

**1. Performance for the year ended March 31, 2003**

(Figures are rounded down to the nearest million yen)

	Year to March 2003	Year to March 2002	% change 2003/2002
<b>(1) Operating results</b>			
Net sales (millions of yen)	90,252	88,966	1.4%
Operating income (millions of yen)	12,697	11,790	7.7%
Ordinary income (millions of yen)	12,899	12,107	6.5%
Net income (millions of yen)	8,502	5,305	60.3%
Net income per share (yen)	93.67	57.34	
Diluted net income per share (yen)	85.97	53.07	
Net income to shareholders' equity	8.8%	5.6%	
Ordinary income to total assets	8.6%	7.9%	
Ordinary income to net sales	14.3%	13.6%	

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

March 31, 2003: 90,452,016

March 31, 2002: 92,535,887

<sup>2</sup> Two changes have been made in accounting policy.

	March 31, 2003	March 31, 2002
<b>(2) Financial condition</b>		
Total assets (millions of yen)	147,147	152,103
Shareholders' equity (millions of yen)	97,125	95,101
Shareholders' equity ratio	66.0%	62.5%
Shareholders' equity per share (yen)	1,104.21	1,048.51

Note: <sup>1</sup> Number of shares outstanding at end of period

March 31, 2003: 87,932,738

March 31, 2002: 90,701,451

	Year to March 2003	Year to March 2002
<b>(3) Cash flows</b>		
Cash flows from operating activities (millions of yen)	15,807	6,941
Cash flows from investing activities (millions of yen)	(9,951)	(6,373)
Cash flows from financing activities (millions of yen)	(6,507)	(5,683)
Cash and cash equivalents at end of year (millions of yen)	25,053	25,619

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

Number of consolidated subsidiaries: 12

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, 2004**

	Interim	Full year
Net sales (millions of yen)	45,500	90,800
Ordinary income (millions of yen)	6,000	14,800
Net income (millions of yen)	2,600	6,800

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

77.33 yen

**Caution)**

The aforementioned forecast in this brief financial report reflects the Company's current analysis of data available and the Company's assumption as of May 9, 2003. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; changes in related laws and regulations; status of product development programs; and changes in exchange rates.

SANTEN PHARMACEUTICAL CO., LTD. (May 9, 2003)

Code: 4536

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

Financial Report for the Year Ended March 31, 2003

(Non-consolidated)

Takakazu Morita, President and Chief Executive Officer

Contact: Ichiro Otokoza, Division Manager,

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**1. Performance for the year ended March 31, 2003**

(Figures are rounded down to the nearest million yen)

(1) Operating results	Year to March 2003	Year to March 2002	% change 2003/2002
Net sales (millions of yen)	82,372	82,990	(0.7%)
Operating income (millions of yen)	17,329	15,586	11.2%
Ordinary income (millions of yen)	17,011	16,060	5.9%
Net income (millions of yen)	871	9,932	(91.2%)
Net income per share (yen)	9.30	107.33	
Diluted net income per share (yen)	—	98.55	
Net income to shareholders' equity	0.9%	9.7%	
Ordinary income to total assets	11.1%	10.2%	
Ordinary income to net sales	20.7%	19.4%	

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

March 31, 2003: 90,452,016

March 31, 2002: 92,535,887

<sup>2</sup> Two changes have been made in accounting policy.

(2) Dividends	Year to March 2003	Year to March 2002
Annual dividends per share (yen)	20.00	20.00
Interim dividends per share (yen)	10.00	10.00
End of period (yen)	10.00	10.00
Total dividends paid (full-year) (millions of yen)	1,786	1,834
Payout ratio	215.1%	18.5%
Shareholders' equity yield	1.8%	1.8%

(3) Financial condition	March 31, 2003	March 31, 2002
Total assets (millions of yen)	147,869	158,456
Shareholders' equity (millions of yen)	100,283	104,706
Shareholders' equity ratio	67.8%	66.1%
Shareholders' equity per share (yen)	1,140.12	1,154.41

Note: <sup>1</sup> Number of shares outstanding at end of period

March 31, 2003: 87,932,738

March 31, 2002: 90,701,451

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

March 31, 2003: 2,771,565

March 31, 2002: 2,852

**2. Forecasts of results for the year ending March 31, 2004**

	Interim	Full year
Net sales (millions of yen)	41,600	82,600
Ordinary income (millions of yen)	8,500	19,100
Net income (millions of yen)	5,200	11,300
Interim dividends per share (yen)	10.00	—
Dividends at end of period per share (yen)	—	10.00
Annual dividends per share (yen)	—	20.00
Reference: Expected net income per share (full-year basis)		128.51 yen

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