

Santen Pharmaceutical Co., Ltd.
Investor Meeting on FY 2007 Results

Summary of the Year Ended March 2008;
Forecast of the Year Ending March 2009;
Status of 2006-2010 Medium-term Management Plan
Policy for Return to Shareholders

May 9, 2008
Chairman and CEO
Takakazu Morita

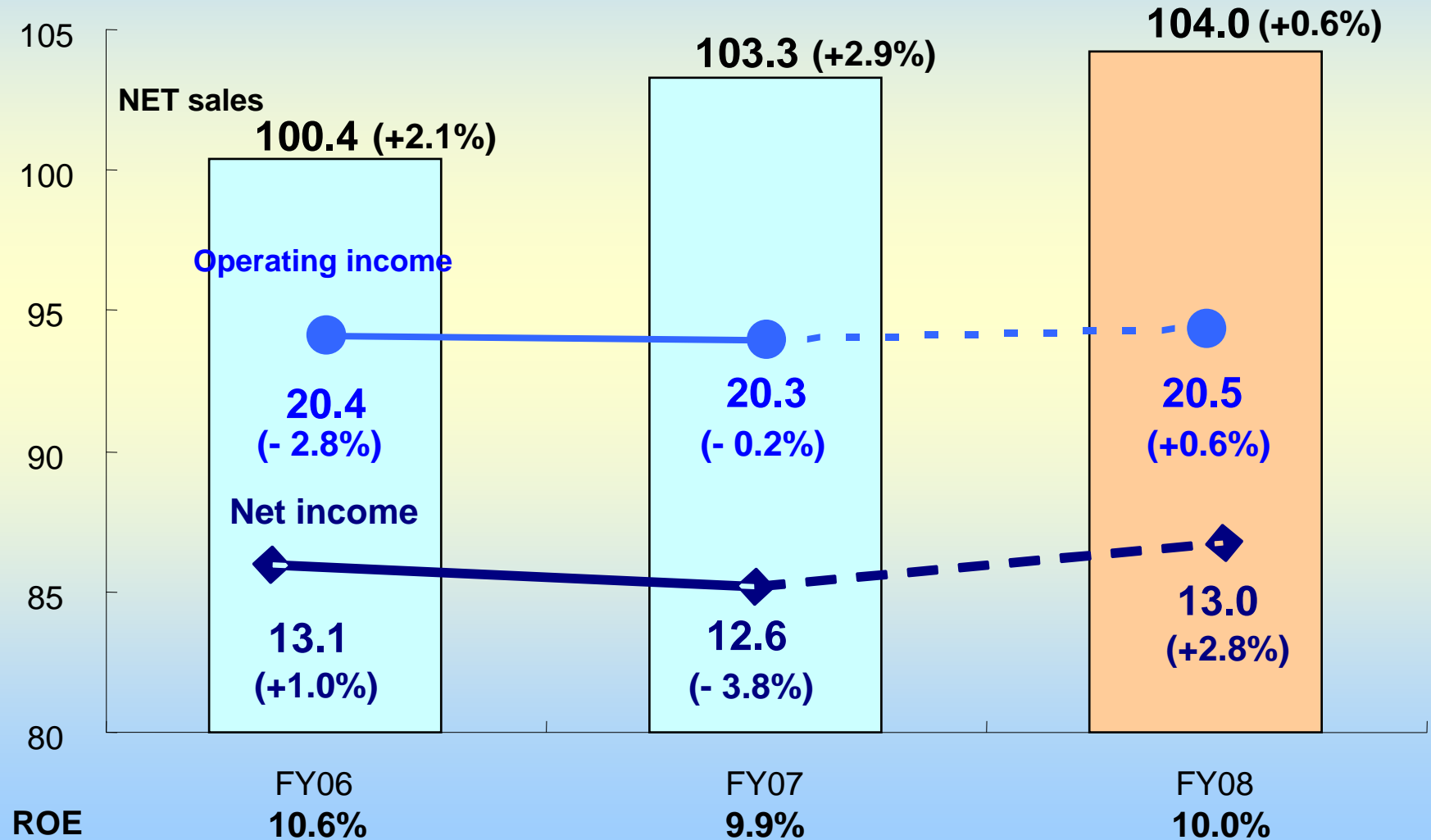
FY2007 Highlights

The First 2 years of 2006-2010 medium-term management plan proceeded followed by the principal “creating new drug candidates and generating growth in promising regions by leveraging strength”

