

Santen Announces Proposed Dividends Change

February 27, 2007, Osaka, Japan -- Santen Pharmaceutical Co., Ltd. announced that its Board of Directors today approved the change of per-share dividends for the fiscal year ending March 31, 2007.

1. Reason for Dividends Change

Returning profits to shareholders has been an issue of key importance for Santen. The company seeks to return profits commensurate with performance, while maintaining capital efficiency and keeping a sound and flexible finance position that will allow us to pursue product acquisition, licensing and alliance activities and to build up sufficient retained earnings to fund our long-term growth strategy. In the 2006-2010 Medium-term Management Plan announced in July 2006, Santen has adopted the dividend-on-equity (DOE) as a new performance indicator to measure dividends, aiming to raise DEO ratio to 5.0% by fiscal 2010.

Taking the current status of shareholders' equity and our forecast performance of the year ending March 2007 into account, Santen will propose a year-end dividend of ¥35 to the company's 95th Annual General Meeting of Shareholders which will be held in June 2007. The new forecast year-end dividend of ¥35 will be an increase of ¥5 per share over the former forecast, making an annual total dividend of ¥65 per share.

2. Proposed Dividends Change

	Interim dividends	Year-end dividends	Annual dividends
Previous forecast as of November 1, 2006	30 yen	30 yen	60 yen
Revised forecast	30 yen	35 yen	65 yen
Reference: Cash dividends for the FY ended March 2006	25 yen	35 yen	60 yen