

1. Performance for the year ended March 31, 2004

(Figures are rounded down to the nearest million yen)

(1) Operating results	Year to March 2004	Year to March 2003	% change 2004/2003
Net sales (millions of yen)	89,857	90,252	(0.4%)
Operating income (millions of yen)	14,525	12,697	14.4%
Ordinary income (millions of yen)	15,790	12,899	22.4%
Net income (millions of yen)	6,321	8,502	(25.7%)
Net income per share (yen)	71.65	93.67	
Diluted net income per share (yen)	71.64	85.97	
Net income to shareholders' equity	6.3%	8.8%	
Ordinary income to total assets	10.6%	8.6%	
Ordinary income to net sales	17.6%	14.3%	

Note: ¹ Average number of shares outstanding

March 31, 2004: 87,931,398

March 31, 2003: 90,452,016

² One change has been made in accounting policy.**(2) Financial condition**

	March 31, 2004	March 31, 2003
Total assets (millions of yen)	150,237	147,147
Shareholders' equity (millions of yen)	103,499	97,125
Shareholders' equity ratio	68.9%	66.0%
Shareholders' equity per share (yen)	1,176.83	1,104.21

Note: ¹ Number of shares outstanding at end of period

March 31, 2004: 87,929,950

March 31, 2003: 87,932,738

(3) Cash flows

	Year to March 2004	Year to March 2003
Cash flows from operating activities (millions of yen)	23,196	15,807
Cash flows from investing activities (millions of yen)	5,246	(9,951)
Cash flows from financing activities (millions of yen)	(12,122)	(6,507)
Cash and cash equivalents at end of year (millions of yen)	41,422	25,053

(4) Consolidated subsidiaries and application of the equity method

Number of consolidated subsidiaries: 12

Number of non-consolidated subsidiaries: 0

Number of affiliated company applied the equity method: 0

(5) Changes on consolidated subsidiaries and application of the equity method

Number of consolidated subsidiaries: 0

Number of non-consolidated subsidiaries: 0

Number of affiliated company applied the equity method: 0

2. Forecasts of results for the year ending March 31, 2005

	Interim	Full year
Net sales (millions of yen)	43,200	86,000
Operating income (millions of yen)	6,500	14,000
Ordinary income (millions of yen)	6,400	13,800
Net income (millions of yen)	3,500	8,000
Reference: Expected net income per share (full-year basis)		90.98 yen

Caution)

The aforementioned forecast in this brief financial report reflects the Company's current analysis of data available and the Company's assumption as of May 7, 2004. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; changes in related laws and regulations; status of product development programs; and changes in exchange rates.

SANTEN PHARMACEUTICAL CO., LTD. (May 7, 2004)

Code: 4536

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

Financial Report for the Year Ended March 31, 2004

(Non-consolidated)

Takakazu Morita, President and Chief Executive Officer

Contact: Ichiro Otokozaawa, Division Manager,

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1. Performance for the year ended March 31, 2004

(Figures are rounded down to the nearest million yen)

(1) Operating results	Year to March 2004	Year to March 2003	% change 2004/2003
Net sales (millions of yen)	80,227	82,372	(2.6%)
Operating income (millions of yen)	17,469	17,329	0.8%
Ordinary income (millions of yen)	18,680	17,011	9.8%
Net income (millions of yen)	7,176	871	723.6%
Net income per share (yen)	81.37	9.30	
Diluted net income per share (yen)	81.36	—	
Net income to shareholders' equity	6.9%	0.9%	
Ordinary income to total assets	12.5%	11.1%	
Ordinary income to net sales	23.3%	20.7%	

Note: ¹ Average number of shares outstanding

March 31, 2004: 87,931,398

March 31, 2003: 90,452,016

² One change has been made in accounting policy.

(2) Dividends	Year to March 2004	Year to March 2003
Annual dividends per share (yen)	40.00	20.00
Interim dividends per share (yen)	10.00	10.00
End of period (yen)	30.00	10.00
Total dividends paid (full-year) (millions of yen)	3,517	1,786
Payout ratio	49.0%	215.1%
Shareholders' equity yield	3.3%	1.8%

(3) Financial condition	March 31, 2004	March 31, 2003
Total assets (millions of yen)	150,240	147,869
Shareholders' equity (millions of yen)	106,800	100,283
Shareholders' equity ratio	71.1%	67.8%
Shareholders' equity per share (yen)	1,214.37	1,140.12

Note: ¹ Number of shares outstanding at end of period

March 31, 2004: 87,929,950

March 31, 2003: 87,932,738

² Number of treasury stock at end of period

March 31, 2004: 33,353

March 31, 2003: 2,771,565

2. Forecasts of results for the year ending March 31, 2005

	Interim	Full year
Net sales (millions of yen)	39,500	79,400
Operating income (millions of yen)	6,400	14,700
Ordinary income (millions of yen)	6,600	15,000
Net income (millions of yen)	3,800	9,200
Interim dividends per share (yen)	20.00	—
Dividends at end of period per share (yen)	—	20.00
Annual dividends per share (yen)	—	40.00
Reference: Expected net income per share (full-year basis)		104.63 yen

Caution)

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