## SANTEN PHARMACEUTICAL CO., LTD. (May 9, 2006)

Code: 4536

URL http://www.santen.co.jp

Financial Report for the Year Ended March 31, 2006

(Consolidated)

Takakazu Morita, President and Chief Executive Officer Contact: Yoshihiro Noutsuka, Deputy Division Manager

Corporate Development and Administration Division Tel: 06-6321-7007

# 1. Performance for the year ended March 31, 2006

(Figures are rounded down to the nearest million yen)

		Year to	Year to	% change
(1)	Operating results	March 2006	March 2005	2006/2005
	Net sales (millions of yen)	98,397	92,696	6.2%
	Operating income (millions of yen)	20,995	18,982	10.6%
	Ordinary income (millions of yen)	21,507	18,837	14.2%
	Net income (millions of yen)	13,022	11,022	18.1%
	Net income per share (yen)	150.26	125.85	
	Diluted net income per share (yen)	150.01	125.71	
	Net income to shareholders' equity	11.5%	10.4%	
	Ordinary income to total assets	14.8%	13.0%	
	Ordinary income to net sales	21.9%	20.3%	

Note: 1 Average number of shares outstanding

March 31, 2006: 86,662,338

March 31, 2005: 87,390,316

<sup>&</sup>lt;sup>2</sup> No change has been made in accounting policy.

		March 31,	March 31,
(2)	Financial condition	2006	2005
	Total assets (millions of yen)	150,458	139,979
	Shareholders' equity (millions of yen)	118,637	108,239
	Shareholders' equity ratio	78.9%	77.3%
	Shareholders' equity per share (yen)	1,368.27	1,249.32

Note: 1 Number of shares outstanding at end of period

March 31, 2006: 86,706,113 March 31, 2005: 86,619,043

		Year to	Year to
(3)	Cash flows	March 2006	March 2005
	Cash flows from operating activities (millions of yen)	20,878	6,619
	Cash flows from investing activities (millions of yen)	(1,330)	(2,907)
	Cash flows from financing activities (millions of yen)	(5,900)	(12,711)
	Cash and cash equivalents at end of year (millions of yen)	46,104	32,380

## (4) Consolidated subsidiaries and application of the equity method

Number of consolidated subsidiaries: 13

Number of non-consolidated subsidiaries: 0

Number of affiliated company applied the equity method: 0

# (5) Changes on consolidated subsidiaries and application of the equity method

Number of consolidated subsidiaries: 1

Number of non-consolidated subsidiaries: 0

Number of affiliated company applied the equity method: 0

## 2. Forecasts of results for the year ending March 31, 2007

	Interim	Full year
Net sales (millions of yen)	50,500	100,000
Operating income (millions of yen)	10,200	20,000
Ordinary income (millions of yen)	10,200	20,000
Net income (millions of yen)	6,700	13,000

Reference: Expected net income per share (full-year basis)

149.93 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.

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Financial Report for the Year Ended March 31, 2006

(Non-consolidated)

Takakazu Morita, President and Chief Executive Officer Contact: Yoshihiro Noutsuka, Deputy Division Manager,

Corporate Development and Administration Division Tel: 06-6321-7007

# 1. Performance for the year ended March 31, 2006

(Figures are rounded down to the nearest million yen)

		Year to	Year to	% change
(1)	Operating results	March 2006	March 2005	2006/2005
	Net sales (millions of yen)	90,840	86,340	5.2%
	Operating income (millions of yen)	20,644	19,692	4.8%
	Ordinary income (millions of yen)	21,376	20,266	5.5%
	Net income (millions of yen)	13,118	12,602	4.1%
	Net income per share (yen)	151.37	143.93	
	Diluted net income per share (yen)	151.12	143.77	
	Net income to shareholders' equity	11.1%	11.5%	
	Ordinary income to total assets	14.4%	13.8%	
	Ordinary income to net sales	23.5%	23.5%	

Note: <sup>1</sup> Average number of shares outstanding

March 31, 2006: 86,662,338

March 31, 2005: 87,390,316

<sup>&</sup>lt;sup>2</sup> No change has been made in accounting policy.

		Year to	Year to
(2)	Dividends	March 2006	March 2005
	Annual dividends per share (yen)	60.00	50.00
	Interim dividends per share (yen)	25.00	20.00
	End of period (yen)	35.00	30.00
	Total dividends paid (full-year) (millions of yen)	5,201	4,357
	Payout ratio	39.6%	34.7%
	Shareholders' equity yield	4.2%	3.9%

		March 31,	March 31,
(3)	Financial condition	2006	2005
	Total assets (millions of yen)	153,300	142,762
	Shareholders' equity (millions of yen)	123,495	113,092
	Shareholders' equity ratio	80.6%	79.2%
	Shareholders' equity per share (yen)	1,424.30	1,305.34

Note: 1 Number of shares outstanding at end of period

March 31, 2006: 86,706,113 March 31, 2005: 86,619,043

<sup>2</sup> Number of treasury stock at end of period

March 31, 2006: 45,090 March 31, 2005: 39,660

## 2. 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
Interim dividends per share (yen)	30.00	-
Dividends at end of period per share (yen)	-	30.00
Annual dividends per share (yen)	-	60.00

Reference: Expected net income per share (full-year basis)

149.93 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.