Securities Code: 4506

Supplementary Interim Financial Data for the Year Ending－ March 31, 2008

November 7, 2007

Dainippon Sumitomo Pharma Co., Ltd.

- Forecasts provided in this document are based on the management's assumptions and beliefs, made in light of information available up to the day of announcement. Actual financial results may differ materially from those presented in this document, being dependent upon a number of factors.
- All values are rounded. Therefore totals may not be consistent with aggregated figures.

I. Consolidated Financial Highlights

1. Highlights of the Statements of Income (Billions of Yen)

	Six months ended 9/30/06	Six months ended 9/30/07	Change (%)	Year ended 3/31/07	Year ending 3/31/08 (Forecast)	Change (%)
Net sales	126.9	128.7	1.4	261.2	267.0	2.2
Cost of sales	48.1	48.2	0.2	99.3	100.3	1.0
SG&A expenses	58.4	58.3	(0.2)	116.3	125.7	8.1
[R&D expenditures]	[20.7]	[19.7]	[(4.9)]	[40.9]	[47.0]	[15.0]
Operating income	20.5	22.3	9.0	45.6	41.0	(10.0)
Recurring income	19.6	22.2	13.3	43.2	40.2	(6.9)
Net income	9.5	13.8	45.5	22.6	24.7	9.3

＊ Cost of Sales includes provision for (reversal of) reserve for sales returns.

Earnings per share (yen)	23.84	34.71	56.86	62.15
Return on equity (ROE)	3.3%	4.5%	7.6%	7.9%
Payout ratio	29.4%	25.9%	24.6%	29.0%

2. Highlights of the Balance Sheet (Billions of Yen)

	As of 3/31/07 (A)	As of 9/30/07 (B)	(B) - (A)
Total assets	382.5	384.2	1.6
Net assets	306.0	313.8	7.8
Shareholders' equity	305.1	312.9	7.8
Shareholders' equity ratio	79.8%	81.4%	

3. Capital Expenditures and Depreciation (Billions of Yen)

	Six months ended 9/30/06	Six months ended 9/30/07	Change	Year ended 3/31/07	Year ending 3/31/08 (Forecast)
Capital expenditures (including intangible fixed assets)	5.0	4.8	(0.2)	9.5	18.0
Depreciation and amortization	5.5	5.4	(0.1)	11.3	11.3

- Major capital expenditure projects for the year ending March 31, 2008

Construction of a new solid preparation building at the Suzuka Plant:

¥10.0 billion (total budget: ¥10.0 billion, to be completed in December 2007)

Renovation of Experimental animal facility of Central Research Laboratories:

¥0.55 billion (total budget: ¥0.55 billion, to be completed in January 2008)

4. Highlights of the Statements of Cash Flows (Billions of Yen)

	Six months ended 9/30/06	Six months ended 9/30/07	Change
Cash flows from operating activities	22.6	17.7	(4.8)
Cash flows from investing activities	(10.9)	(49.7)	(38.8)
Cash flows from financing activities	(4.6)	(3.3)	1.3
Cash and cash equivalents at end of period	78.4	46.6	(31.8)

・Increase in short-term loans

II. Consolidated Statements of Income

1. Statements of Income (Billions of Yen)

	Six months ended 9/30/06 (A)	Six months ended 9/30/07 (B)	(B)-(A)	Change (%)
Net sales	126.9	128.7	1.8	1.4
Overseas sales	10.6	11.9	1.3	12.5
Cost of Sales	48.1	48.2	0.1	0.2
Gross profit	78.9	80.6	1.7	2.2
SG&A expenses	58.4	58.3	(0.1)	(0.2)
SG&A expenses less R&D expenditures	37.7	38.6	0.9	2.4
R&D expenditures	20.7	19.7	(1.0)	(4.9)
Operating income	20.5	22.3	1.8	9.0
Non-operating income	1.1	1.5	0.4	
Non-operating expenses	2.0	1.7	(0.3)	
Recurring income	19.6	22.2	2.6	13.3
Extraordinary income	—	—	—	
Extraordinary expenses	3.5	—	(3.5)	
Additional retirement expenses for employees	2.9	—	(2.9)	
Loss on reform of retirement benefits plan	0.6	—	(0.6)	
Income before income taxes and minority interests	16.0	22.2	6.2	38.5
Income taxes	6.5	8.3	1.8	
Minority interests	0.0	0.1	0.0	
Net income	9.5	13.8	4.3	45.5

（Positives）
・Sales of 4 strategic products increased
・Exports increased
（Negatives）
・Previous year-end's shipment increased due to distribution centers/system integration
・Sales decrease other than 4 strategic products
・Decrease in industrial property revenues

・Cost of sales ratio improved due to sales growth of 4 strategic products (37.9% → 37.4%)

・Increase in advertising expenses

・Overseas clinical development expense carried forward
・(A) includes in-licensing lump-sum payment

・Increase in interest and dividend income

Note: Cost of Sales includes provision for (reversal of) reserve for sales returns.

