



SANTEN PHARMACEUTICAL CO.,LTD.

Data Book 2004

Half Year Ended September 30, 2003

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Stock Code: 4536

2003-2005 Medium-term Management Plan

To lay the groundwork for significant advances in the year ending March 31, 2007 and beyond, Santen will devote the next three years to thoroughly overhauling its earnings structure and bolstering its R&D capabilities. By doing so, Santen aims to evolve into a company that makes R&D - in the fields of ophthalmic and rheumatic/osteoarthritis treatments - the source of growth, in addition to its existing strength in sales and marketing.

. Basic Objectives

1. Restoration of Profitability
2. Strengthening of R&D
3. Reinforcement of Organizational Strength

. Financial Targets

(Billions of yen, except ROE)

	Year ending March 2006	Year ending March 2003
Net sales	93.0	90.2
Operating income	18.0	12.6
Net income	10.0	8.5
Return on equity (ROE)	10.0%	8.8%

. Key Issues

1. Restoration of Profitability

- Early profitability of U.S. operations
- Reduction of expenses
- Maintenance and improvement of domestic earnings base

2. Strengthening of R&D

- Accelerating new product development
- Enhancing the pipeline of drug candidates through focused resource allocation

3. Reinforcement of Organizational Strength

- Strengthening of corporate governance
- Employee education and enhancement of organizational management capabilities

Note: For details, please visit our Web site
<http://www.santen.co.jp/ir/en/news/pdf/200302202.pdf>.

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Financial highlights

[Consolidated]

Financial summary

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast	% Change
Net sales	43,791	88,966	46,452	90,252	46,153	-0.6	89,700	-0.6
Operating income	6,955	11,790	7,158	12,697	7,443	4.0	13,100	3.2
Ordinary income	6,786	12,107	6,955	12,899	6,628	-4.7	14,000	8.5
Net income	3,082	5,305	1,799	8,502	3,020	67.9	6,100	-28.3

Balance sheets summary

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change
Total assets	150,881	152,103	151,149	147,147	141,828	-3.6
Shareholders' equity	96,311	95,101	94,581	97,125	99,942	2.9
Interest-bearing debts	24,772	24,466	24,260	23,047	12,894	-44.1

Financial indexes

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast	% Change
EPS (yen)	33.25	57.34	19.84	93.67	34.35	73.1	69.37	-25.9
Debt equity ratio (times)	0.25	0.25	0.25	0.23	0.13	-	-	-
PER (times)	31.0	25.3	26.2	12.3	18.2	-	-	-
PBR (times)	1.98	1.38	0.99	1.04	1.10	-	-	-
ROE (%)	6.5	5.6	3.8	8.8	6.2	-	-	-
* Free cash flows (millions of yen)	575	356	9,272	8,762	7,794	-15.9	-	-
* EBITDA (millions of yen)	9,575	18,479	6,989	14,738	8,456	21.0	-	-

*Free cash flows = (Cash flows from operating activities) - (Capital expenditures)

Not adjusting increase/decrease in trade receivables for fiscal years ending on holidays.

*EBITDA = (Income before income taxes) + (Interest expenses) + (Depreciation and amortization)

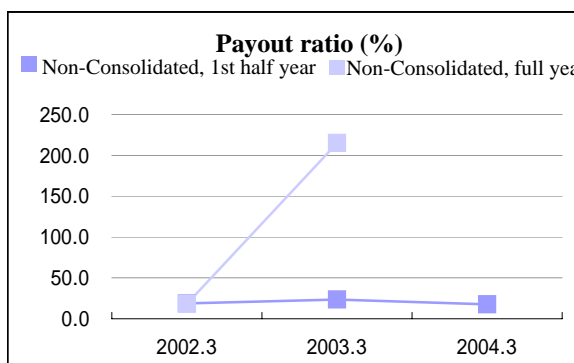
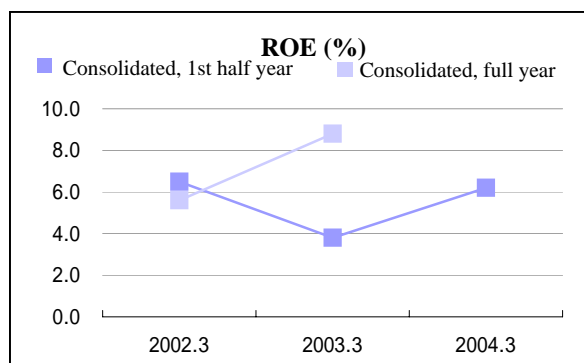
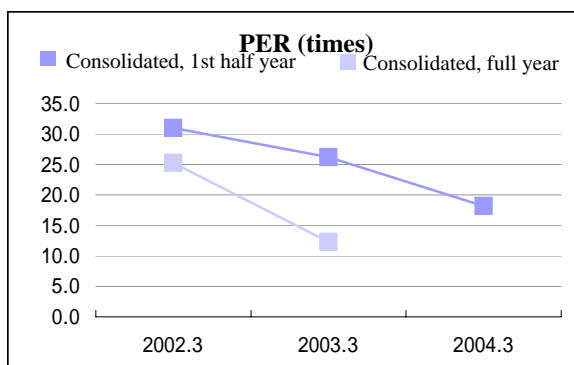
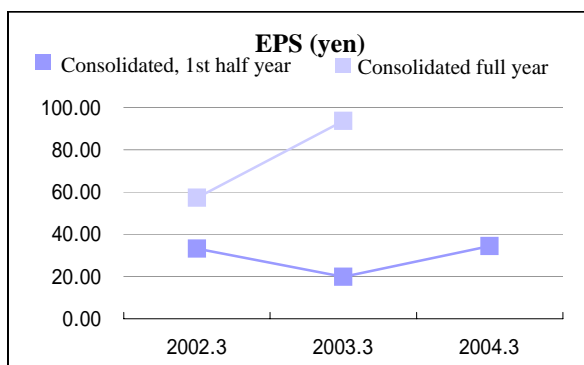
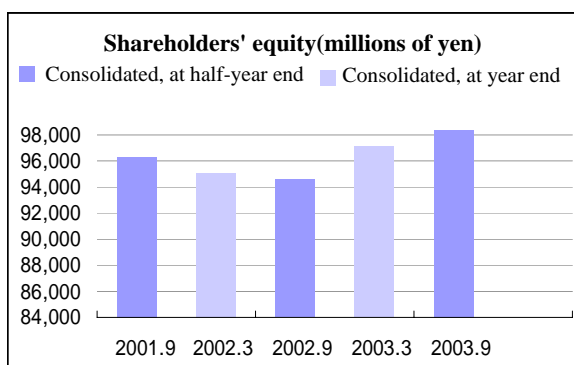
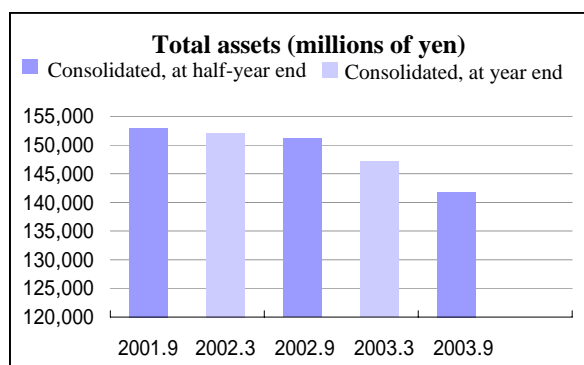
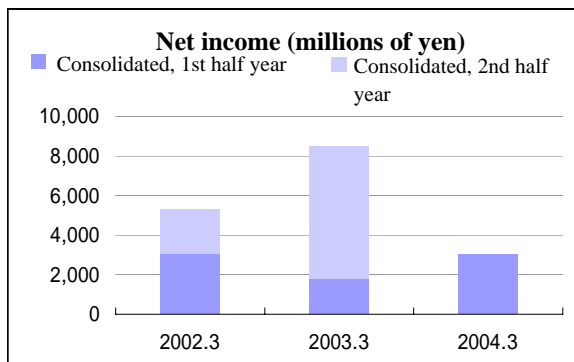
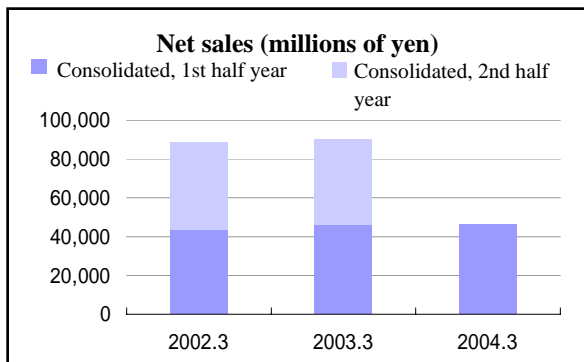
Other figures

