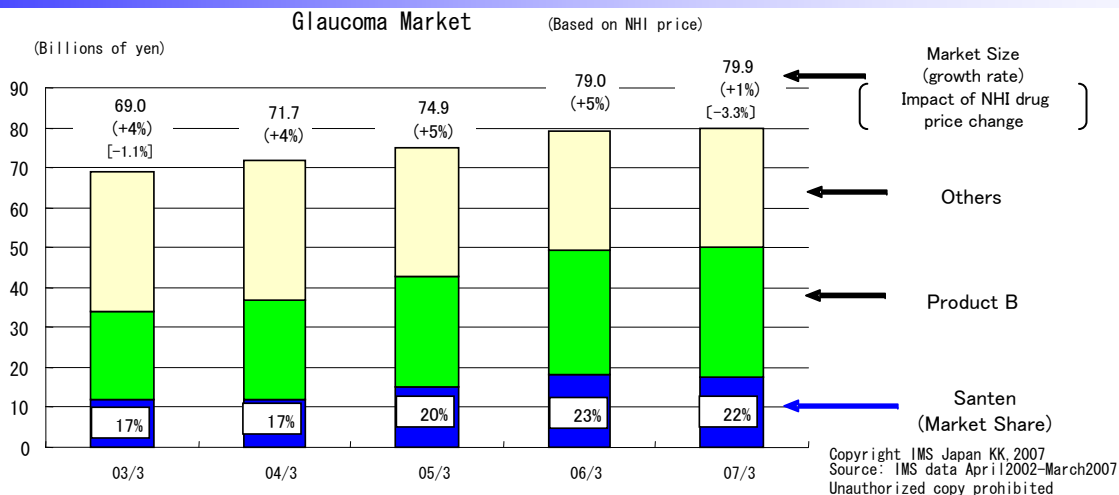
● Santen

(2007/3) Sales decreased due to NHI drug price change and competitive products.

(2008/3) Sales will be below the previous year's level due to a yearly addition of a new product launched by our competitor.



Japanese Prescription Pharmaceuticals -Glaucoma-



● Sales of Major Products

(Billions of yen)

Major Product	Year ended March 2006		Year ended March 2007		Year ending March 2008	
	Actual	Change	Actual	Change	Forecast	Change
Rescula	5.1	94.7 %	5.1	-0.5 %	4.9	-3.7 %
Timoptol	4.2	-4.6 %	3.8	-9.4 %	3.4	-8.8 %
Timoptol XE	3.0	8.3 %	3.2	6.1 %	3.2	1.1 %
Total for Timoptol	7.2	0.4 %	7.0	-2.9 %	6.7	-4.3 %
Detantol	2.2	3.3 %	2.2	2.8 %	2.2	-0.2 %
Pivalephrine	0.3	-17.6 %	0.2	-12.4 %	0.2	-22.1 %
Total	14.9	20.4 %	14.7	-1.4 %	14.2	-3.8 %

● Market

(2007/3) In spite of NHI drug price change, the market increased due to aging and NTG awareness raising.

(2008/3) The market will increase due to an increase in patients, in interest and awareness in NTG.