2. Segment Information (Billions of Yen)

	Six months ended 9/30/06			Six months ended 9/30/07			Year ended 3/31/07			Year ending 3/31/08 (Forecast)		
	Pharmaceuticals	Other Products	Total	Pharmaceuticals	Other Products	Total	Pharmaceuticals	Other Products	Total	Pharmaceuticals	Other Products	Total
Net sales	100.3	26.6	126.9	102.0	26.8	128.7	206.3	55.0	261.2	210.0	57.0	267.0
Operating income	19.8	0.7	20.5	21.8	0.6	22.3	44.4	1.2	45.6			

3. Sales of Major Products

Domestic Sales

(Billions of Yen)

Brand name (Generic name) Therapeutic indication	Six months ended 9/30/06	Six months ended 9/30/07	Year ended 3/31/07	Year ending 3/31/08 (Forecast)
AMLODIN® (amlodipine) Therapeutic agent for hypertension and angina pectoris	28.7	**32.1**	59.2	66.0
GASMOTIN® (mosapride citrate) Gastroprokinetic	8.9	**9.4**	18.5	20.0
MEROPEN® (meropenem) Carbapenem antibiotic	7.0	**7.1**	14.3	15.0
PRORENAL® (limaprost alfadex) Vasodilator	6.8	**7.1**	13.8	15.0
EBASTEL® (ebastine) Antiallergic	4.3	**3.9**	11.4	11.0
SUMIFERON® (interferon-α NAMALWA)) Natural alpha interferon	3.2	**3.0**	6.4	6.1
GROWJECT® (somatropin) Growth hormone	2.4	**2.1**	4.8	4.9
DOPS® (droxidopa) Norepinephrine-activating neural function ameliorant	2.3	**2.1**	4.5	4.0
QVAR™ (beclomethasone dipropionate) Bronchial asthma	2.3	**2.0**	4.8	4.5
GLIMICRON® (gliclazide) Oral hypoglycemic	2.3	**2.0**	4.4	4.1
EXCEGRAN® (zonisamide) Antiepileptic	1.8	**1.8**	3.6	3.5
TAGAMET® (cimetidine) H_2-receptor antagonist	2.0	**1.7**	3.9	3.3
ALMARL® (arotinolol) Therapeutic agent for hypertension, angina pectoris and arrhythmia	1.8	**1.6**	3.5	3.2
SEDIEL® (tandospirone) Serotonin-agonist antianxiety drug	1.5	**1.5**	3.0	3.0
LULLAN® (perospirone) Antipsychotic	1.6	**1.5**	3.1	3.1
AmBisome® (amphotericin B) Therapeutic agent for systemic fungal infection	0.3	**1.2**	1.3	4.0

Exports

(Billions of Yen)

Brand name (Generic name) Therapeutic indication	Six months ended 9/30/06	Six months ended 9/30/07	Year ended 3/31/07	Year ending 3/31/08 (Forecast)
MEROPENEM (meropenem trihydrate) Carbapenem antibiotic	7.9	**9.0**	16.1	16.0
MOSAPRIDE (mosapride citrate) Gastroprokinetic	0.6	**0.8**	1.4	1.8
ZONISAMIDE (zonisamide) Antiepileptic	0.4	**0.1**	0.8	0.2

Industrial Property Revenues

(Billions of Yen)

	Six months ended 9/30/06	Six months ended 9/30/07	Year ended 3/31/07	Year ending 3/31/08 (Forecast)
Industrial property revenues	2.4	**1.6**	3.9	2.8

4. Selling, General and Administrative Expenses

(Billions of Yen)

