

[ 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, 2012)

Code: 4536

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

Financial Report for the Year Ended March 31, 2012

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(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the year ended March 31, 2012**

| (1) Operating results              | Year to<br>March 2012 | Year to<br>March 2011 | % change<br>2012/2011 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Net sales (millions of yen)        | 114,416               | 110,812               | 3.3%                  |
| Operating income (millions of yen) | 26,733                | 30,738                | (13.0%)               |
| Ordinary income (millions of yen)  | 27,780                | 31,484                | (11.8%)               |
| Net income (millions of yen)       | 17,160                | 21,333                | (19.6%)               |

Note: Comprehensive income:

Fiscal year ended March 31, 2012: ¥ 16,966 million ( ( 14.3% ) )

Fiscal year ended March 31, 2011: ¥ 19,796 million (5.2%)

|                                    | Year to<br>March 2012 | Year to<br>March 2011 |
|------------------------------------|-----------------------|-----------------------|
| Net income per share (yen)         | 196.96                | 249.71                |
| Diluted net income per share (yen) | 196.76                | 249.42                |
| Net income to equity               | 10.7%                 | 14.5%                 |
| Ordinary income to total assets    | 14.5%                 | 17.9%                 |
| Operating income to net sales      | 23.4%                 | 27.7%                 |

Reference: Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2012: ¥ - million

Fiscal year ended March 31, 2011: ¥ - million

| (2) Financial condition        | March 31,<br>2012 | March 31,<br>2011 |
|--------------------------------|-------------------|-------------------|
| Total assets (millions of yen) | 198,801           | 184,801           |
| Net assets (millions of yen)   | 164,861           | 156,404           |
| Equity ratio                   | 82.8%             | 84.5%             |
| Net assets per share (yen)     | 1,887.81          | 1,793.15          |

Reference: Equity at year-end (consolidated):

Fiscal year ended March 31, 2012: ¥ 164,514 million

Fiscal year ended March 31, 2011: ¥ 156,098 million

| (3) Cash flows   | Year to<br>March 2012 | Year to<br>March 2011 |
|--|-----------------------|-----------------------|
| Cash flows from operating activities (millions of yen)     | 21,483                | 17,769                |
| Cash flows from investing activities (millions of yen)     | (10,272)              | (7,676)               |
| Cash flows from financing activities (millions of yen)     | (8,559)               | (1,570)               |
| Cash and cash equivalents at end of year (millions of yen) | 75,035                | 72,482                |

\* Figures in parentheses indicate a decrease.

**2. Dividends**

|  | Year to<br>March 2012 | Year to<br>March 2011 | (Forecasts)<br>Year to<br>March 2013 |
|--|-----------------------|-----------------------|--------------------------------------|
| Second quarter dividends per share (yen)           | 50.00                 | 40.00                 | 50.00                                |
| Year-end dividends per share (yen)                 | 50.00                 | 50.00                 | 50.00                                |
| Annual dividends per share (yen)                   | 100.00                | 90.00                 | 100.00                               |
| Total dividends paid (full-year) (millions of yen) | 8,713                 | 7,757                 | —                                    |
| Payout ratio (consolidated)                        | 50.8%                 | 36.0%                 | 54.5%                                |
| Dividends paid on net assets (consolidated)        | 5.4%                  | 5.3%                  | —                                    |

### 3. Consolidated Forecasts of results for the year ending March 31, 2013

|                                    | First half year | Full year | (Full year)<br>% change<br>2013/2012 |
|------------------------------------|-----------------|-----------|--------------------------------------|
| Net sales (millions of yen)        | 57,000          | 114,500   | 0.1%                                 |
| Operating income (millions of yen) | 12,000          | 23,500    | (12.1%)                              |
| Ordinary income (millions of yen)  | 12,300          | 24,000    | (13.6%)                              |
| Net income (millions of yen)       | 8,300           | 16,000    | (6.8%)                               |
| Net income per share (yen)         | 95.26           | 183.64    |                                      |

\* Figures in parentheses indicate a decrease.

### 4. Others

#### (1) No changes on significant consolidated subsidiaries

Note: Three companies, Santen India Private Limited, Santen Holdings EU B.V. and Novagali Pharma S.A.S. have newly become our consolidated subsidiaries.

#### (2) No alternative methods have been adopted in accounting policy

#### (3) No changes in accounting policy

#### (4) Number of shares outstanding (common stock)

① Number of shares outstanding at the end of period (including treasury stock)

March 31, 2012: 87,146,803

March 31, 2011: 87,053,103

② Number of treasury stock at the end of period

March 31, 2012: 1,246

March 31, 2011: 464

③ Average number of shares outstanding (cumulative from the beginning of the fiscal year)

March 31, 2012: 87,126,807

March 31, 2011: 85,433,011

### (Reference)

#### 1. Non-consolidated Performance for the year ended March 31, 2012

| (1) Operating results              | Year to<br>March 2012 | Year to<br>March 2011 | % change<br>2012/2011 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Net sales (millions of yen)        | 103,200               | 99,514                | 3.7%                  |
| Operating income (millions of yen) | 26,804                | 28,839                | (7.1%)                |
| Ordinary income (millions of yen)  | 27,776                | 29,604                | (6.2%)                |
| Net income (millions of yen)       | 16,502                | 18,534                | (11.0%)               |
| Net income per share (yen)         | 189.40                | 216.94                |                       |
| Diluted net income per share (yen) | 189.21                | 216.69                |                       |

| (2) Financial condition        | March 31,<br>2012 | March 31,<br>2011 |
|--------------------------------|-------------------|-------------------|
| Total assets (millions of yen) | 196,427           | 185,394           |
| Net assets (millions of yen)   | 168,089           | 159,602           |
| Equity ratio                   | 85.4%             | 85.9%             |
| Net assets per share (yen)     | 1,924.85          | 1,829.89          |

Reference: Equity at year-end:

Fiscal year ended March 31, 2012: ¥ 167,742 million

Fiscal year ended March 31, 2011: ¥ 159,296 million

### (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.