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast	% Change
R&D expenses (millions of yen)	5,395	12,186	6,313	12,719	6,245	-1.1	13,000	2.2
Capital expenditures (millions of yen)	2,276	8,516	1,905	4,134	1,735	-8.9	3,590	-13.2
Depreciation and amortization (millions of yen)	2,000	3,837	1,692	3,638	1,881	11.1	3,940	8.3
Number of employees	2,397	2,463	2,505	2,500	2,471	-	-	-

[Non-consolidated]

Financial summary

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast	% Change
Net sales (millions of yen)	41,307	82,990	42,770	82,372	40,928	-4.3	79,800	-3.1
Operating income (millions of yen)	8,407	15,586	9,148	17,329	8,759	-4.3	15,900	-8.2
Ordinary income (millions of yen)	8,450	16,060	8,905	17,011	8,320	-6.6	17,400	2.3
Net income (millions of yen)	4,927	9,932	3,817	871	4,998	30.9	10,600	1,117.0
Dividends per share (yen)	10	20	10	20	10	-	20	-
Payout ratio (%)	18.8	18.5	23.7	215.1	17.6	-	-	-



Consolidated Information

Consolidated income statements

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous half year (%)
Net sales	43,791	88,966	46,452	90,252	46,153	-0.6
Cost of sales	15,932	32,699	16,901	32,271	15,887	-6.0
(Percentage of net sales)	36.4%	36.8%	36.4%	35.7%	34.4%	
Gross profit	27,858	56,266	29,551	57,981	30,266	2.4
(Percentage of net sales)	63.6%	63.2%	63.6%	64.3%	65.6%	
Selling, general and administrative expenses	20,902	44,475	22,392	45,284	22,822	1.9
(Percentage of net sales)	47.7%	50.0%	48.2%	50.2%	49.5%	
R&D expenses	5,395	12,186	6,313	12,719	6,245	-1.1
(Percentage of net sales)	12.3%	13.7%	13.5%	14.1%	13.5%	
Operating income	6,955	11,790	7,158	12,697	7,443	4.0
(Percentage of net sales)	15.9%	13.2%	15.4%	14.1%	16.1%	
Non-operating income	375	1,128	374	1,269	428	14.4
Non-operating expenses	544	811	576	1,066	1,243	115.6
Ordinary income	6,786	12,107	6,955	12,899	6,628	-4.7
(Percentage of net sales)	15.5%	13.6%	15.0%	14.3%	14.3%	
Extraordinary gain	27	952	0	17	489	-
Extraordinary loss	72	380	2,257	2,969	1,087	-51.9
Income before income taxes	6,741	12,678	4,698	9,947	6,030	28.4
(Percentage of net sales)	15.4%	14.3%	10.1%	11.0%	13.0%	
Income taxes - current	3,280	6,932	2,551	463	3,972	55.7
Income taxes - deferred	378	440	347	981	-962	-376.9
Net income	3,082	5,305	1,799	8,502	3,020	67.9
(Percentage of net sales)	7.0%	6.0%	3.9%	9.4%	6.5%	

Exchange rates

(Yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003
Exchange rate: US dollar	122.48	125.57	123.05	121.87	118.29
Euro	107.73	110.07	116.65	119.93	133.90

Major change in income statements

[Net sales]

(Millions of yen)

Half year to	9/2002	9/2003	Change over previous half year (%)
Cravit	6,885	6,816	-1.0
Tarivid	3,202	2,670	-16.6
Quixin	595	1,359	128.4
Timoptol	2,790	2,476	-11.3
Hyalein	6,635	6,879	3.7
Detantol	696	925	33.0
Betimol	425	843	98.5
Livostin	791	1,110	40.3
Flumetholon	2,677	2,385	-10.9
Azulfidine EN tablets	1,454	1,577	8.5
OTC pharmaceuticals	3,281	2,205	-32.8

Selling, general and administrative expenses

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous half year (%)
Personnel expenses	5,623	11,919	5,818	12,084	5,788	-0.5
Sales promotion expenses	1,836	4,014	1,725	4,253	1,537	-10.9
Royalty expenses	1,222	2,457	1,127	2,173	1,206	7.0
Advertising expenses	1,041	2,189	1,239	2,218	1,681	35.6
R&D expenses	5,395	12,186	6,313	12,719	6,245	-1.1

Non-operating income and expenses

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous half year (%)
Interest and dividend income	177	304	156	268	141	-9.2
Interest expenses	196	465	209	480	212	1.5
Amortization of goodwill	129	263	139	287	160	14.8

Extraordinary gain and loss

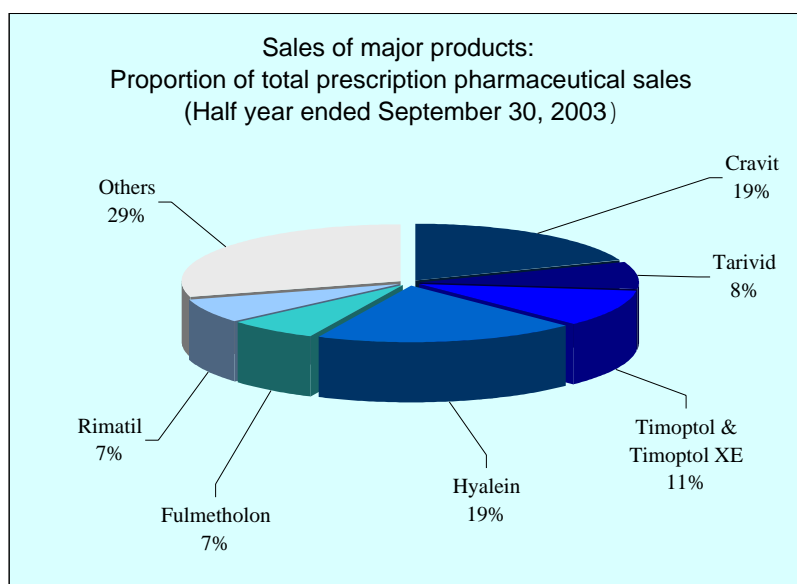
(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous half year (%)
Gain on settlement of suit regarding Princeton Notes	-	886	-	-	-	-
Gain on sale of investment securities	-	32	-	15	487	-
Loss on valuation of investment securities	57	178	25	601	-	-100.0
Special premium payment incurred upon secession from pension fund	-	-	2,202	-	-	-100.0
Retirement benefit for carrier development support	-	-	-	-	698	-
Loss on discontinued operation of affiliates	-	-	-	-	293	-

Sales details

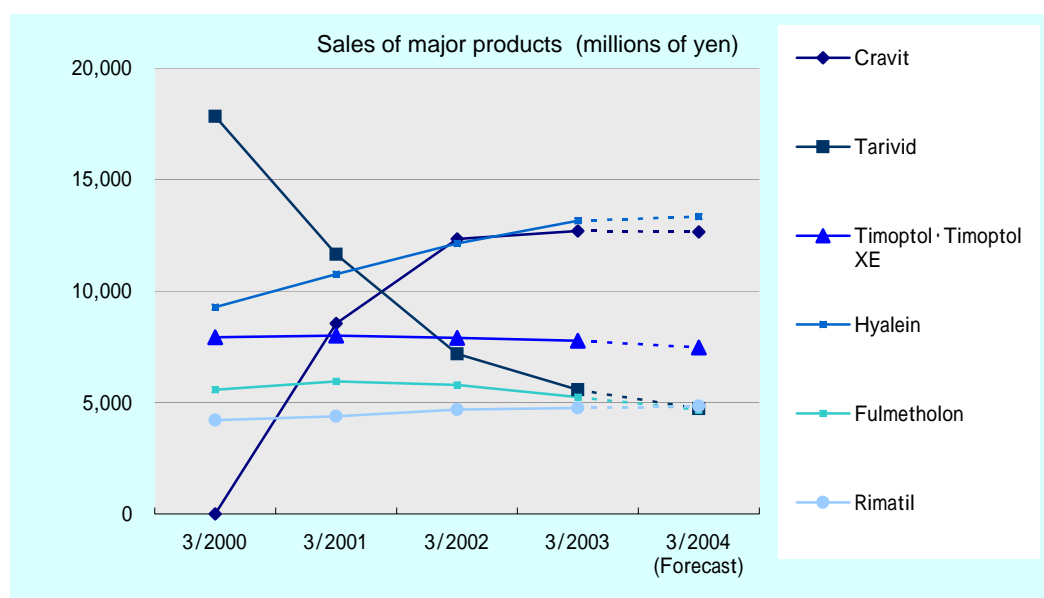
Sales of major prescription pharmaceuticals