	Six months ended		Six months ended		Year ended		Year ending	
	9/30/06	% of net sales	9/30/07	% of net sales	3/31/07	% of net sales	3/31/08 (Forecast	% of net sales
Net sales	126.9	100.0	128.7	100.0	261.2	100.0	267.0	100.0
Labor costs	16.2	—	16.1	—	32.1	—		
Advertising and promotion costs	2.4	—	3.0	—	5.0	—		
Sales promotion costs	4.7	—	4.5	—	9.5	—		
Other costs	14.5	—	15.0	—	28.9	—		
SG&A expenses less R&D expenditures	37.7	29.7	38.6	30.0	75.4	29.0	78.7	29.5
R&D expenditures	20.7	16.3	19.7	15.3	40.9	15.6	47.0	17.6
SG&A expenses	58.4	46.0	58.3	45.3	116.3	44.6	125.7	47.1

III. Consolidated Balance Sheet

ASSETS

(Billions of Yen)

	As of 3/31/07 (A)	As of 9/30/07 (B)	(B) - (A)
[Assets]	382.5	384.2	1.6
Current assets:	234.3	237.8	3.5
Cash and time deposits	55.8	40.6	(15.2)
Notes and accounts receivable	88.8	85.2	(3.6)
Marketable securities	28.0	9.0	(19.0)
Inventories	45.0	46.8	1.9
Deferred tax assets	10.4	11.4	1.0
Short-term loans	—	40.0	40.0
Others	6.6	5.1	(1.6)
Allowance for doubtful receivables	(0.2)	(0.3)	(0.1)
Fixed assets:	148.2	146.4	(1.8)
Property, plant and equipment	65.2	64.9	(0.3)
Buildings and structures	37.4	36.7	(0.7)
Machinery, equipment and carriers	11.3	11.2	(0.1)
Land	10.0	10.0	—
Construction in progress	1.9	2.5	0.5
Others	4.6	4.5	(0.0)
Intangible fixed assets	6.7	6.4	(0.3)
Investments and other assets	76.3	75.1	(1.2)
Investment securities	52.0	48.1	(3.9)
Deferred tax assets	0.0	0.0	0.0
Others	24.6	27.3	2.7
Allowance for doubtful receivables	(0.4)	(0.3)	0.0
Total assets	382.5	384.2	1.6

・Decrease in time deposits/CPs and increase in short-term loans because of loan to affiliates

・Decrease by valuation of marketable securities
・Increase by investment on a bio-venture fund and purchase of corporate bonds

・Increase in long-term deposits

	Year ended 3/31/07	Six months ended 9/30/07
Accounts receivable turnover period (in months)	4.08	3.97

LIABILITIES AND NET ASSETS

(Billions of Yen)

	As of 3/31/07 (A)	As of 6/30/07 (B)	(B) - (A)
[Liabilities]	76.5	70.3	(6.2)
Current liabilities:	56.0	56.1	0.1
Notes and accounts payable	18.0	15.1	(2.9)
Current portion of long-term debt	—	4.6	4.6
Income taxes payable	8.2	7.9	(0.3)
Reserve for bonuses	8.0	7.2	(0.8)
Reserve for sales returns	0.1	0.1	0.0
Reserve for sales rebates	0.5	0.4	(0.0)
Reserve for expenses related to litigation	1.0	1.0	—
Others	20.1	19.8	(0.4)
Long-term liabilities:	20.5	14.2	(6.3)
Long-term debt	4.6	—	(4.6)
Deferred tax liabilities	2.1	0.9	(1.2)
Reserve for retirement benefits	8.2	8.3	0.1
Reserve for directors' retirement benefits	0.1	0.0	(0.0)
Others	5.6	4.9	(0.7)
[Net assets]	306.0	313.8	7.8
Shareholders' equity	287.3	298.3	11.0
Common stock	22.4	22.4	—
Capital surplus	15.9	15.9	(0.0)
Retained earnings	249.5	260.6	11.1
Treasury stock	(0.5)	(0.5)	(0.1)
Valuation, transaction adjustments and others	17.8	14.6	(3.3)
Unrealized gains on available-for-sale securities	17.8	14.6	(3.3)
Minority interests	0.9	1.0	0.1
Total liabilities and net assets	382.5	384.2	1.6

・Transfer because long-term debt became due within a year

・Decrease by valuation of marketable securities

IV. Group-to-Parent Ratios, Consolidated Subsidiary, Numbers of Employees and MRs

1. Group-to-parent ratios for the six months ended 9/30/07

(Billions of Yen)

