

Santen Announces Closure of its U.S. Subsidiary Phacor Inc.

Osaka, Japan, September 5, 2003 --- Phacor Inc., a wholly owned subsidiary of Santen Pharmaceutical Co., Ltd., is closing. Phacor is located in the United States and was formed for the special purpose of research and development of phacoemulsification machines. It is anticipated that Phacor will either carry out a management buyout or license out its technology and liquidate. The final form of the company will be determined by the end of this fiscal year, ending March 31, 2004. This decision is unrelated to any other Santen U.S. business.

1. Details of Phacor Inc.

Company name:	Phacor Inc.
Headquarters:	California, USA
Business:	Research and development of phacoemulsification machines
Established:	June 1998
Common stock:	US\$10,000
Equity ownership:	100% (indirect investment through Santen Holdings U.S. Inc.)
Number of employees:	47

2. Reason for Closure

Phacor was established with the aim of developing next-generation, high-quality phacoemulsification machines in a short period of time. However, changes in specifications and lack of software professionals led to a delay in their commercialization. As a result, it became difficult for the products to compete in the current market. Santen therefore decided not to invest further to Phacor operation, after thorough evaluation of its business potential and profitability.

3. Impact on Santen's Financial Performance

As of today, Santen plans to record an extraordinary loss of approximately 600 million yen concerning the Phacor closure.

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