1. Net sales was 103.3 billion yen, increasing 2.9% from FY2006
Domestic +1.6% Overseas +11.2%
2. Operating profit was 20.3 billion, a 0.2% reduction from FY2006
Selling expense increased due to tough competition and disease awareness campaign for Dry-Eye in JP, sales promotion in EU, and preparation for direct marketing in China
3. Major new drug candidates
DE-085: Applied in JP, EU
DE-089: Preparing to apply in JP
DE-101: P2 in US, preparation for P2 in JP
DE-104: P2 in JP, US
4. Conducted share buyback (5 bill. yen)

FY2007 Consolidated Sales and Profits

Unit: Billions of yen, Percentage shows change from previous year



Outlook of 2008

1. Prescription ophthalmics in Japan market

Although the effect of approximately 3.5% NHI drug price reduction and tough competition, net sales is expected to increase 0.6% from FY2007 due to disease awareness campaign for Dry-Eye and the new product launch for Glaucoma

2. Overseas

- Sales increase in EU, especially Northern/Eastern Europe, Russia and Germany
- Reinforcement of sales perform in China and Korea
- Focus U.S. activities on clinical and business development

3. R&D

Enhance in-house drug discovery, co-development and in-licensing

4. Profits

Selling, general and administration expenses is increasing FY2007 by the rise of R&D expense for clinical development. Operating income is expected to be 20.5 billion, a slight increase of 0.6% from FY2007. Net income is expected to be 13 billion, an increase of 2.8% from FY2007

Medium Management Plan Policies and Targets

Santen's global development: Creating new drug candidates and generating growth in promising regions by leveraging strengths

- 1. Enhance the global strategic product pipeline**
- 2. Generate growth mainly in Japan, Northern/Eastern Europe, Russia and China. Focus U.S. activities on clinical and business development**
- 3. Strengthen manufacturing bases**
- 4. Strengthen HR and organizational capabilities on a global scale**

Status of Mid-term Plan - 1

FY06-07 achievement

FY08 plans

FY09-10 plans

1. Enhance the global strategic product pipeline

11. Development of global strategic product candidates

DE-101 P2(US)

P2(JP,EU)

P3: FY09

DE-104 P1(US),

P2 (JP,EU)

* * *

P2 (JP,US)

Remarks:

The status of new drug candidates are indicated focusing on the JP market

DE-085 Applied (JP,EU)

DE-085 Approval expected

MD-14 Injector approved

DE-089 P3

Applied

2. Generate growth in regions where Santen can leverage strength

21. Japan: Successful launch of new glaucoma, corneal and IOL products and early maximization of their product value

Glaucoma (new)

Started DE-085 launch preparation

Launch expected in FY08; early maximization of product value

Early maximization of product value

(existing)

Increased sales

Dry-Eye (new)

Disease awareness campaign for Dry-Eye

Disease awareness campaign

DE-089 launch in FY10
Increase prescription

(existing)

IOL

Started MD-14 launch preparation

Preparation and start to sales

Status of Mid-term Plan - 2

FY06-07 achievement

FY08 plans

FY09-10 plans

2.General growth in regions where Santen can leverage strengths

22.Northern/Eastern Europe and Russia:

Maximize value of Oftaquix, existing products, and launch DE-085

Maximizing new and existing product value

Reinforced promotions for existing products

DE-085 launch in 8 countries
Launch Oftaquix in Russia

Approval of Oftaquix in Russia

DE-085 applied; Preparation for launch

23.China : Strengthen business base and competitiveness by starting local production and establishment of direct marketing strategies

Establish direct sales organization

Hire and train sales force (MR)

Increase prescription
Start sales (gradually)

24.U.S. : Focus on clinical development and business development

3.Strengthen manufacturing basis Strengthen manufacturing bases by reorganizing production lines and sites in Japan , Finland and China

31.Promote efficiency by reorganization of production line (Preparation for emergency)

