

## Announcement on the New Management Organization

May 9, 2005, Osaka, Japan – Santen Pharmaceutical Co., Ltd. (President and CEO: Takakazu Morita; Headquarters: Osaka, Japan ) announced that the organization of Santen is to be restructured as explained below to better improve corporate governance.

Santen believes improving and strengthening corporate governance is an indispensable means to maximizing our corporate value. The Company has worked to establish a corporate governance system that ensures sound and transparent management, while continuing efforts to improve its operating performance.

To further improve and strengthen its corporate governance, the board of directors of the Company has resolved to increase the number of inside directors from four to five, and the number of outside directors from one to three to strengthen the functions of the board of directors. This resolution requires the approval of shareholders at the general meeting of the Company to be held in June 2005.

Moreover, from July 2005, review of the existing committees will be conducted, and the following three committees comprising inside and outside directors will be reorganized or newly established..

The Company employs the internal auditor system. Accordingly, these committees are different from and are not "committees" required to be maintained by "companies with committees" (in Japanese: *i-inkai tou settchi kaisha*) as defined in the revised Commercial Code.

### Announcement

#### Reorganization and Establishment of Committees

1) A "Corporate Strategy Committee" will be established.

Purpose: To deliberate intensively on important strategic issues.

Committee members: Five directors including outside directors

2) A "Nominating Committee" will be established.

Purpose: To establish standards and to clarify the decision-making process for appointing directors.

To deliberate on director candidates and propose nominees to the board of directors, based on these standards and process.

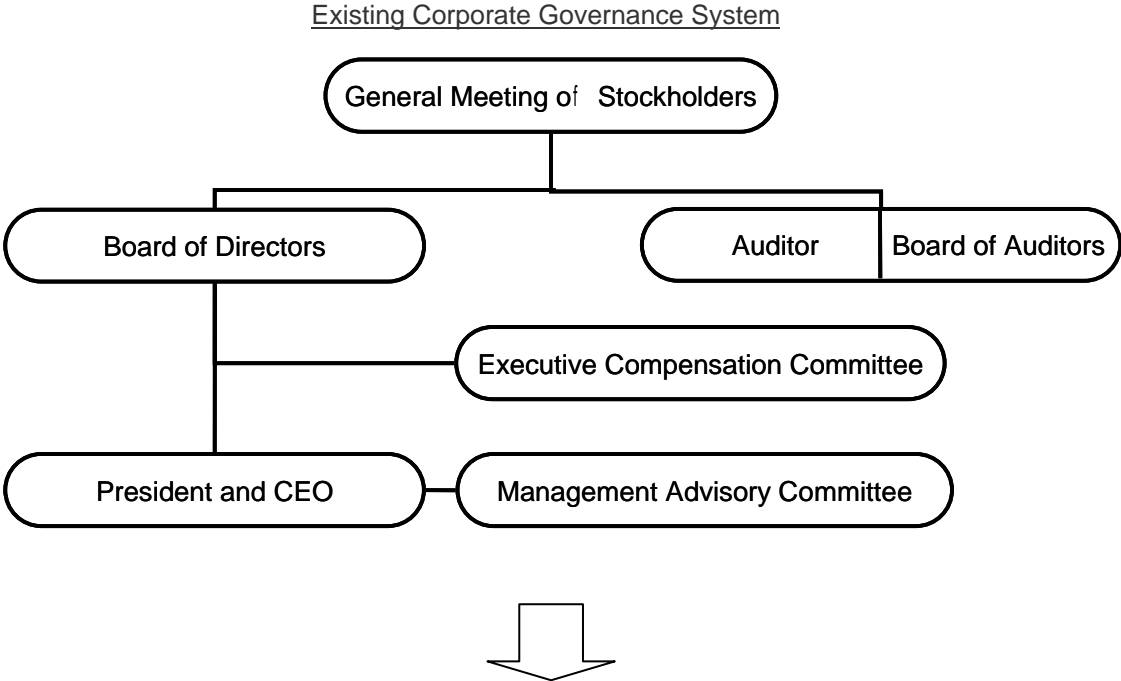
Committee members: Three directors including outside directors

3) An "Executive Compensation Committee" will be continued.

Purpose: To establish a policy regarding executive compensations, create a compensation plan for executives and revise it as necessary, make rightful decisions on compensations and conduct proper control of compensation plans, as done in the past.

Committee members: Three directors including outside directors

Reference



New Corporate Governance System effective as of July 1, 2005

