



Consolidated Financial Results for the Q1 FY2006

July 31, 2006

Santen Pharmaceutical Co., Ltd



Consolidated Performance Summary

(Billions of yen)

	Year ended March 2006 Q1 Actual	Year ending March 2007		
		Q1 Actual	Change	% Change
Net Sales	25.2	25.9	0.7	3.0 %
Operating Income	6.5	6.2	-0.3	-5.1 %
Ordinary Income	6.7	6.3	-0.4	-5.8 %
Net Income	4.2	4.1	-0.1	-1.7 %



Net Sales by Business Segment / Overseas Sales

Net sales by Business Segment

(Billions of yen)

	Year ending March 2007 Q1 Actual					
	Japan		Overseas		Total	
	Net sales	% change from Year ended March 2006	Net sales	% change from Year ended March 2006	Net sales	% change from Year ended March 2006
Prescription pharmaceuticals	21.01	0.8 %	2.91	18.0 %	23.92	2.6 %
Ophthalmics	18.41	-0.1 %	2.80	16.3 %	21.22	1.8 %
Anti-rheumatic	2.53	8.0 %	0.08	-	2.62	9.6 %
Others	0.05	3.3 %	0.01	-	0.07	13.1 %
OTC eye drops	1.25	-4.0 %	0.00	-	1.26	-4.2 %
Medical devices	0.14	-8.4 %	0.00	-	0.14	-7.8 %
Others	0.11	-38.5 %	0.54	102.0 %	0.66	44.6 %
Total	22.52	0.2 %	3.47	26.1 %	25.99	3.0 %

Overseas Sales

(Billions of yen)

	Year ended March 2006 Q1 Actual	Year ending March 2007		
		Q1 Actual	Change	% change
Europe	1.63	1.92	0.29	17.3 %
North America	0.17	0.50	0.33	197.4 %
Others	0.94	1.04	0.10	10.2 %
Total	2.75	3.47	0.72	26.1 %



Consolidated Net Sales: Variances

Net sales of Q1 FY2005
25.24 billion yen

+0.75 billion yen

Net sales of Q1 FY2006
25.99 billion yen

Japan +0.03 billion yen

[Increase]

⊕ Anti-rheumatic +0.18 billion yen

[Decrease]

⊕ Prescription ophthalmics
-0.01 billion yen

⊕ OTC eye drops -0.05 billion yen

⊕ Medical devices -0.01 billion yen

⊕ Others -0.07 billion yen

Overseas + 0.72 billion yen

[Increase]

⊕ Europe +0.29 billion yen

⊕ North America +0.33 billion yen

⊕ Asia & Others +0.10 billion yen

Korea +0.14 billion yen

China -0.09 billion yen

Prescription ophthalmics in Japan

⊕ Anti-infective -0.14billion yen

⊕ Corneal disease +0.22billion yen

⊕ Glaucoma -0.09billion yen

⊕ Allergy -0.03billion yen

⊕ Others +0.03billion yen

Europe

⊕ Prescription ophthalmics
+0.33billion yen

Russia +0.08billion yen

Sweden +0.07billion yen

Finland +0.05billion yen

⊕ Contract manufacturing and others
-0.04billion yen

U.S.

⊕ Contract manufacturing and others
+0.31billion yen



Summary of Changes in Income Statements (1)

(Billions of yen)

	Year ended March 2006	Year ending March 2007		Major factor
	Q1 Actual	Q1 Actual	Change	
Net Sales	25.2	25.9	0.7	
Cost of Sales (% of Net Sales)	8.9 35.1%	9.0 34.8%	0.1 -0.3 ppt	- Impact of NHI drug price change (+0.6ppt) - Decreased operating rate (+0.1ppt) - Cost reduction (-0.4ppt) - Change in product mix (-0.5ppt)
Selling, General and Administrative expenses (% of Net Sales)	9.9 39.0%	10.7 41.3%	0.8 2.3 ppt	
SGA expenses excl. R&D (% of Net Sales)	6.9 27.3%	7.2 27.9%	0.3 0.6 ppt	- Japan selling expense increased (+0.15 billion) - Asia selling expense increased (+0.1 billion)
R&D expenses (% of Net Sales)	3.0 11.8%	3.4 13.4%	0.4 1.6 ppt	- Cornea (+0.1 billion) - Retina (+0.2 billion)
Operating income (% of Net Sales)	6.5 25.9%	6.2 23.9%	-0.3 -2.0 ppt	

<Exchange rates>

	Q1, Year ended March 2006	Q1, Year ending March 2007
US\$1	JPY 107.70	JPY114.40
EUR1	JPY133.61	JPY142.52