	Consolidated	Non-consolidated	Variance	Group-to-parent ratio
Net sales	128.7	120.6	8.1	1.07
Operating income	22.3	22.2	0.1	1.01
Recurring income	22.2	22.1	0.1	1.00
Net income	13.8	13.9	(0.1)	0.99

2. Consolidated subsidiary (as of 9/30/07)

	Establishment date	Paid-in capital	Ownership
Gokyo Trading Co., Ltd.	October 1947	¥100 million	52.48%
DS Phama Biomedical Co., Ltd.	April 2001	¥480 million	100.00%

3. Number of employees (as of 9/30/07): 4,878 (consolidated); 4,719 (non-consolidated)

4. Number of MRs (as of 9/30/07): 1,450 (excluding managers); 1,650 (including managers)

V. Quarterly Business Results

(Billions of Yen)

	Year ended 3/31/07				Year ending 3/31/08	
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
Net sales	65.3	61.7	68.9	65.3	65.3	63.4
Cost of Sales	24.6	23.5	25.8	25.5	25.4	22.8
SG&A expenses	28.5	29.9	29.4	28.5	27.8	30.5
SG&A expenses less R&D expenditures	18.9	18.8	18.9	18.8	18.5	20.1
R&D expenditures	9.6	11.1	10.5	9.7	9.3	10.4
Operating income	12.2	8.3	13.7	11.4	12.1	10.2
Non-operating income	0.7	0.4	0.4	0.4	1.1	0.4
Non-operating expenses	0.4	1.6	0.4	1.9	0.4	1.3
Recurring income	12.5	7.1	13.7	9.9	12.8	9.4
Extraordinary expenses	2.9	0.6	–	1.2	–	–
Income before income taxes and minority interests	9.5	6.5	13.7	8.7	12.8	9.4
Net income	5.6	3.9	8.4	4.7	7.8	6.0

VI. Non-Consolidated Financial Highlights

1. Highlights of the Statements of Income (Billions of Yen)

	Six months ended 9/30/06	Six months ended 9/30/07	Change (%)	Year ended 3/31/07	Year ending 3/31/08 (Forecast)	Change (%)
Net sales	120.4	120.6	0.2	247.8	251.0	1.3
Cost of sales	42.4	41.6	(1.9)	87.6	87.9	0.3
SG&A expenses	57.7	56.9	(1.4)	114.9	122.4	6.5
[R&D expenditures]	[20.7]	[19.6]	[(5.3)]	[40.9]	[47.0]	[15.0]
Operating income	20.3	22.2	9.1	45.3	40.7	(10.1)
Recurring income	19.4	22.1	13.7	42.9	40.0	(6.8)
Net income	9.4	13.9	47.1	22.5	24.8	10.0

＊ Cost of Sales includes provision for (reversal of) reserve for sales returns.

Earnings per share (yen)	23.76	34.96	56.72	62.40

2. Highlights of the Balance Sheet (Billions of Yen)

	As of 3/31/07 (A)	As of 9/30/07 (B)	(B) - (A)
Total assets	376.4	377.6	1.2
Net assets	304.1	311.9	7.8
Shareholders' equity	304.1	311.9	7.8
Shareholders' equity ratio	80.8%	82.6%	

VII. Shareholder Positioning (As of September 30, 2007)

1. Total number of authorized shares: 1,500,000,000

2. Total number of shares outstanding: 397,900,154 (Number of treasury stock 453,498)

3. Number of shareholders: 16,724

4. Major shareholders:

Shareholders	Status of Ownership	
	Number of Shares Held	Percentage of Issued Shares
	000 shares	%
Sumitomo Chemical Co., Ltd.	199,434	50.12
Inabata & Co., Ltd.	33,282	8.36
The Master Trust Bank of Japan, Ltd. (Trust account)	16,059	4.04
Japan Trustee Services Bank, Ltd. (Trust account)	10,989	2.76
Nippon Life Insurance Company	10,530	2.65
Japan Trustee Services Bank, Ltd. (Trust account for Sumitomo Mitsui Banking Corporation's retirement benefits)	7,000	1.76
Sumitomo Life Insurance Company	5,776	1.45
Nissay Dowa General Insurance Co., Ltd.	4,928	1.24
The Dai-ichi Mutual Life Insurance Company	3,248	0.82
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,144	0.79