Therapeutic category	Generic name/formulation	Brand name	Region	Launched
Bacterial conjunctivitis	levofloxacin/ophthalmic solution	Cravit	Japan	Apr-00
		Quixin	U.S.A.	Nov-00
	ofloxacin/ophthalmic solution	Tarivid	Japan	Sep-87
Glaucoma	timolol maleate/ophthalmic solution	Timoptol	Japan	Sep-81
	timotol maleate/ long-acting ophthalmic solution	Timoptol XE	Japan	Nov-99
	dipivefrine hydrochloride	Pivalephrine	Japan	Dec-88
	bunazosin hydrochloride	Detantol	Japan	Sep-01
	timolol ophthalmic solution	Betimol	U.S.A.	Jun-95
Allergy	levocabastine hydrochloride/ ophthalmic solution	Livostin	Japan	Jan-01
	pemirolast potassium/ophthalmic solution	Alegysal	Japan	Apr-95
		Alamast	U.S.A.	Jul-00
	ketotifen fumarate/ophthalmic solution	Zaditen	Japan	Jul-91
Corneal disease	sodium hyaluronate/ophthalmic solution	Hyalein	Japan	Jun-95
Inflammation	fluorometholone/ophthalmic solution	Flumetholon	Japan	Oct-75
Early-stage senile cataract	pirenoxine/ophthalmic solution	Kary Uni	Japan	Jul-92
Adjuvant for ophthalmic operations	sodium hyaluronate/ adjuvant for ophthalmic operations	Opegan Hi	Japan	Jan-95
Perfusate/lotion	oxiglutatione/ophthalmic perfusate and lotion	BSS PLUS	Japan	Jan-92
Rheumatoid arthritis	bucillamine/tablet	Rimatil	Japan	Sep-87
	salazosulfapyridine/enteric coated tablet	Azulfidine EN	Japan	Dec-95



(Millions of yen)

Half year/year to								Brand name
9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast	% Change	
6,346	12,338	6,885	12,691	6,816	-1.0	12,650	-0.3	Cravit
98	545	595	1,399	1,359	128.4	2,060	47.2	Quixin
4,060	7,184	3,202	5,566	2,670	-16.6	4,730	-15.0	Tarivid
2,960	5,745	2,790	5,289	2,476	-11.3	4,730	-10.6	Timoptol
1,030	2,145	1,254	2,477	1,311	4.6	2,730	10.2	Timoptol EX
465	848	346	628	255	-26.2	470	-25.2	Pivalephrine
213	593	696	1,498	925	33.0	1,980	32.2	Detantol
362	892	425	856	843	98.5	1,340	56.5	Betimol
651	2,225	791	3,028	1,110	40.3	3,460	14.3	Livostin
354	865	370	848	324	-12.4	780	-8.0	Alegysal
23	207	97	199	317	224.1	480	141.2	Alamast
166	166	-	-	-	-	-	-	Zaditen
5,948	12,130	6,635	13,156	6,879	3.7	13,340	1.4	Hyalein
2,818	5,792	2,677	5,234	2,385	-10.9	4,670	-10.8	Flumetholon
1,557	3,092	1,762	3,326	1,763	0.1	3,210	-3.5	Kary Uni
1,179	2,319	1,196	2,305	1,188	-0.6	2,310	0.2	Opegan Hi
1,036	2,010	821	1,505	712	-13.2	1,310	-13.0	BSS PLUS
2,374	4,685	2,414	4,751	2,445	1.3	4,840	1.9	Rimatil
1,312	2,605	1,454	2,880	1,577	8.5	3,050	5.9	Azulfidine EN



Sales details

Sales by division

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast
Prescription pharmaceuticals	38,862	78,149	40,752	79,345	41,368	1.5	79,700
Ophthalmic	34,728	70,043	36,523	71,122	37,170	1.8	71,410
Anti-rheumatic drugs	3,687	7,291	3,869	7,631	4,022	4.0	7,900
Other prescription pharmaceuticals	445	814	359	591	174	-51.4	390
OTC pharmaceuticals	2,974	6,592	3,281	5,656	2,205	-32.8	4,650
Medical devices	425	916	464	918	471	1.6	970
Others	1,527	3,308	1,953	4,332	2,108	7.9	4,380
Total net sales	43,791	88,966	46,452	90,252	46,153	-0.6	89,700

[Domestic]

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast
Prescription pharmaceuticals	36,430	72,270	36,824	72,010	35,947	-2.4	70,620
Ophthalmic	32,440	64,425	32,699	64,009	31,826	-2.7	62,600
Anti-rheumatic drugs	3,617	7,156	3,831	7,537	3,973	3.7	7,790
Other prescription pharmaceuticals	372	688	293	463	147	-49.9	220
OTC pharmaceuticals	2,958	6,555	3,252	5,623	2,195	-32.5	4,630
Medical devices	425	839	431	853	457	6.1	900
Others	471	982	562	1,245	644	14.6	1,060
Total net sales	40,285	80,647	41,070	79,732	39,245	-4.4	77,240
(Percentage of total net sales)	92.0%	90.7%	88.4%	88.3%	85.0%	-	86.1%

[Overseas]

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	% Change	3/2004 Forecast
Prescription pharmaceuticals	2,432	5,878	3,928	7,335	5,421	38.0	9,070
Ophthalmic	2,288	5,617	3,824	7,112	5,344	39.7	8,800
Anti-rheumatic drugs	70	134	37	94	49	31.4	100
Other prescription pharmaceuticals	73	126	65	128	27	-58.0	160
OTC drugs	16	36	29	32	9	-69.1	10
Medical devices	-	76	32	65	13	-57.6	60
Others	1,056	2,325	1,391	3,086	1,464	5.2	3,310
Total overseas sales	3,505	8,318	5,382	10,519	6,908	28.4	12,450
(Percentage of total net sales)	8.0%	9.3%	11.6%	11.7%	15.0%	-	13.9%

* Forecast...omit the figures after the million yen.

Breakdown by region



Breakdown by geographic segment

	Half year/year to	9/2001		3/2002		9/2002		3/2003		9/2003	
		Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Net sales by geographic segment	Japan	41,175	94.0	82,623	92.9	42,496	91.5	81,857	90.7	40,424	87.6
	Europe	1,944	4.5	4,844	5.4	3,147	6.8	6,642	7.4	4,921	10.7
	Others	671	1.5	1,497	1.7	808	1.7	1,752	1.9	807	1.7
	Total	43,791	100.0	88,966	100.0	46,452	100.0	90,252	100.0	46,153	100.0
Operating expenses by geographic segment	Japan	30,725		64,263		32,198		61,865		30,692	
	Europe	3,941		9,327		5,438		11,442		6,714	
	Others	3,876		9,385		5,016		10,482		4,373	
	Total	38,543		82,976		42,653		83,790		41,780	
	Corporate and eliminations	-1,707		-5,800		-3,358		-6,234		-3,069	
Consolidated total	36,835		77,175		39,294		77,555		38,710		
Operating income by geographic segment	Japan	10,654		18,879		10,648		20,652		10,300	
	Europe	-1,523		-3,384		-1,797		-3,816		-1,286	
	Others	-7		-473		-379		-1,082		-194	
	Total	9,123		15,021		8,470		15,753		8,819	
	Corporate and eliminations	-2,167		-3,230		-1,312		-3,056		-1,376	
Consolidated total	6,955		11,790		7,158		12,697		7,443		

Europe: Finland, Sweden and Germany

Other: U.S., Taiwan and Korea

Note: Sales of prescription ophthalmics in the U.S. are included in sales in Europe.

Overseas sales

	Half year/year to	9/2001		3/2002		9/2002		3/2003		9/2003	
		Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Europe		1,309	37.3	3,009	36.2	1,741	32.4	3,505	33.3	2,139	31.0
North America		1,271	36.3	3,499	42.1	2,192	40.7	4,649	44.2	3,441	49.8
Others		924	26.4	1,809	21.7	1,448	26.9	2,364	22.5	1,327	19.2
Total		3,505	100.0	8,318	100.0	5,382	100.0	10,519	100.0	6,908	100.0

Europe: Finland, Sweden, Norway, Denmark and Russia

North America: U.S. and Canada

Other: Asian countries

Note: Overseas sales represent sales generated in countries or regions other than Japan by Santen Pharmaceutical Co., Ltd. and its subsidiaries.

