

[ Disclaimer: The following is meant to be an accurate translation from the original Financial Report of Santen Pharmaceutical Co., Ltd., written 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. (November 2, 2010)  
 Code: 4536  
 URL <http://www.santen.co.jp>  
 Financial Report for the Six-month period ended September 30, 2010  
 Akira Kurokawa, President and Chief Executive Officer  
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(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the six months ended September 30, 2010**

| (1) Operating results              | Six months ended<br>September 30, 2010 | Six months ended<br>September 30, 2009 | Change  |
|------------------------------------|--|--|---------|
| Net sales (millions of yen)        | 53,914                                 | 59,123                                 | (8.8%)  |
| Operating income (millions of yen) | 14,112                                 | 19,036                                 | (25.9%) |
| Ordinary income (millions of yen)  | 14,490                                 | 18,875                                 | (23.2%) |
| Net income (millions of yen)       | 9,272                                  | 11,670                                 | (20.5%) |
| Net income per share (yen)         | 108.94                                 | 137.23                                 |         |
| Diluted net income per share (yen) | 108.80                                 | 137.05                                 |         |

\* Figures in parentheses indicate a decrease.

| (2) Financial condition        | September 30,<br>2010 | March 31,<br>2010 |
|--------------------------------|-----------------------|-------------------|
| Total assets (millions of yen) | 167,378               | 166,878           |
| Net assets (millions of yen)   | 141,693               | 137,603           |
| Equity ratio                   | 84.5%                 | 82.3%             |
| Net assets per share (yen)     | 1,660.96              | 1,614.08          |

**2. Dividends**

|  | Year to<br>March 2011 | (Forecasts)<br>Year to<br>March 2011 | Year to<br>March 2010 |
|--|-----------------------|--------------------------------------|-----------------------|
| First quarter dividends per share (yen)  | 0.00                  | —                                    | 0.00                  |
| Second quarter dividends per share (yen) | 40.00                 | —                                    | 40.00                 |
| Third quarter dividends per share (yen)  | —                     | 0.00                                 | 0.00                  |
| End-of-period dividends per share (yen)  | —                     | 40.00                                | 40.00                 |
| Annual dividends per share (yen)         | —                     | 80.00                                | 80.00                 |

**3. Consolidated Forecasts of results for the year ending March 31, 2011**

|                                    | Full year | (Full year)<br>% change<br>2010/2009 |
|------------------------------------|-----------|--------------------------------------|
| Net sales (millions of yen)        | 108,500   | (1.9%)                               |
| Operating income (millions of yen) | 26,300    | (11.3%)                              |
| Ordinary income (millions of yen)  | 27,000    | (9.6%)                               |
| Net income (millions of yen)       | 17,500    | (6.5%)                               |
| Net income per share (yen)         | 205.72    |                                      |

\* Figures in parentheses indicate a decrease.

**4. Others**

- (1) No change on consolidated subsidiaries
- (2) No alternative methods have been adopted in accounting policy
- (3) Change in accounting policy

- [ i ] Two changes have been made in the revision of accounting standards.
- [ ii ] No other change has been made.

(4) Number of shares outstanding (common stock)

- ① Number of shares outstanding at the end of period (including treasury stock)
  - September 30, 2010 : 87,033,003
  - March 31, 2010 : 86,992,503
- ② Number of treasury stock at the end of period
  - September 30, 2010 : 1,909,414
  - March 31, 2010 : 1,902,026
- ③ Average number of shares outstanding (cumulative from the beginning of the fiscal year)
  - For six months ended September 30, 2010 : 85,120,236
  - For six months ended September 30, 2009 : 85,048,039

**(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.