

[ Disclaimer: The following is meant to be an accurate translation from the original Financial Report of Santen Pharmaceutical Co., Ltd., written in Japanese, and is prepared for the information disclosure to the Tokyo Stock Exchange. However, in the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail. ]

SANTEN PHARMACEUTICAL CO., LTD. (May 8, 2008)

Code: 4536

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

Financial Report for the Year Ended March 31, 2008

Takakazu Morita, Chairman and Chief Executive Officer

Contact: Yoshihiro Noutsuka, Corporate Officer

Head of Planning & Control Division Tel: 06-6321-7007

(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the year ended March 31, 2008**

(1) <b>Operating results</b>	Year to March 2008	Year to March 2007	% change 2008/2007
Net sales (millions of yen)	103,394	100,485	2.9%
Operating income (millions of yen)	20,370	20,412	(0.2%)
Ordinary income (millions of yen)	20,702	20,843	(0.7%)
Net income (millions of yen)	12,650	13,147	(3.8%)
Net income per share (yen)	146.15	151.58	
Diluted net income per share (yen)	145.94	151.31	
Net income to equity	9.9%	10.6%	
Ordinary income to total assets	13.1%	13.5%	
Operating income to net sales	19.7%	20.3%	

(2) <b>Financial condition</b>	March 31, 2008	March 31, 2007
Total assets (millions of yen)	156,547	159,098
Net assets (millions of yen)	127,118	128,645
Equity ratio	81.1%	80.8%
Net assets per share (yen)	1,494.48	1,481.83

(3) <b>Cash flows</b>	Year to March 2008	Year to March 2007
Cash flows from operating activities (millions of yen)	15,468	14,959
Cash flows from investing activities (millions of yen)	(2,083)	(5,845)
Cash flows from financing activities (millions of yen)	(11,415)	(5,691)
Cash and cash equivalents at end of year (millions of yen)	51,669	49,841

**2. Dividends**

	Year to March 2008	Year to March 2007	(Forecasts) Year to March 2009
Interim dividends per share (yen)	40.00	30.00	40.00
End-of-period dividends per share (yen)	40.00	35.00	40.00
Annual dividends per share (yen)	80.00	65.00	80.00
Total dividends paid (full-year) (millions of yen)	6,870	5,639	-
Payout ratio (consolidated)	54.7%	42.9%	52.3%
Dividends paid on net assets (consolidated)	5.4%	4.6%	-

**3. Consolidated Forecasts of results for the year ending March 31, 2009**

	First half year	Full year	(Full year) % change 2009/2008
Net sales (millions of yen)	52,000	104,000	0.6%
Operating income (millions of yen)	9,500	20,500	0.6%
Ordinary income (millions of yen)	10,000	21,000	1.4%
Net income (millions of yen)	6,300	13,000	2.8%
Net income per share (yen)	74.14	152.98	

#### **4. Others**

##### **(1) No change on consolidated subsidiaries**

##### **(2) Change on accounting policy**

One change has been made in the revision of accounting standards.

No other change has been made.

##### **(3) Number of shares outstanding (common stock)**

Number of shares outstanding at the end of period (including treasury stock)

March 31, 2008: 86,866,703

March 31, 2007: 86,825,303

Number of treasury stock at the end of period

March 31, 2008: 1,888,743

March 31, 2007: 50,282

#### **(Reference)**

##### **1. Non-consolidated Performance for the year ended March 31, 2008**

<b>(1) Operating results</b>	<b>Year to March 2008</b>	<b>Year to March 2007</b>	<b>% change 2008/2007</b>
Net sales (millions of yen)	94,029	91,770	2.5%
Operating income (millions of yen)	20,638	20,067	2.8%
Ordinary income (millions of yen)	21,306	20,926	1.8%
Net income (millions of yen)	9,540	13,381	(28.7%)
Net income per share (yen)	110.21	154.28	
Diluted net income per share (yen)	110.06	154.00	

<b>(2) Financial condition</b>	<b>March 31, 2008</b>	<b>March 31, 2007</b>
Total assets (millions of yen)	155,313	161,134
Net assets (millions of yen)	128,037	132,619
Equity ratio	82.4%	82.3%
Net assets per share (yen)	1,505.30	1,527.63

##### **2. Non-consolidated Forecasts of results for the year ending March 31, 2009**

	<b>First half year</b>	<b>Full year</b>	<b>(Full year) % change 2009/2008</b>
Net sales (millions of yen)	47,800	95,400	1.5%
Operating income (millions of yen)	9,600	21,000	1.8%
Ordinary income (millions of yen)	10,000	21,500	0.9%
Net income (millions of yen)	6,400	13,700	43.6%
Net income per share (yen)	75.31	161.22	

#### **(Caution)**

Forecasts in this report are based on the currently available information. Actual results may differ materially depending on a number of factors including adverse economic conditions, delays in new products launch, currency exchange rate, legislative and regulatory developments.