

[ 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. (November 1, 2012)

Code: 4536

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

Second Quarter Financial Results for the Fiscal Year Ending March 31, 2013

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(Figures are rounded down to the nearest million yen)

**1. Consolidated Performance for the three months ended September 30, 2012**

(1) Operating results	Second quarter ended September 30, 2012	Second quarter ended September 30, 2011	% change 2013/2012
Net sales (millions of yen)	56,715	56,789	(0.1%)
Operating income (millions of yen)	13,080	14,570	(10.2%)
Ordinary income (millions of yen)	13,466	15,050	(10.5%)
Net income (millions of yen)	8,978	9,905	(9.4%)
Net income per share (yen)	103.98	113.70	
Diluted net income per share (yen)	103.85	113.58	

Note: Comprehensive income:

Second quarter ended September 30, 2012: ¥ 7,646 million ((23.1%))

Second quarter ended September 30, 2011: ¥ 9,949 million (35.1%)

(2) Financial condition	September 30, 2012	March 31, 2012
Total assets (millions of yen)	184,746	198,801
Net assets (millions of yen)	154,521	164,861
Equity ratio	83.4%	82.8%
Net assets per share (yen)	1,874.25	1,887.81

Reference: Equity (Consolidated):

Second quarter ended September 30, 2012: ¥ 154,118 million

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

**2. Dividends**

	Year to March 2013	(Forecasts) Year to March 2013	Year to March 2012
First quarter dividends per share (yen)	0.00	—	0.00
Second quarter dividends per share (yen)	50.00	—	50.00
Third quarter dividends per share (yen)	—	0.00	0.00
End-of-period dividends per share (yen)	—	50.00	50.00
Annual dividends per share (yen)	—	100.00	100.00

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

	Full year	(Full year) % change 2013/2012
Net sales (millions of yen)	114,500	0.1%
Operating income (millions of yen)	23,500	(12.1%)
Ordinary income (millions of yen)	24,000	(13.6%)
Net income (millions of yen)	16,000	(6.8%)
Net income per share (yen)	189.81	

## **\*Notes**

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

**(2) Application of special accounting method in the preparation of quarterly consolidated financial statements: No**

**(3) 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 first quarter of fiscal year ending 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 10million yen each.

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

[ iii ] Changes in the accounting estimates: Yes

[ iv ] Restatements: No

(Note) This change falls under Article 10 (5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements.

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

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

September 30, 2012 : 87,168,303

March 31, 2012 : 87,146,803

[ ii ] Number of treasury stock at the end of period

September 30, 2012 : 4,939,213

March 31, 2012 : 1,246

[ iii ] Average number of outstanding shares (during the three months ended June 30)

Second quarter ended September 30, 2012 : 86,347,079

Second quarter ended September 30, 2011 : 87,120,237

**(Information regarding the implementation of quarterly review procedures)**

These quarterly financial results are not subject to quarterly review procedures. Thus, at the time of disclosure of these financial results, the quarterly consolidated financial statement review 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.