VIII. Development Pipeline

Major Products under Development in Japan by DSP

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
NDA filed	AD-5423 Oral	blonanserin	Schizophrenia	Developed in-house
	Oral	irbesartan	Hypertension	Originated by sanofi-aventis and sublicensed from Bristol-Myers K.K. for the Japanese market. Co-development with Shionogi for the Japanese market.
	SM-11355 Injection	miriplatin hydrate	Hepatocellular carcinoma	Developed in-house
NDA filed New Indication	AD-810N Oral	zonisamide	Parkinson's disease	Developed in-house Approved indication: epilepsy (Brand name: EXCEGRAN®)
	SUMIFERON Injection	interferon-alfa (NAMALWA)	Compensated cirrhosis associated with chronic hepatitis C	In-licensed from GlaxoSmithKline Approved indications: chronic hepatitis C, renal cancer, etc.

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase III New Indication	MEROPEN Injection	meropenem hydrate	Febrile neutropenia	Developed in-house Approved indications: moderate to severe bacterial infections
	GASMOTIN Oral	mosapride citrate	Concomitant use with "Niflec" for pretreatment of the colon examined by barium enema X-ray radiography	Co-developed with Ajinomoto Approved indications: Gastrointestinal symptoms associated with chronic gastritis (heartburn, nausea/vomiting).

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase II	AS-3201 Oral	ranirestat	Diabetic neuropathy	Developed in-house Co-developed with Kyorin Pharmaceutical in JPN Phase IIb
	SM-13496 Oral	lurasidone	Schizophrenia	Developed in-house Under preparation for Phase III
	SMP-114 Oral	rimacalib	Rheumatoid arthritis	Developed in-house
	SMP-508 Oral	repaglinide	Diabetes	In-licensed from Novo Nordisk Under preparation for Phase III
	SMP-862 Oral	metformin hydrochloride	Diabetes	In-licensed from Merck Sante
	AC-3933 Oral	radequinil	Dementia	Developed in-house
Phase II New Indication	PRORENAL Oral	limaprost alfadex	Cervical spondylosis	Co-developed with Ono Pharmaceutical in JPN Approved indications: symptoms associated with thromboangitis obliterans and acquired lumbar spinal canal stenosis

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase I	SMP-986 Oral	TBD	Overactive bladder	Developed in-house

[Main revisions since the announcement of July 2007]

SMP-11355 (miriplatin hydrate)	Changed from “Phase II” to “NDA filed”
AS-3201 (ranirestat)	Changed from “Under preparation for Phase IIb” to “Phase IIb”
SM-13496 (lurasidone)	“Under preparation for Phase III” was added in the Remarks
SMP-986	Added to “Phase I”

Major Products under Development in Foreign Markets by DSP

Stage	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase III	SM-13496 Oral	lurasidone	Schizophrenia	Developed in-house Phase III in the U.S. and Europe, etc.

Stage	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase II	SMP-114 Oral	rimacalib	Rheumatoid arthritis	Developed in-house Phase IIb in Europe
	AD-5423 Oral	blonanserin	Schizophrenia	Developed in-house Phase II in the U.S. and Europe
	AC-3933 Oral	radequinil	Dementia	Developed in-house Phase IIa in the U.S. and Europe
	SMP-986 Oral	TBD	Overactive bladder	Developed in-house Phase II in the U.S. and Europe

Stage	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase I	SMP-028 Oral	TBD	Bronchial asthma	Developed in-house Phase I in the U.S.

[Main revisions since the announcement of July 2007]

SM-13496 (lurasidone) Changed from “Under preparation for Phase III in the U.S. and Europe etc.” to “Phase III in the U.S. and Europe, etc.”

Major Products under Development in Foreign Markets by Licensees

Generic / Product code (Brand name in JPN)	Therapeutic indications	Status of development
AG-7352	Cancer	Out-licensed to Sunesis Pharmaceuticals Inc. for the worldwide territory in October 2003 Phase II trials ongoing by Sunesis (Sunesis' product code: SNS-595)
SMP-601	Life-threatening infection	Out-licensed to Protez Pharmaceuticals for the US/EU territory in May 2005 Phase I ongoing in Switzerland by Protez Pharmaceuticals
amrubicin hydrochloride (CALSED)	Small Cell Lung Cancer	Out-licensed to Pharmion (transferred from Cabrellis) for the European and U.S. territories in June 2005 Phase III ongoing in the U.S. and Europe by Pharmion
ranirestat AS-3201	Diabetic neuropathy (Aldose reductase inhibitor)	Out-licensed to Eisai for the worldwide territory, excluding Japan, in September 2005. Under preparation for Phase III in the U.S. and Europe by Eisai
droxidopa (DOPS)	Synthetic precursor of norepinephrine	Out-licensed to Chelsea for the worldwide territory, excluding Japan, China, Korea and Taiwan in May 2006. Under preparation for Phase III in the U.S. and Europe by Chelsea