Consolidated balance sheets

Assets

At half-year/year end	9/2001		3/2002		9/2002		3/2003		9/2003	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current assets	89,245	59.1	86,064	56.6	85,726	56.7	83,431	56.7	80,036	56.4
Cash and deposits	28,576		24,185		31,414		23,136		21,529	
Notes receivable and accounts receivable	39,343		39,415		33,710		32,516		33,277	
Marketable securities	4,249		4,131		5,266		7,771		8,071	
Inventories	12,867		12,371		10,376		11,684		10,804	
Deferred tax assets	1,922		1,870		1,600		1,201		2,033	
Other current assets	2,402		4,157		3,498		7,262		4,624	
Allowance for doubtful receivables	-116		-67		-140		-141		-304	
Fixed assets	61,636	40.9	66,038	43.4	65,422	43.3	63,716	43.3	61,791	43.6
Tangible assets	37,407	24.8	42,159	27.7	42,593	28.2	40,850	27.8	38,896	27.5
Buildings and structures	19,100		18,562		17,786		20,351		21,291	
Machinery, equipment and vehicles	1,648		1,926		1,797		1,958		1,918	
Land	10,981		11,009		10,990		10,990		10,974	
Construction in progress	3,217		8,200		9,782		4,966		2,076	
Others	2,460		2,460		2,235		2,582		2,634	
Intangible assets	4,389	2.9	5,164	3.4	4,732	3.1	4,781	3.2	4,297	3.0
Goodwill	1,462		2,260		2,052		1,598		1,347	
Software	913		992		912		911		1,201	
Consolidation adjustments	-		17		15		13		12	
Others	2,014		1,893		1,751		2,256		1,735	
Investments and other assets	19,838	13.2	18,715	12.3	18,097	12.0	18,085	12.3	18,597	13.1
Investment securities	10,385		9,821		10,329		9,945		10,327	
Long-term deferred tax assets	2,264		2,515		2,554		2,331		2,190	
Others	7,189		6,392		5,227		5,808		6,079	
Allowance for doubtful receivables	-1		-13		-14		-0		0	
Total assets	150,881	100.0	152,103	100.0	151,149	100.0	147,147	100.0	141,828	100.0

Major changes at September 30, 2003 from March 31, 2003

- Inventories:** Due to the decrease in product inventory.
- Other current assets:** Decreased due to the receipt of income tax receivable of 2,114 million yen.
- Buildings and structures:** Transferred 1,458 million yen from the construction in progress into buildings and structures due to the completion of Shiga Plant facilities No. 2.
- Construction in progress:** Decreased due to transfer of leasing contract of Shiga Plant manufacturing facilities (1,436 million yen) and Shiga Plant facilities No.2 construction (1,458 million yen).

Liabilities and shareholders' equity

Half year/year to	9/2001		3/2002		9/2002		3/2003		9/2003	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current liabilities	23,283	15.4	26,334	17.3	46,260	30.6	39,637	26.9	22,202	15.6
Notes payable and accounts payable	4,830		4,798		4,680		5,476		3,963	
Current portion of convertible bonds	-		-		19,945		19,945		-	
Current portion of long-term debt	517		1,417		1,417		416		416	
Other payables	10,593		11,754		12,825		9,117		10,244	
Income taxes payable	3,153		3,428		2,535		1		3,677	
Consumption taxes payable	452		484		607		283		472	
Reserve for bonuses	2,095		2,311		2,173		2,432		2,135	
Other reserves	1,018		1,067		809		741		633	
Others	622		1,071		1,265		1,222		659	
Noncurrent liabilities	31,286	20.8	30,668	20.2	10,307	6.8	10,384	7.1	19,683	13.9
Convertible bonds	19,945		19,945		-		-		-	
Long-term loans	4,310		3,103		2,897		2,686		12,478	
Other payables - long-term	-		-		-		86		79	
Reserve for retirement benefits	5,621		5,600		5,702		5,754		5,711	
Deffered tax liabilities	36		34		33		32		30	
Others	1,372		1,983		1,673		1,825		1,383	
Total liabilities	54,569	36.2	57,002	37.5	56,567	37.4	50,021	34.0	41,885	29.5
Common stock	6,214		6,214		6,214		6,214		6,214	
Capital surplus reserves	6,908		6,908		6,908		6,908		6,908	
Appropriated retained earnings	85,854		83,892		84,755		90,551		92,663	
Unrealized holding gains on securities	828		474		312		293		665	
Foreign currency translation adjustments	-3,447		-2,382		-3,584		-3,566		-3,230	
Treasury stock at cost	-46		-5		-25		-3,276		-3,277	
Total shareholders' equity	96,311	63.8	95,101	62.5	94,581	62.6	97,125	66.0	99,942	70.5
Total liabilities and shareholders' equity	150,881	100.0	152,103	100.0	151,149	100.0	147,147	100.0	141,828	100.0

Major changes at September 30, 2003 from March 31, 2003

Notes payable and accounts payable: Decreased due to a fall in accounts payable by less purchase.

Current portion of convertible bonds: The convertible bonds were redeemed on September 30th, 2003.

Long-term loans: Borrowed 10,000 million yen for the redemption fund for the convertible bonds.

Consolidated statements of cash flows

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003
I. Cash flows from operating activities:					
Net income before income taxes	6,741	12,678	4,698	9,947	6,030
Depreciation and amortization	2,638	5,333	2,079	4,311	2,214
Increase/decrease in retirement and severance benefits	126	97	86	132	-11
Gain/loss on sale and valuation of marketable and investment securities	-	145	-	591	-487
Increase/decrease in trade receivables	1,563	1,804	5,697	6,965	-999
Increase/decrease in inventories	-868	-183	1,967	647	871
Increase/decrease in account payable	-2,067	-2,137	-114	660	-1,586
Other, net	-113	-2,495	1,763	-1,132	1,770
Subtotal	8,021	15,244	16,179	22,122	7,802
Interest and dividends income received	151	227	157	140	139
Interest expenses paid	-193	-464	-209	-458	-218
Income taxes paid	-4,767	-8,065	-3,489	-5,996	1,848
Net cash provided by operating activities	3,211	6,941	12,638	15,807	9,571
II. Cash flows from investing activities:					
Deposit/withdrawal of fixed deposit	518	-1,143	21	558	207
Increase/decrease in marketable securities	750	789	-3,907	-4,188	1,544
Purchase of fixed assets	-2,636	-6,585	-3,366	-7,045	-1,777
Sale of fixed assets	-	-	-	-	1,726
Payment for acquisition of shares of subsidiaries due to change in consolidation	-	-537	-	-	-
Increase/decrease in loans	1,008	1,011	36	11	20
Other, net	-72	90	799	711	-451
Net cash used in investing activities	-433	-6,373	-6,416	-9,951	1,268
III. Cash flows from financing activities:					
Increase/decrease in long-term borrowings	-320	-624	-206	-1,420	9,792
Increase/decrease in convertible Bonds	-	-	-	-	-19,945
Cash dividends paid	-926	-1,854	-906	-1,812	-879
Increase/decrease of treasury stock	-5	-3,223	-19	-3,273	-1
Other, net	16	17	-	-	-
Net cash used in financing activities	-1,235	-5,683	-1,132	-6,507	-11,033
IV. Effect of exchange rate changes on cash and cash equivalents	-231	176	-126	84	-29
V. Net increase/decrease in cash and cash equivalents	1,311	-4,939	4,962	-566	-222
VI. Cash and cash equivalents, beginning of year	30,555	30,555	25,619	25,619	25,053
VII. Effect from consolidating subsidiaries previously unconsolidated on cash and cash equivalents	-	4	-	-	-
VIII. Cash and cash equivalents, end of half year/year	31,866	25,619	30,582	25,053	24,831

Capital expenditures and number of employees



Capital expenditures

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	3/2004 Forecast
Consolidated	2,276	8,516	1,905	4,134	1,735	3,590
Non-consolidated	1,792	7,507	1,706	3,820	1,577	2,580

Note: Includes investment in manufacturing facilities to be spent on a lease contract basis.

[Major items]

- Extension of the Shiga Plant and Noto Plant to improve manufacturing processes.
- Repairment of the Nara Research & Development Center to reinforce R&D.

Depreciation and amortization

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	3/2004 Forecast
Manufacturing cost	783	1,783	762	1,549	769	1,650
Selling, general and administrative expenses	474	829	348	699	359	700
R&D expenses	723	1,190	535	1,224	738	1,520
Others	19	34	47	164	15	70
Consolidated total	2,000	3,837	1,692	3,638	1,881	3,940
Non-consolidated	1,726	3,347	1,398	2,967	1,524	3,230

Lease expenses

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	3/2004 Forecast
Consolidated total	1,094	1,879	316	675	313	760
Manufacturing cost	1,060	1,817	284	588	246	630
Non-consolidated	1,094	1,879	316	675	313	760

