

[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.]

November 6, 2013

SANTEN PHARMACEUTICAL CO., LTD.

Code: 4536

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

Second Quarter Financial Results for the Fiscal Year Ending March 31, 2014 [Japan GAAP] (Consolidated)

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(Figures are rounded down to the nearest million yen)

1. Consolidated Performance for the six months ended September 30, 2013

(1) Operating results

(Percentage figures represent changes from same period of previous year.)

	Six months ended September 30, 2013	Six months ended September 30, 2012	% change
Net sales (millions of yen)	69,263	56,715	22.1%
Operating income (millions of yen)	14,457	13,080	10.5%
Ordinary income (millions of yen)	14,861	13,466	10.4%
Net income (millions of yen)	8,994	8,978	0.2%
Net income per share (yen)	108.99	103.98	
Diluted net income per share (yen)	108.68	103.85	

Note: Comprehensive income:

Six months ended September 30, 2013: ¥ 11,689 million(52.9%)

Six months ended September 30, 2012: ¥ 7,646 million(△ 23.1%)

(2) Financial condition

	September 30, 2013	March 31, 2013
Total assets (millions of yen)	211,690	199,640
Net assets (millions of yen)	171,526	165,132
Equity ratio	80.8%	82.6%
Net assets per share (yen)	2,073.17	1,998.44

Reference: Equity (Consolidated):

Six months ended September 30, 2013: ¥ 171,111 million

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

2. Dividends

	Year to March 2014	(Forecasts) Year to March 2014	Year to March 2013
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, 2014

(Percentage figures represent changes from same period of previous year.)

	Full year	(Full year) % change
Net sales (millions of yen)	141,500	18.8%
Operating income (millions of yen)	26,300	6.6%
Ordinary income (millions of yen)	26,800	4.7%
Net income (millions of yen)	18,200	10.2%
Net income per share (yen)	215.72	

***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: No

[ii] Changes other than [i] above: Yes

-Change in depreciation method for property, plant and equipment

The Company and its domestic subsidiary have changed depreciation method for property, plant and equipment from the declining-balance method (however, straight-line method was applied to buildings (other than leasehold improvements) acquired on or after April 1, 1998) to the straight-line method, from the first quarter of the current fiscal year.

As a result of this change, the major effects on the company's consolidated financial statements for the six months ended September 30, 2013 are as follows:

- Depreciation and amortization decreased by ¥336 million;
- Operating income increased by ¥232 million; and
- Ordinary income and income before income taxes increased by ¥237 million each.

-Application of Accounting standards and relevant regulations

- The "Accounting Standard for Retirement Benefits"(ASBJ Statement No.26, May 17, 2012)
- The "Guidance on Accounting Standard for Retirement Benefits"(ASBJ Guidance No.25, May 17, 2012)

The Company and its subsidiaries applied the accounting standard and relevant regulations from the beginning of this fiscal year.

As a result of this application, accumulated other comprehensive income decreased by ¥1,713 million and retained earnings increased by ¥227 million at the beginning of this fiscal year.

There are no material effects on the company's operating results for the six months ended September 30, 2013.

[iii] Changes in the accounting estimates: Yes

[iv] Restatements: No

(4) Number of shares outstanding (common stock)

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

September 30, 2013 : 82,537,103

March 31, 2013 : 82,469,103

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

September 30, 2013 : 1,408

March 31, 2013 : 900

[iii] Average number of outstanding shares

Six months ended September 30, 2013 : 82,518,839

Six months ended September 30, 2012 : 86,347,079

(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.