

Revision of Performance Forecasts

Osaka, Japan, September 30, 2002 --- Santen Pharmaceutical Co., Ltd. today revised its performance forecasts for the six months ending September 30, 2002 and the year ending March 31, 2003, which it announced on May 13, 2002.

1. Revision of consolidated forecast for the six months ending September 30, 2002

(Units: millions of yen, %)

	Net Sales	Ordinary Income	Net Income
Previous forecast as of May 13, 2002 (A)	45,300	4,500	1,200
Revised forecast (B)	45,900	5,400	300
Change (B - A)	600	900	(900)
% Change	1.3%	20.0%	(75.0)%
Ref. Results for the six months ended September 30, 2001	43,791	6,786	3,082

2. Revision of consolidated forecast for the year ending March 31, 2003

(Units: millions of yen, %)

	Net Sales	Ordinary Income	Net Income
Previous forecast as of May 13, 2002 (A)	92,000	10,100	3,200
Revised forecast (B)	92,600	11,000	2,300
Change (B - A)	600	900	(900)
% Change	0.7%	8.9%	(28.1)%
Ref. Results for the year ended March 31, 2002	88,966	12,107	5,305

3. Revision of non-consolidated forecast for the six months ending September 30, 2002

(Units: millions of yen, %)

	Net Sales	Ordinary Income	Net Income
Previous forecast as of May 13, 2002 (A)	41,500	7,300	4,200
Revised forecast (B)	42,300	8,600	3,600
Change (B - A)	800	1,300	(600)
% Change	1.9%	17.8%	(14.3)%
<i>Ref.</i> Results for the six months ended September 30, 2001	41,307	8,450	4,927

4. Revision of non-consolidated forecast for the year ending March 31, 2003

(Units: millions of yen, %)

	Net Sales	Ordinary Income	Net Income
Previous forecast as of May 13, 2002 (A)	84,000	15,300	8,800
Revised forecast (B)	84,800	16,600	8,200
Change (B - A)	800	1,300	(600)
% Change	1.0%	8.5%	(6.8)%
<i>Ref.</i> Results for the year ended March 31, 2002	82,990	16,060	9,932

5. Reasons for the Revision

(Consolidated)

For the six months ending September 30, 2002, net sales are expected to achieve the forecast announced on May 13, 2002, with domestic sales of prescription pharmaceuticals slightly higher than projected and overseas sales as forecast. Ordinary income is expected to exceed the previous forecast due to factors including cost-cutting measures. Net income for the period is expected to be less than the previous estimate due to a special premium payment incurred upon the secession of Santen and its wholly owned subsidiary Santen Distribution Co., Ltd. from a composite pension fund (Osaka Pharmaceutical Industry Pension Fund), which will be recorded as an extraordinary loss of 2,205 million yen. The Company has not changed its forecast for the second six months of the year (October 2002 to March 2003).

(Non-consolidated)

For the six months ending September 30, 2002, net sales are expected to achieve the forecast announced on May 13, 2002, with sales of prescription pharmaceuticals slightly higher than projected. Ordinary income is expected to exceed the previous forecast due to factors including cost-cutting measures. Net income for the period is expected to be less than the previous estimate due to a special premium payment incurred upon the Company's secession from a composite pension fund (Osaka Pharmaceutical Industry Pension Fund), which will be recorded as an extraordinary loss of 2,168 million yen. The Company has not changed its forecast for the second six months of the year (October 2002 to March 2003).

Santen decided to secede from the Osaka Pharmaceutical Industry Pension Fund in order to minimize the risk inherent in pension fund asset management and as part of its plan to drastically reform its retirement benefit programs. The secession was approved today by delegates of the Fund. After receiving approval from the Ministry of Health, Labour and Welfare, the Company will pay off the share of the reserve loss borne by Santen and Santen Distribution Co., Ltd. in a lump sum as the above-mentioned special premium. Following the secession, Santen plans to review its current retirement benefit programs to establish a new retirement benefit system that meets diversified employee needs within two years.

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Caution: This forecast is based on judgments derived from information available at the time of this announcement. Certain risks and uncertainties could cause the Company's results to differ materially from any forecasts presented in this news release.