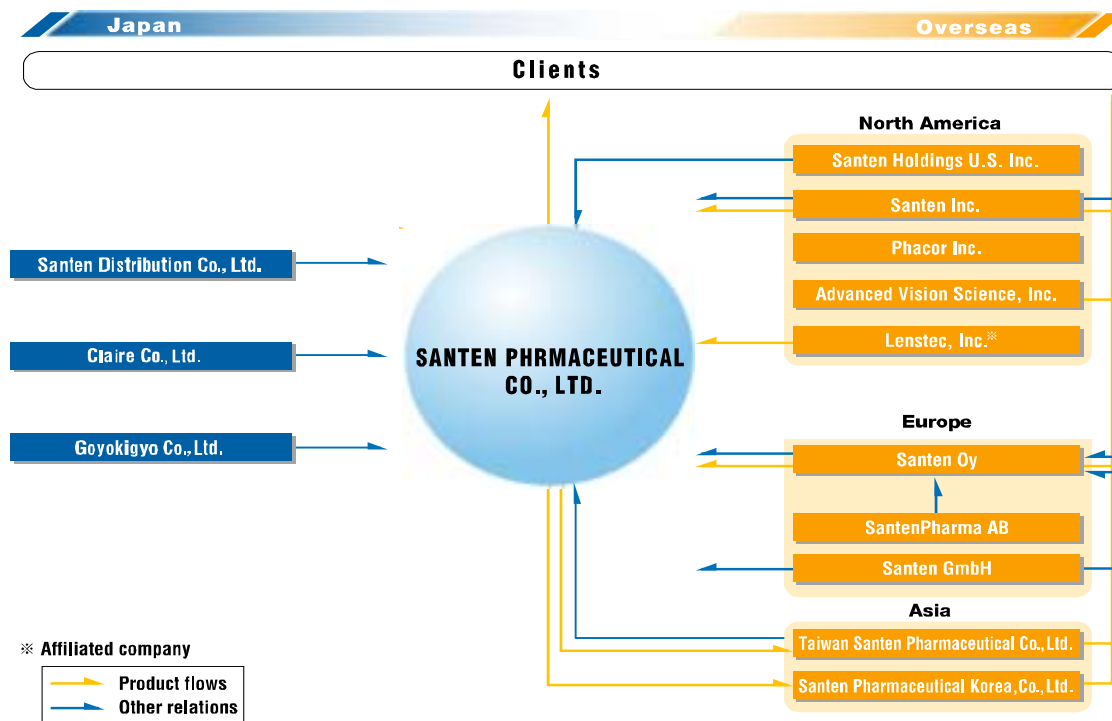
Number of employees

(number of people)

At half-year/year end	9/2001	3/2002	9/2002	3/2003	9/2003
Consolidated	2,397	2,463	2,505	2,500	2,471
Non-consolidated	1,711	1,702	1,749	1,740	1,750

Affiliated companies

Santen group



Consolidate subsidiaries [Domestic]

Santen Distribution Co., Ltd.					
Main business	Distribution and warehousing of pharmaceutical products				
Location	Osaka, Japan	Common stock	30 million yen	Equity owned	100%

Claire Co., Ltd.					
Main business	Cleaning of sterilized suit				
Location	Shiga, Japan	Common stock	90 million yen	Equity owned	100%

Goyokigyo Co., Ltd.					
Main business	Real estate				
Location	Osaka, Japan	Common stock	90 million yen	Equity owned	100%

[Overseas]

Santen Holdings U.S., Inc.					
Main business	Holding company for North American business				
Location	California, U.S.A.	Common stock	32,784 thousand US\$	Equity owned	100%

Santen Inc.					
Main business	Contract manufacturing, sales support and development of pharmaceuticals				
Location	California, U.S.A.	Common stock	8,785 thousand US\$	Equity owned	100%*

Phacor Inc.					
Main business	Development of medical devices				
Location	California, U.S.A.	Common stock	10 thousand US\$	Equity owned	100%*

Advanced Vision Science, Inc.					
Main business	Development, manufacture and sale of medical devices				
Location	California, U.S.A.	Common stock	10 thousand US\$	Equity owned	100%*

Santen OY					
Main business	Development, manufacture and sale of pharmaceuticals				
Location	Tampere, Finland	Common stock	8,000 thousand euros	Equity owned	100%

SantenPharma AB					
Principal activities	Sales support of pharmaceuticals				
Location	Stockholm, Sweden	Common stock	500 thousand S.KR	Equity owned	100%

Santen GmbH					
Main business	Business development and development of pharmaceuticals				
Location	Germaring, Germany	Common stock	25 thousand euros	Equity owned	100%

Taiwan Santen Pharmaceutical Co., Ltd.					
Main business	Import and sale of pharmaceuticals				
Location	Taipei, Taiwan	Common stock	42,000 thousand Taiwan dollars	Equity owned	100%

Santen Pharmaceutical Korea, Co., Ltd.					
Main business	Import and sale of pharmaceuticals				
Location	Seoul, Korea	Common stock	1,500,000 thousand won	Equity owned	100%

Note: Santen Pharmaceutical Co., Ltd. has one affiliated company but does not have any affiliated companies accounted for by the equity method.

* Indirect investment through Santen Holdings U.S. Inc.

Non-consolidated Information

Non-consolidated income statements

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous first-half year (%)
Net sales	41,307	82,990	42,770	82,372	40,928	-4.3
Cost of sales	14,696	29,829	15,382	28,901	13,953	-9.3
(Percentage of net sales)	35.6%	35.9%	36.0%	35.1%	34.1%	
Gross profit	26,610	53,161	27,387	53,471	26,975	-1.5
(Percentage of net sales)	64.4%	64.1%	64.0%	64.9%	65.9%	
Selling, general and administrative expenses	18,202	37,575	18,238	36,141	18,215	-0.1
(Percentage of net sales)	44.1%	45.3%	42.6%	43.9%	44.5%	
(R&D expenses)	5,600	12,809	6,328	12,109	6,102	-3.6
(Percentage of net sales)	13.5%	15.4%	14.7%	14.7%	14.9%	
Operating income	8,407	15,586	9,148	17,329	8,759	-4.3
(Percentage of net sales)	20.3%	18.8%	21.4%	21.0%	21.4%	
Non-operating income	355	932	368	719	490	33.2
Non-operating expenses	312	458	612	1,037	929	51.9
Ordinary income	8,450	16,060	8,905	17,011	8,320	-6.6
(Percentage of net sales)	20.4%	19.3%	20.8%	20.7%	20.3%	
Extraordinary gain	27	952	0	16	489	-
Extraordinary loss	71	263	2,219	14,728	793	-64.2
Income before income taxes	8,406	16,749	6,686	2,299	8,016	19.9
(Percentage of net sales)	20.3%	20.2%	15.6%	2.8%	19.6%	
Income taxes - current	3,092	6,515	2,520	442	3,941	56.4
Income taxes - deferred	386	300	348	985	-923	-364.9
Net income	4,927	9,932	3,817	871	4,998	30.9
(Percentage of net sales)	11.9%	12.0%	8.9%	1.1%	12.2%	

Selling, general and administrative expense

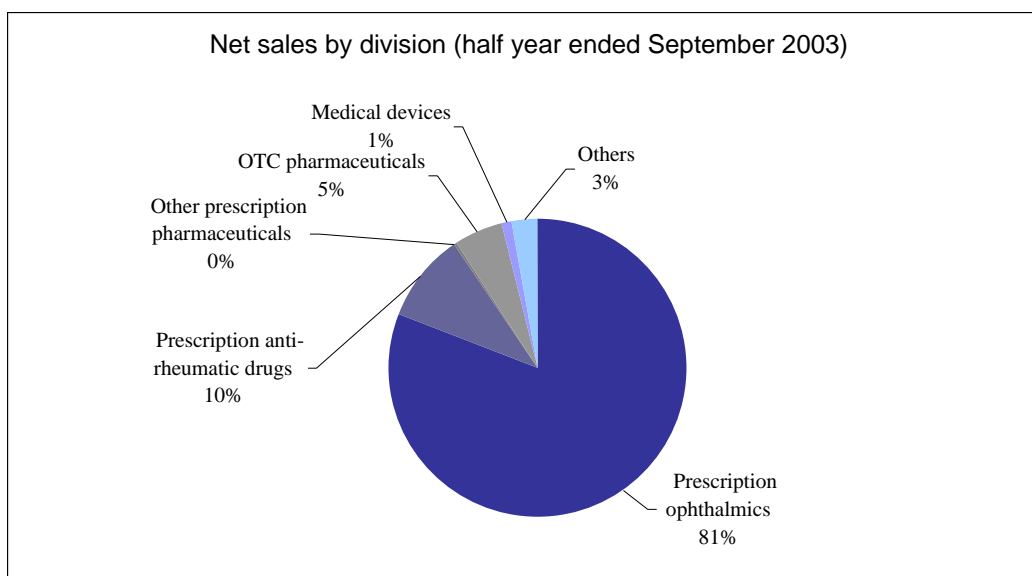
(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous first-half year (%)
Personnel expenses	4,381	8,626	4,087	8,746	4,272	4.5
Sales promotion expenses	1,260	2,676	929	2,399	913	-1.8
Royalty expenses	1,205	2,358	1,040	1,951	1,011	-2.8
Advertising expenses	947	1,869	973	1,655	1,141	17.2
R&D expenses	5,600	12,809	6,328	12,109	6,102	-3.6

