

[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, 2013)

Code: 4536

URL <http://www.santen.com>

Financial Report for the Year Ended March 31, 2013

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(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the year ended March 31, 2013

(1) Operating results	Year to March 2013	Year to March 2012	% change 2013/2012
Net sales (millions of yen)	119,066	114,416	4.1%
Operating income (millions of yen)	24,681	26,733	(7.7%)
Ordinary income (millions of yen)	25,602	27,780	(7.8%)
Net income (millions of yen)	16,520	17,160	(3.7%)

Note: Comprehensive income:

Fiscal year ended March 31, 2013: ¥ 21,728 million (28.1%)

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

	Year to March 2013	Year to March 2012
Net income per share (yen)	195.81	196.96
Diluted net income per share (yen)	195.51	196.76
Net income to equity	10.0%	10.7%
Ordinary income to total assets	12.9%	14.5%
Operating income to net sales	20.7%	23.4%

Reference: Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2013: ¥ - million

Fiscal year ended March 31, 2012: ¥ - million

(2) Financial condition	March 31, 2013	March 31, 2012
Total assets (millions of yen)	199,640	198,801
Net assets (millions of yen)	165,132	164,861
Equity ratio	82.6%	82.8%
Net assets per share (yen)	1,998.44	1,887.81

Reference: Equity at year-end (consolidated):

Fiscal year ended March 31, 2013: ¥ 164,808 million

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

(3) Cash flows	Year to March 2013	Year to March 2012
Cash flows from operating activities (millions of yen)	9,942	21,483
Cash flows from investing activities (millions of yen)	(4,595)	(10,272)
Cash flows from financing activities (millions of yen)	(21,557)	(8,559)
Cash and cash equivalents at end of year (millions of yen)	59,797	75,035

* Figures in parentheses indicate a decrease.

2. Dividends

	Year to March 2013	Year to March 2012	(Forecasts) Year to March 2014
Second quarter dividends per share (yen)	50.00	50.00	50.00
Year-end dividends per share (yen)	50.00	50.00	50.00
Annual dividends per share (yen)	100.00	100.00	100.00
Total dividends paid (full-year) (millions of yen)	8,468	8,713	—
Payout ratio (consolidated)	51.1%	50.8%	46.4%
Dividends paid on net assets (consolidated)	5.1%	5.4%	—

3. Consolidated Forecasts of results for the year ending March 31, 2014

	First half year	Full year	(Full year) % change 2014/2013
Net sales (millions of yen)	66,500	134,500	13.0%
Operating income (millions of yen)	13,200	26,300	6.6%
Ordinary income (millions of yen)	13,500	26,800	4.7%
Net income (millions of yen)	9,200	18,200	10.2%
Net income per share (yen)	109.05	215.72	

4. Others

(1) Significant change in subsidiaries during the term (change in designated subsidiaries resulting in adjustment to the scope of consolidation): No

(2) Changes in accounting policies, accounting estimates and restatements

[i] Changes in the accounting policies resulting from amendments to accounting standards: Yes

- Change in depreciation method for property and equipment

In accordance with the amendment of the Corporation Tax Law, effective from the fiscal year ended March 31, 2013, the Company and its domestic consolidated subsidiary have changed their depreciation method for those property and equipment acquired on or after April 1, 2012. As a result of this change, operating income, ordinary income and income before income taxes increased by 45million yen each.

[ii] Changes other than [i] above: No

[iii] Changes in the accounting estimates: Yes

[iv] Restatements: No

(3) Number of shares outstanding (common stock)

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

March 31, 2013: 82,469,103

March 31, 2012: 87,146,803

② Number of treasury stock at the end of period

March 31, 2013: 900

March 31, 2012: 1,246

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

March 31, 2013: 84,367,711

March 31, 2012: 87,126,807

(Reference)

1. Non-consolidated Performance for the year ended March 31, 2013

	Year to March 2013	Year to March 2012	% change 2013/2012
(1) Operating results			
Net sales (millions of yen)	106,647	103,200	3.3%
Operating income (millions of yen)	25,573	26,804	(4.6%)
Ordinary income (millions of yen)	26,404	27,776	(4.9%)
Net income (millions of yen)	17,702	16,502	7.3%
Net income per share (yen)	209.82	189.40	
Diluted net income per share (yen)	209.49	189.21	

	March 31, 2013	March 31, 2012
(2) Financial condition		
Total assets (millions of yen)	194,464	196,427
Net assets (millions of yen)	166,203	168,089
Equity ratio	85.3%	85.4%
Net assets per share (yen)	2,011.42	1,924.85

Reference: Equity at year-end:

Fiscal year ended March 31, 2013: ¥ 165,878 million

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

(Information regarding the implementation of audit procedures)

These financial results are not subject to audit procedures. Thus, at the time of disclosure of these financial results, the consolidated financial statement audit procedures based on the Financial Instruments and Exchange Law, are in progress.

(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.