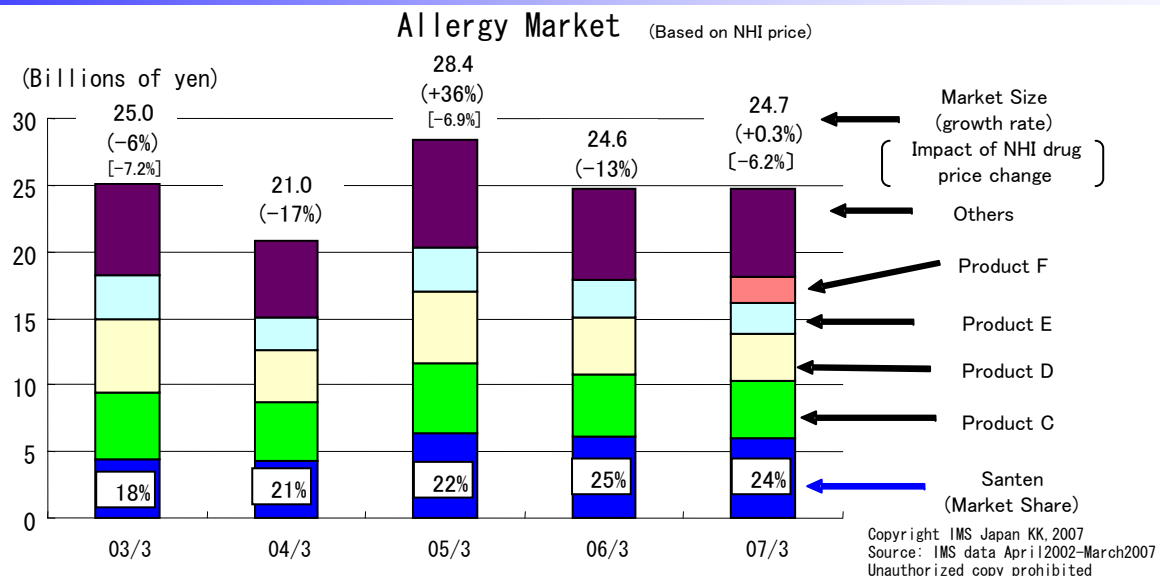
● Santen

(2007/3) Sales decreased due to NHI drug price change.

(2008/3) Sales will be below the previous year's level due to new product launched by competitor.



Japanese Prescription Pharmaceuticals -Allergy-



● Sales of Major Products

Major Product	Year ended March 2006		Year ended March 2007		Year ending March 2008	
	Actual	Change	Actual	Change	Forecast	Change
Livostin	3.9	-19.0 %	4.3	8.0 %	4.2	-0.3 %
Alegysal	0.7	-21.5 %	0.7	1.1 %	0.7	-5.6 %
Total	4.7	-19.4 %	5.0	7.0 %	5.0	-1.1 %

● Market

(2007/3) Though the timing of pollen dispersal became earlier, the market was nearly flat due to NHI drug price change.

(2008/3) The market will be nearly flat. (dependent on weather in July.)

● Santen

(2007/3) Sales increased due to earlier timing of pollen dispersal.

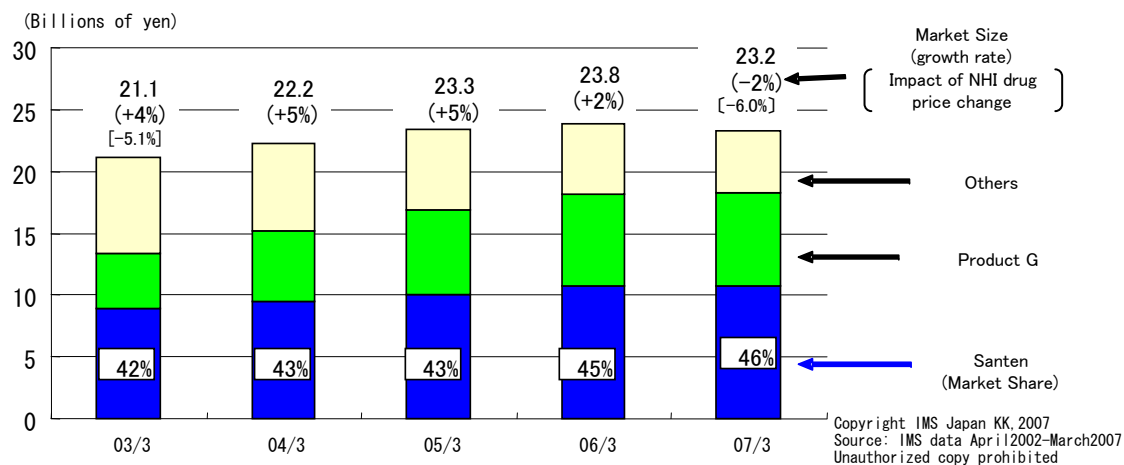
(2008/3) Sales will be nearly flat, in spite of competitive product.



Japanese Prescription Pharmaceuticals -Rheumatoid Arthritis-

Rheumatoid Arthritis (DMARDs) Market

(Based on NHI price)



(note) Except immune-suppressing drug and biological drugs

● Sales of Major Products

Major Product	Year ended March 2006		Year ended March 2007		Year ending March 2008	
	Actual	Change	Actual	Change	Forecast	Change
Rimatil	5.0	3.1 %	4.9	-2.4 %	4.9	1.5 %
Azulfidine EN	3.7	10.1 %	3.8	4.6 %	4.1	6.8 %
Total	8.7	6.0 %	8.8	0.6 %	9.1	3.8 %

● Market

(2007/3) The market decreased due to NHI drug price change.

(2008/3) The market will expand due to the increase in patients and the launch of a new product by competitor.

● Santen

(2007/3) All of Santen's RA products have been chosen as "recommendation grade A" of the Rheumatoid Therapy Guideline. Sales increased.

(2008/3) Though the competitiveness of the market will continue, we aim to establish "recommendation grade A".