Sales by division

(Millions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003	Change over previous first-half year (%)	3/2004 Forecast
Prescription pharmaceuticals	37,305	74,221	38,236	74,130	37,154	-2.8	72,420
Ophthalmic	33,331	66,379	34,165	66,207	33,087	-3.2	64,450
Anti-rheumatic drugs	3,687	7,291	3,869	7,631	4,022	4.0	7,900
Other prescription pharmaceuticals	285	551	201	291	43	-78.5	70
OTC pharmaceuticals	2,974	6,592	3,281	5,656	2,205	-32.8	4,650
Medical devices	425	842	440	855	456	3.5	910
Others	601	1,334	810	1,730	1,113	37.3	1,820
Total net sales	41,307	82,990	42,770	82,372	40,928	-4.3	79,800



Non-consolidated balance sheets

Assets

At half-year/year end	9/2001		3/2002		9/2002		3/2003		9/2003	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current assets	84,740	53.9	78,800	49.7	78,189	48.5	75,794	51.3	75,180	52.0
Cash and deposits	25,883		19,594		26,775		18,353		17,724	
Notes receivable and accounts receivable	38,317		37,852		32,586		31,300		32,071	
Corporate income tax receivables	-		-		-		2,114		-	
Marketable securities	4,915		4,797		5,241		7,745		8,046	
Inventories	11,671		10,997		8,817		10,348		9,331	
Deferred tax assets	1,788		1,859		1,587		1,138		1,936	
Others	2,279		3,765		3,320		4,934		6,374	
Allowance for doubtful receivables	-116		-66		-139		-141		-304	
Fixed assets	72,589	46.1	79,656	50.3	83,099	51.5	72,075	48.7	69,497	48.0
Tangible assets	33,306	21.1	37,539	23.7	38,123	23.6	36,304	24.5	34,508	23.8
Building and structure	16,806		16,040		15,385		17,887		18,923	
Machinery, equipment and vehicles	1,105		965		880		857		872	
Tools, furnitures and fixtures	1,828		1,724		1,571		1,932		2,051	
Land	10,666		10,666		10,666		10,666		10,666	
Construction in progress	2,899		8,142		9,618		4,959		1,994	
Intangible assets	3,625	2.3	3,446	2.2	3,162	2.0	3,129	2.1	2,922	2.0
Patents	963		887		811		736		660	
Trademarks	1,022		962		900		839		779	
Goodwill	813		692		570		449		327	
Software	722		797		753		719		1,062	
Others	103		106		124		384		92	
Investments and other assets	35,657	22.7	38,670	24.4	41,814	25.9	32,641	22.1	32,065	22.2
Investment securities	10,117		9,991		11,196		10,819		10,069	
Investments in subsidiaries and affiliates	14,663		15,564		16,435		4,615		7,109	
Long-term loans	2,016		4,671		6,846		9,346		7,045	
Long-term deferred assets	1,914		2,185		2,225		2,052		1,909	
Others	6,945		6,256		5,109		5,806		5,931	
Total assets	157,330	100.0	158,456	100.0	161,289	100.0	147,869	100.0	144,677	100.0

Major changes at September 30, 2003 from March 31, 2003

Corporate income tax receivable:	Decreased due to the receipt of income tax receivable.
Inventories:	Due to the decrease in product inventory.
Other current assets, Long-term loans:	Transfer 1,925 million yen from the Long-term loans to the other current assets due to the receipt within one year.
Buildings and structures	Transferred 1,458 million yen from the construction in progress into buildings and structures due to the completion of Shiga Plant facilities No. 2.
Construction in progress	Decreased due to transfer of leasing contract of Shiga Plant manufacturing facilities (1,436 million yen) and Shiga Plant facilities No.2 construction (1,458 million yen).

Liabilities and shareholders' equity

At half-year/year end	9/2001		3/2002		9/2002		3/2003		9/2003	
	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)	Million yen	Proportion (%)
Current liabilities	22,261	14.2	24,094	15.2	44,240	27.4	38,055	25.7	20,735	14.3
Accounts payable	4,514		4,335		4,325		5,122		3,640	
Current portion of convertible bonds	-		-		19,945		19,945		-	
Current portion of long-term debt	512		1,416		1,416		416		416	
Other payables	10,564		11,242		12,616		9,449		9,807	
Income taxes payable	3,130		3,412		2,443		-		3,664	
Consumption taxes payable	444		478		597		275		428	
Reserves	2,855		2,886		2,625		2,609		2,495	
Others	241		323		271		237		282	
Noncurrent liabilities	30,868	19.6	29,654	18.7	9,641	6.0	9,530	6.5	19,199	13.3
Convertible bonds	19,945		19,945		-		-		-	
Long-term loans	4,310		3,102		2,894		2,686		12,478	
Reserve for retirement benefit	5,601		5,580		5,677		5,724		5,679	
Others	1,011		1,026		1,069		1,120		1,042	
Total liabilities	53,129	33.8	53,749	33.9	53,882	33.4	47,586	32.2	39,934	27.6
Common stock	6,214	3.9	6,214	3.9	6,214	3.8	6,214	4.2	6,214	4.3
Capital surplus reserves	6,908	4.4	6,908	4.4	6,908	4.3	6,908	4.6	6,908	4.8
Additional paid-in capital	6,908		6,908		6,908		6,908		6,908	
Appropriated retained earnings	90,296	57.4	91,115	57.5	93,996	58.3	90,143	61.0	94,232	65.1
Earnings reserve	1,551		1,551		1,551		1,551		1,551	
Reserve for retirement benefit	372		372		372		372		372	
Special depreciation reserve	250		250		180		180		325	
General reserve	82,109		82,109		84,109		84,109		84,109	
Unappropriated retained earnings	6,013		6,833		7,783		3,930		7,873	
Net income	4,927		9,932		3,817		871		4,998	
Unrealized holding gains on securities	828	0.5	474	0.3	312	0.2	293	0.2	665	0.5
Treasury stock	-46	-0.0	-5	-0.0	-25	-0.0	-3,276	-2.2	-3,277	-2.3
Total shareholders' equity	104,200	66.2	104,706	66.1	107,406	66.6	100,283	67.8	104,742	72.4
Total liabilities and shareholders' equity	157,330	100.0	158,456	100.0	161,289	100.0	147,869	100.0	144,677	100.0

Major changes at September 30, 2003 from March 31, 2003

Accounts payable:	Decreased due to a fall in accounts payable by less Purchase.
Current portion of convertible bonds:	The convertible bonds were redeemed on September 30th, 2003.
Long-term loans:	Borrowed 10,000 million yen for the redemption fund for the convertible bonds.

Reference information

Research & development

Pipeline of prescription pharmaceuticals (Clinical study)

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched	
Levofloxacin	Cravit Quixin 0.5% Oftraquix 0.5% Levofloxacin 1.5%	Bacterial conjunctivitis Bacterial conjunctivitis Bacterial conjunctivitis Bacterial corneal ulcer	Daiichi Pharmaceuticals	Japan						Apr-00	
				USA						Nov-00	
				Europe							May-02
				USA						Apr-03	
Levofloxacin + prednisolone A	DE-094	Infectious keratitis	Daiichi Pharmaceuticals	USA							

Characteristics: Fluoroquinolone antibacterial agent. The adoption of a more highly concentrated formulation enables stronger antibacterial action. Also expected to be effective for intractable bacterial corneal ulcers. In Europe, the treatment has obtained marketing authorization in 11 countries and has been launched in five countries including Germany. Levofloxacin + prednisolone A is an ophthalmic combination solution of levofloxacin and steroid.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Pemirolast potassium	Alegysal Alamast Alamast	Allergic conjunctivitis	Mitsubishi Pharma	Japan						Apr-95
				USA						Jul-00
				France					Dec-99	

Characteristics: A mast cell stabilizer with superior efficacy on allergic conjunctivitis and vernal keratoconjunctivitis.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Sodium hyaluronate	Hyalein Hyalein	Corneal and conjunctival epithelial disorders Dry eye	Original	Japan						Jun-95
				USA					Preparation	

Characteristics: Ophthalmic solution containing sodium hyaluronate. Treats dry eye and corneal and conjunctivitis epithelial lesions caused by contact lenses, etc.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Ciclosporin	DE-076	Vernal keratoconjunctivitis	Novartis Pharma	Japan						Aug-03

Characteristics: An orphan drug. Expected to treat advanced vernal keratoconjunctivitis for which existing anti-allergic agents are not effective. Because it is an ophthalmic solution, virtually no generalized side effects are noted.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-085	Glaucoma, Ocular hypertension	Co-development with Asahi Glass	USA						
				Japan						

Characteristics: Prostaglandin-based treatment for glaucoma to reduce ocular pressure. Clinical trials will be conducted in parallel in the U.S., Europe and Japan. Expected to have greater efficacy in reducing ocular pressure than other prostaglandin-base

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Olmesartan	DE-092	Glaucoma, Ocular hypertension	Sankyo (Japan)	Japan						

Characteristics: Angiotensin II receptor antagonist developed by Sankyo. Expected to become a glaucoma treatment with unique anti-ocular hypertensive action not seen in any existing treatments.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Lomerizine HCL	DE-090	Glaucoma	Nippon Organon	Japan						

Characteristics: A calcium antagonizing agent. Currently sold by Nippon Organon as a migraine treatment. Expected to become a new type of treatment for glaucoma with excellent safety to suppress the progression of visual field disorder by improving ocular

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
Diquafosol tetrasodium	DE-089	Dry eye	Inspire Pharm.(USA)	Japan						

Characteristics: A treatment for dry eye that stimulates the eye surface to secrete tear fluid and moisture. Expected to be used in combination with existing dry eye treatments, and be effective for patients for whom existing treatments are insufficient.

