

SANTEN PHARMACEUTICAL CO., LTD. (November 1, 2005)

Code: 4536

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

Financial Report for the Six-month period ended September 30, 2005  
(Consolidated)

Takakazu Morita, President and Chief Executive Officer

Contact: Ichiro Otokozaawa, Member of the Board, Senior Corporate Officer  
Head of Corporate Development and Administration Division Tel: 06-6321-7007

**1. Performance for the six months ended September 30, 2005**

(Figures are rounded down to the nearest million yen)

(1) <b>Operating results</b>	Six months to September 2005	Six months to September 2004	% change 2005/2004
Net sales (millions of yen)	49,785	45,084	10.4%
Operating income (millions of yen)	12,081	9,539	26.7%
Ordinary income (millions of yen)	12,302	9,532	29.1%
Net income (millions of yen)	7,100	4,878	45.6%
Net income per share (yen)	81.96	55.47	
Diluted net income per share (yen)	81.83	55.42	

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

September 30, 2005: 86,635,852

September 30, 2004: 87,935,449

March 31, 2005: 87,390,316

<sup>2</sup> No change has been made in accounting policy.

(2) <b>Financial condition</b>	September 30, 2005	September 30, 2004
Total assets (millions of yen)	145,563	147,148
Shareholders' equity (millions of yen)	113,576	105,347
Shareholders' equity ratio	78.0%	71.6%
Shareholders' equity per share (yen)	1,310.69	1,197.86

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

September 30, 2005: 86,654,320

September 30, 2004: 87,946,581

March 31, 2005: 86,619,043

(3) <b>Cash flows</b>	Six months to September 2005	Six months to September 2004
Cash flows from operating activities (millions of yen)	11,101	3,637
Cash flows from investing activities (millions of yen)	(571)	(2,057)
Cash flows from financing activities (millions of yen)	(2,684)	(2,821)
Cash and cash equivalents at end of year (millions of yen)	40,248	40,225

**(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: 0

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, 2006**

	Full year
Net sales (millions of yen)	98,000
Operating income (millions of yen)	21,200
Ordinary income (millions of yen)	21,500
Net income (millions of yen)	12,900
Reference: Expected net income per share (full-year basis)	148.87 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 November 1, 2005. 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.

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Financial Report for the Six-month period ended September 30, 2005

(Non-consolidated)

Takakazu Morita, President and Chief Executive Officer

Contact: Ichiro Otokozaawa, Member of the Board, Senior Corporate Officer

Head of Corporate Development and Administration Division Tel: 06-6321-7007

**1. Performance for the six months ended September 30, 2005**

(Figures are rounded down to the nearest million yen)

(1) <b>Operating results</b>	Six months to September 2005	Six months to September 2004	% change 2005/2004
Net sales (millions of yen)	46,234	41,897	10.4%
Operating income (millions of yen)	11,972	9,776	22.5%
Ordinary income (millions of yen)	12,318	10,221	20.5%
Net income (millions of yen)	7,291	6,008	21.4%
Net income per share (yen)	84.16	68.33	

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

September 30, 2005: 86,635,852

September 30, 2004: 87,935,449

March 31, 2005: 87,390,316

<sup>2</sup> No change has been made in accounting policy.

(2) <b>Dividends</b>	Six months to September 2005	Six months to September 2004	Year to March 2005
Interim dividends per share (yen)	25.00	20.00	
Annual dividends per share (yen)			50.00

(3) <b>Financial condition</b>	September 30, 2005	September 30, 2004
Total assets (millions of yen)	148,681	149,311
Shareholders' equity (millions of yen)	118,677	110,002
Shareholders' equity ratio	79.8%	73.7%
Shareholders' equity per share (yen)	1,369.55	1,250.79

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

September 30, 2005: 86,654,320

September 30, 2004: 87,946,581

March 31, 2005: 86,619,043

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

September 30, 2005: 41,683

September 30, 2004: 35,722

March 31, 2005: 39,660

**2. Forecasts of results for the year ending March 31, 2006**

	Full year
Net sales (millions of yen)	91,200
Operating income (millions of yen)	21,600
Ordinary income (millions of yen)	22,200
Net income (millions of yen)	13,800
Dividends at end of period per share (yen)	25.00
Annual dividends per share (yen)	50.00
Reference: Expected net income per share (full-year basis)	159.25 yen

**Caution)**

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