Formulated re-organization plan
Start and Complete China plant construction

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Start packaging of products

Implement organization plan

4..Strengthen HR and organization Develop human resources; re-organization

41. Development core HR

Assessed HR and formulate HR development plan

Implement plan
Enhance global organization

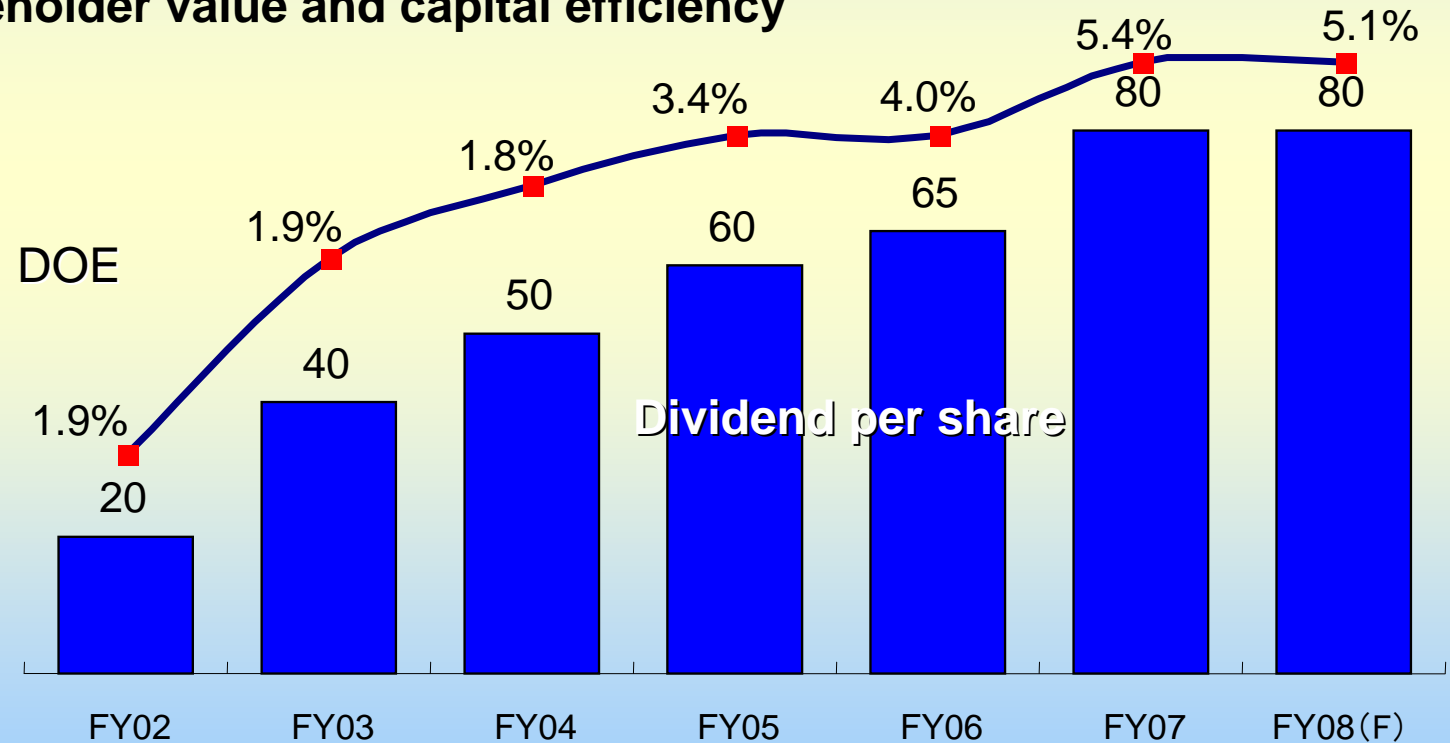
Continuously implement

42. Develop organizational capability

Enhance planning and business development

Policy for Return to Shareholders

- Maintain and improve the level of dividends, considering the future cash demand and financial forecasts
- Achieved DOE (Dividend on Equity) of 5% in FY2007 and maintain the same DOE in FY2008, which is FY2010 target
- Buyback and retirement of shares as an agile means of improving shareholder value and capital efficiency



Share buyback (100M)	32	0	26	0	0	50
Total return ratio (%)	59.5%	55.8%	63.3%	39.9%	42.9%	92.3%

Reference: FY2006-FY2010 Financial Target

FY2010 Financial Target

- Net sales: 115 bill. yen+(FY2005-10 CAGR: 3%+)
- Operating income: 32 bill. yen+ (FY2005-10 CAGR: 8%+)
- Net income: 22 bill. yen+
- ROE: 13%+
- R&D expense: approx. 16 bill. yen