Generic name	Brand name/dev. code	Indication	Original/in-licensing	Region	Ph I	Ph II	Ph III	NDA Filed	Approved	Launched
(Undetermined)	DE-096	Rheumatoid arthritis	Original	Japan						

Characteristics: An oral TNF inhibitor. Anti-rheumatic effect comparable to injectable biological agents has been observed in basic research.

Pipeline of prescription pharmaceuticals (Preparation for clinical study)

Generic name	Brand name/dev. code	Indication	Original/in-licensing
(Undetermined)	DE-098 (Anti-APO-1 antibody)	Rheumatoid arthritis	Centocor, Inc. (USA)
Characteristics: Joint injection that induces apoptosis in diseased joints of rheumatoid arthritis patients. Bulk pharmaceutical manufacturing process for actual production scale established, and drug development being studied.			
Generic name	Brand name/dev. code	Indication	Original/in-licensing
Bucillamine	Rimatil	Osteoarthritis (additional indication)	Original
Characteristics: Shown to be effective on joint inflammation due to osteoarthritis.			

Pipeline for medical devices

Product under development	Product name	Region
Intraocular lens	MD-13	Japan
Characteristics: Foldable intraocular lens using new material. Already launched in Europe by Lenstec and STAAR Surgical.		
Product under development	Product name	Region
Intraocular lens	MD-14	Japan and USA
Characteristics: Foldable intraocular lens using new material with high refractive index. Developed by Advanced Vision Science in the U.S.		

Changes from May 9, 2003

[Progress]

Brand name/dev. code	Indication	Region	Stage
Ciclosporin/ DE-076	Vernal keratoconjunctivitis	Japan	Ph III NDA filed
DE-096	Rheumatoid arthritis	Japan	Pre-clinical Ph I

[Discontinued study]

Brand name/dev. Code	Indication	Region	Discontinued Stage
Apafant/ DE-081	Allergic conjunctivitis	Japan	Ph II
Reason: It became clear that PAF did not play a major role in the ocular allergy.			

Number of employees in R&D divisions

	1999.3	2000.3	2001.3	2002.3	2003.3
R&D personnel (consolidated)	314	370	404	482	485

Pharmaceutical market in Japan

Revision of National Health Insurance (NHI) drug prices													(%)
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Industry average	-	-8.1	-	-6.6	-	-6.8	-4.4	-9.7	-	-7.0	-	-6.3	-
Ophthalmic drugs	-	-0.6	-	-1.6	-	-3.5	-1.8	-7.5	-	-6.2	-	-6.0	-
Santen	-	0.9	-	-0.4	-	-2.6	-1.3	-7.2	-	-5.7	-	-6.0	-

(Compiled by Santen)

Revision of NHI drug prices: In Japan, drug prices are generally revised every two years to reflect their market price. The drugs marketed at lower market prices will bear larger reduction margins at the revision.

Major healthcare reforms

	1997	Enforcement of the Revised Health Insurance System Law. Increased contribution for insured employees (10% to 20%) Revision of the Insurance Law for Seniors Contribution: 500 yen/day for out-patients (up to four times a month) and 1,000 yen/day for in-patients
	2001	Revision of the Insurance Law for Seniors Contribution: fixed rate of 10% for out-patients and in-patients
April	2002	Reimbursed consulting fee for physicians were reduced by 2.7% on average Revision of prescription fee (two points are added for every prescription of generic drugs)
October	2002	Increased contribution for seniors (fixed amount system was abolished for a uniform fixed rate system of 10% contribution)
April	2003	Increased contribution for insured employees (20% to 30%)

Market shares

(Billions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003
Prescription ophthalmics	42.3% 96.5	40.3% 197.1	40.3% 97.1	38.9% 195.8	39.6% 97.3
Anti-rheumatic drugs	29.9% 14.6	30.2% 28.9	29.9% 14.9	30.3% 29.4	30.1% 15.8

(Source: Santen estimation)

Note: The market shares are on an NHI drug price basis. Lower figures indicate market size.

Market shares by therapeutic area - prescription ophthalmics

(Billions of yen)

Half year/year to	9/2001	3/2002	9/2002	3/2003	9/2003
Anti-glaucoma	17.6% 32.8	17.6% 66.1	17.5% 35.0	17.3% 69.0	16.9% 35.5
Anti-infective	82.0% 16.1	81.8% 30.2	81.0% 14.9	80.9% 27.6	80.8% 14.1
Anti-allergy	24.4% 10.3	18.2% 26.5	16.9% 9.3	17.5% 25.0	21.2% 9.7
Agents for surgeries	41.7% 8.0	41.0% 16.0	40.1% 7.7	39.6% 14.8	39.4% 7.4
Corneal disease treatments	88.9% 8.4	89.0% 17.2	86.9% 9.3	85.4% 18.8	82.9% 10.1
Anti-cataract	49.2% 4.0	50.1% 7.7	52.7% 4.0	53.3% 7.7	54.7% 3.7
Corticosteroids	55.9% 6.2	56.0% 12.5	53.3% 5.8	53.1% 11.4	51.8% 5.6

(Source: Santen estimation)

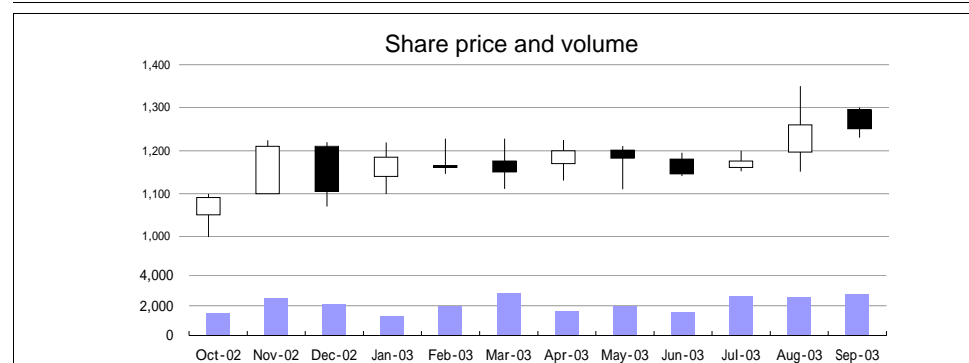
Note: The market shares are on an NHI drug price basis. Lower figures indicate market size.

Stock information

Stock price (Osaka Securities Exchange 1st market)

(Yen and thousand shares)

	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
Share price:												
Open	1,050	1,099	1,210	1,139	1,165	1,176	1,169	1,201	1,180	1,160	1,196	1,296
High	1,099	1,224	1,220	1,219	1,228	1,228	1,225	1,211	1,195	1,200	1,350	1,300
Low	990	1,099	1,070	1,099	1,146	1,111	1,130	1,110	1,141	1,152	1,151	1,230
End of month	1,091	1,210	1,104	1,185	1,160	1,150	1,200	1,182	1,145	1,176	1,260	1,250
Volume	1,472	2,503	2,104	1,330	1,988	2,868	1,633	1,950	1,545	2,636	2,574	2,774



Major shareholders

As of September 30, 2003

Name	Number of shares Held	Percentage of voting rights
	Thousand shares	%
Northern Trust Company AVFC Sub-account	11,492	13.1
American Clients	4,756	5.4
Mita Sangyo Co., Ltd.	4,659	5.3
Japan Trustee Service Bank, Ltd.	3,966	4.5
Japan master Trust and Banking Co., Ltd.	3,688	4.2
UFJ Bank Limited	3,221	3.7
UFJ Trust and Banking Co., Ltd.	2,982	3.4
The Tokio Marine and Fire Insurance Co., Ltd.	2,668	3.0
The Bank of Tokyo-Mitsubishi, Ltd.	2,658	3.0
Trust and Custody Services Bank, Ltd.	1,843	2.1

Shares, convertible bonds and stock option

At half-year/year end	3/1999	3/2000	3/2001	3/2002	3/2003	9/2003
Number of shares outstanding (thousand shares)	95,074	95,074	92,720	90,704	90,704	90,704
Third Unsecured Convertible Bonds -balance (millions of yen)	19,945	19,945	19,945	19,945	19,945	-
Stock option balance (thousand shares)	106	172	199	243	335	472.6
Granted in June 1998 - 106 thousand shares at 1,540 yen/share	106	106	73	62	62	62
Granted in June 1999 - 66 thousand shares at 2,480 yen/share	-	66	66	66	66	66
Granted in June 2000 - 60 thousand shares at 2,705 yen/share	-	-	60	60	60	60
Granted in June 2001 - 55 thousand shares at 2,299 yen/share	-	-	-	55	55	55
Granted in June 2002 - 92 thousand shares at 1,326 yen/share	-	-	-	-	92	92
Granted in June 2003 - 137.6 thousand shares at 1,176 yen/share	-	-	-	-	-	137.6

Note: 1 The company repurchased and retired 2,378 thousand shares in March 2001 and 2,027 thousand shares in March 2002.