Summary of Changes in Income Statements (2)

(Billions of yen)

	Year ended March 2006	Year ending March 2007		Major factors
	Q1 Actual	Q1 Actual	Change	
Non-operating income/expenses	0.2	0.1	-0.1	
Non-operating income	0.3	0.3	0.0	[06/Mar] Interest income (0.1 billion) Receipt of matured insurance (0.1 billion) [07/Mar] Interest income (0.1 billion) Receipt of matured insurance (0.1 billion)
Non-operating expenses	0.1	0.2	0.1	[06/Mar] Interest expenses (0.1 billion) [07/Mar] Interest expenses (0.1 billion) Currency exchange loss (0.1 billion)
Ordinary income	6.7	6.3	-0.4	
Extraordinary gain/loss	0.0	0.2	0.2	
Extraordinary gain	0.0	0.2	0.2	[07/Mar] Gain on disposition of fixed asset (0.2 billion)
Extraordinary loss	0.0	0.0	0.0	
Net income before tax	6.7	6.5	-0.2	
Income taxes	2.5	2.4	-0.1	Tax rates [06/Mar] 37.2% [07/Mar] 36.8%
Net income	4.2	4.1	-0.1	

<Exchange rates>

	Q1, Year ended March 2006	Q1, Year ending March 2007
US\$1	JPY 107.70	JPY114.40
EUR1	JPY133.61	JPY142.52



Performance by Geographic Segment

【 Net sales 】

(Billions of yen)

	Year ended March 2006 Q1 Actual	Year ending March 2007	
		Q1 Actual	Change
Japan	23.3	23.3	0
Europe	1.8	2.4	0.6
Europe	1.6	1.9	0.3
United States	0.2	0.5	0.3
Others 1	0.1	0.1	0
Total	25.2	25.9	0.7

【 Operating Income 】

(Billions of yen)

	Year ended March 2006 Q1 Actual	Year ending March 2007	
		Q1 Actual	Change
Japan	7.1	6.2	-0.9
Europe	0.1	0.3	0.2
Europe	0.1	0.1	0
United States	0	0.2	0.2
Others 1	-0.1	0.0	0.1
Elimination	-0.6	-0.3	0.3
Total	6.5	6.2	-0.3

1 "Others" are the U.S., 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 June 2006		
	Actual	% of total	Actual	% of total	Change
Current assets	93.8	62.4 %	90.0	61.7 %	-3.8
Fixed assets	56.5	37.6 %	55.9	38.3 %	-0.6
Total assets	150.4	100.0 %	146.0	100.0 %	-4.4
Current liabilities	24.1	16.0 %	17.7	12.2 %	-6.4
Fixed liabilities	7.7	5.1 %	7.7	5.3 %	0.0
Total liabilities	31.8	21.1 %	25.5	17.5 %	-6.3
Total net assets	118.6	78.9 %	120.4	82.5 %	1.8
Total liabilities and net assets	150.4	100.0 %	146.0	100.0 %	-4.4

【Major changes】

Current assets: Cash and deposits -6.4billion yen, Notes receivable and accounts receivable +3.3billion yen

Current liabilities: Other payables -1.9billion yen, Income tax payable -3.0billion yen, Reserve for bonuses -1.2billion yen

Net assets: [Increase] Net income +4.1billion yen
[Decrease] Cash dividends -3.0billion yen



Summary of Cash Flows

(Billions of yen)

	Year ending March 2007 Q1 Actual	Major changes
Cash and cash equivalent beginning of fiscal year	46.1	
Net increase/decrease in cash and cash equivalent	-6.5	
Cash flows from operating activities	-2.5	<ul style="list-style-type: none"> · Income before income taxes 6.5 · Depreciation and amortization 1.1 · Income taxes paid -4.8 · Increase in trade receivables -3.2
Cash flows from investing activities	-1.0	<ul style="list-style-type: none"> · Proceeds from sale of property and equipment 0.2 · Purchase of property and equipment -1.3
Cash flows from financing activities	-2.8	<ul style="list-style-type: none"> · Cash dividends paid -2.8
Cash and cash equivalents, end of Q1	39.6	

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	Year ending March 2007	
	Q1 Actual	Q1 Actual	Change
Capital Expenditures	0.4	0.8	0.4
Depreciation and Amortization	0.8	0.7	-0.1
Lease Expenses	0.2	0.2	0.0

Capital expenditures Q1 Year ending March 2007 major item

- Investment for plant construction in China etc.