2 Details of the Third Unsecured Convertible Bonds:

(Launch) September 12, 1996 (Maturing) September 30, 2003

(Total amount) 20 billion yen (Coupon rate) 0.8% (Convertible price) 2,171.80 yen/share

3 The company has a stock-based compensation plans under which stock options are granted to directors and corporate officers.

The grants are fully exercisable after two years.

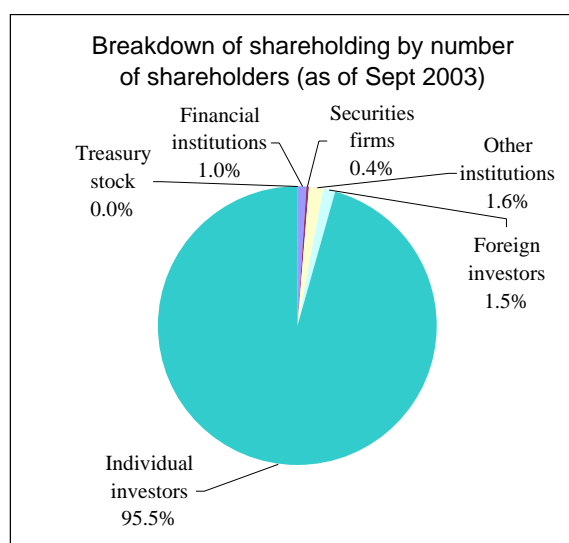
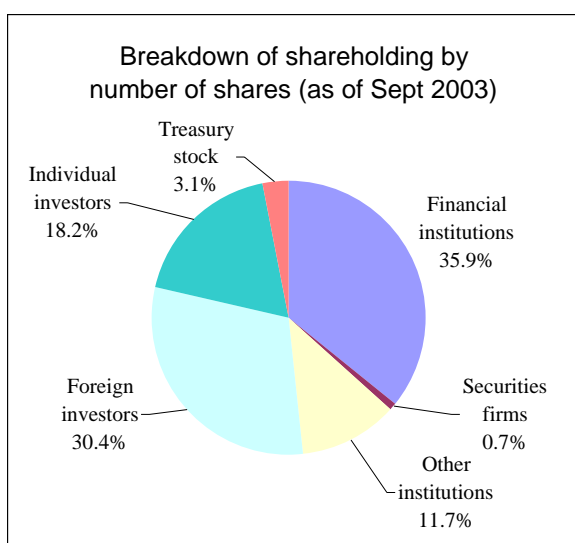
Breakdown of shareholding by number of shares

At half-year/year end	9/2001		3/2002		9/2002		3/2003		9/2003	
	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)	Thousand shares	Proportion (%)
Financial institutions	48,486	52.3	41,005	45.2	38,284	42.2	36,302	40.0	32,568	35.9
City & regional banks	10,713	11.6	9,054	9.9	8,846	9.8	6,660	7.3	6,592	7.3
Trust banks	25,902	27.9	20,641	22.8	18,339	20.2	19,018	21.0	15,535	17.1
(concerned in trust works)	23,115		18,429		15,609		15,743		12,371	
Life and non-life insurance	11,804	12.7	11,033	12.2	10,527	11.6	10,414	11.5	10,012	11.0
Other financial institutions	67	0.1	276	0.3	571	0.6	208	0.2	428	0.5
Securities firms	437	0.5	646	0.7	343	0.4	293	0.3	661	0.7
Other institutions	10,295	11.1	10,300	11.4	10,277	11.3	10,555	11.6	10,585	11.7
Foreign investors	19,666	21.2	23,675	26.1	24,288	26.8	24,580	27.1	27,593	30.4
Individual investors	13,826	14.9	15,073	16.6	17,492	19.3	16,200	17.9	16,523	18.2
Treasury stock	-	-	2	0.0	18	0.0	2,771	3.1	2,773	3.1
Total	92,711	100.0	90,704	100.0	90,704	100.0	90,704	100.0	90,704	100.0

Note: Trading unit for Santen shares were reduced to 100 shares from 1,000 shares effective August 1, 2002

Breakdown of shareholding by number of shareholders

At half-year/year end	9/2001		3/2002		9/2002		3/2003		9/2003	
	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)	Number of shareholders	Proportion (%)
Financial institutions	105	2.0	107	1.8	97	1.2	98	1.2	88	1.0
City & regional banks	15	0.3	13	0.2	10	0.1	8	0.1	7	0.1
Trust banks	54	1.0	60	1.0	53	0.7	55	0.7	46	0.5
Life and non-life insurance	30	0.6	28	0.5	26	0.3	29	0.4	28	0.3
Other financial institutions	6	0.1	6	0.1	8	0.1	6	0.1	7	0.1
Securities firms	21	0.4	35	0.6	40	0.5	28	0.4	37	0.4
Other institutions	131	2.5	137	2.3	139	1.7	134	1.7	134	1.6
Foreign investors	167	3.2	148	2.4	110	1.3	119	1.5	127	1.5
Individual investors	4,816	91.9	5,583	92.9	7,883	95.3	7,493	95.2	8,134	95.5
Treasury stock	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
Total	5,241	100.0	6,011	100.0	8,270	100.0	7,873	100.0	8,521	100.0



News releases

News releases during April 2003-September 2003

For details, please refer to our Investor Relations Web site (<http://www.santen.co.jp/ir/en/news>).

(Date) (Summary)

8-Apr Santen Appoints Actor Tetsuji Tamayama as the Latest Spokesperson for Sante FX Neo

Santen appointed actor Tetsuji Tamayama as the latest spokesperson for its over-the-counter eye drop brand Sante FX Neo and began new TV commercials featuring Tamayama.

2-May "Hitomi Gakuen" Internet Site Enhanced

Santen added information on back-of-the-eye diseases to "Hitomi Gakuen," its Internet educational site for patients. The site now covers all areas of ophthalmology.

6-May Santen Submits New Drug Application to FDA for Levofloxacin 1.5%

Santen submitted a new drug application (NDA) to the U.S. Food and Drug Administration (FDA) for levofloxacin 1.5% on April 30. Levofloxacin 1.5% is a higher concentration formulation of Santen's anti-infective ophthalmic Quixin (Brand name in Japan: Cravit).

9-May Santen to Issue Stock Acquisition Rights for the Purpose of Granting Stock Options

Santen's Board of Directors adopted a resolution to issue stock acquisition rights for the purpose of granting stock options to Santen's directors, corporate officers and directors of major overseas subsidiaries. The resolution was approved at the 91st Annual General Meeting of Shareholders held on June 26.

9-May Santen to Shorten Office Term of Directors and Appoint Outside Director

Santen's Board of Directors resolved to shorten the office term of directors from two years to one and appoint Dr. Kosei Furukawa as the Outside Director. The resolution was approved at the 91st Annual General Meeting of Shareholders held on June 26.

9-May Notice Regarding Share Buyback

Santen's Board of Directors resolved the buyback of its common stock with par value up to 4,000,000 shares and 5,000 million yen. This was approved in the 91st Annual General Meeting of Shareholders held on June 26, 2002.

11-Aug Santen Files for Manufacturing Approval for its Vernal Keratoconjunctivitis

Santen applied for manufacturing approval for its vernal keratoconjunctivitis treatment, ciclosporin ophthalmic solution (generic name) in Japan on August 8. The drug is expected to treat advanced vernal keratoconjunctivitis for which existing anti-allergy drugs are not effective.

28-Aug Santen Establishes Helpline of Compliance Practice

As part of Santen's effort in strengthening corporate governance, Santen established a helpline for its employees to submit questions on compliance with laws, regulations and corporate ethics.

5-Sep Santen Announces Closure of its U.S. Subsidiary, Phacor Inc.

Santen decided not to invest further in Phacor Inc., its U.S. subsidiary specializing in the 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.

18-Sep Santen Establishes the SAIN Sales Force Automation System

In order to more effectively share information and raise the quality and efficiency of medical representative (MR)'s activities, Santen implemented a Sales Force Automation system for MRs and named it SAIN (Santen Activity Improved Navigator).