[Main revisions since the announcement of July 2007]

Amrubicin hydrochloride (CALSED)	Changed from "Phase II ongoing" to "Phase III ongoing"
Droxidopa (DOPS)	Newly added

IX. Profile of Major Products under Development

AD-5423 (blonanserin)　　Schizophrenia

- Developed in-house
- This drug blocks dopamine-2 receptors and serotonin-2 receptors. In clinical studies, this drug showed efficacy on not only positive symptoms of schizophrenia (such as hallucinations or delusions), but also negative symptoms (such as flat affect or hypobulia). The incidence of adverse reactions such as extrapyramidal symptoms or weight gain in the clinical studies was lower than the incidence reported for other drugs in this therapeutic area.
- Development stage: NDA filed in Japan. Phase II in the U.S. and Europe

irbesartan　　Hypertension

- Originated by sanofi-aventis and sublicensed from Bristol-Myers K.K. for the Japanese market. Co-development with Shionogi for the Japanese market.
- The 6th ARB (Angiotensin II receptor antagonist) in Japan
- Long-lasting stable anti-hypertension effect with renal and cardiac protection effect. Abundant data for efficacy and safety available from the US and Europe where this drug is on the market.
- Development stage: NDA filed in Japan
-

SM-11355 (miriplatin hydrate)　　Hepatocellular carcinoma

- Developed in-house
- This drug is a lipid-soluble platinum complex that is suspended in Lipiodol and the suspension injected via a hepatic artery into the liver. By having it suspended in Lipiodol, the active substance of this drug is localized around the tumor and gradually released for a long time. This mechanism of action was confirmed in clinical studies on this drug, resulting in a high anti-tumor effect with reduced systemic adverse reactions.
- Development stage: NDA filed in Japan

AD-810N (zonisamide)　　Parkinson's disease (New indication)

- Developed in-house
- Launched in June 1989 as an anti-epileptic drug (EXCEGRAN®), this drug has since been found to be useful in alleviating the symptoms of Parkinson's disease. This drug is believed to have a unique mechanism of action that is different from the mechanism of conventional anti-Parkinson's disease agents, most of which are dopamine receptor agonists.
- Development stage: NDA filed in Japan

AS-3201 (ranirestat)　　Diabetic neuropathy

- Developed in-house
- AS-3201 alleviates diabetic neuropathy, a complication of diabetes, by inhibiting aldose reductase and thereby inhibiting the accumulation of intracellular sorbitol that causes diabetic neuropathy. This drug has a stronger inhibitory effect and is longer acting compared to other drugs in this therapeutic area. AS-3201 showed good penetration into the nerve tissue, resulting in dose-dependent inhibition of intraneural accumulation of sorbitol and fructose in a clinical study. Based on the results of clinical studies, this drug is expected to show improvement of neuronal function and symptoms related to diabetic neuropathy.
- AS-3201 was out-licensed to Eisai for the overseas territory in September 2005. Eisai is planning Phase III study.

- Development stage: Phase IIb in Japan (co-developed with Kyorin Pharmaceutical)

SM-13496 (lurasidone) Schizophrenia

- Developed in-house
- SM-13496 is a potent antagonist against dopamine-2, serotonin-2 and serotonin-7 receptors with a high affinity for serotonin-1A receptor. This drug is expected to have long-acting efficacy on schizophrenia with superior safety profile due to a reduced incidence of extrapyramidal reactions, cardiac reactions and weight gain.
- Development stage: Phase III in the U.S. and Europe, etc. Under preparation for Phase III in Japan

SMP-114 (rimacalib) Rheumatoid arthritis

- Developed in-house
- A new type of disease-modifying anti-rheumatic drug (DMARD) for oral administration, SMP-114 is expected to inhibit progression of rheumatoid arthritis, such as chronic inflammation and the destruction or deformation of joints.
- Development stage: Phase II in Europe. Phase II in Japan

SMP-508 (repaglinide) Diabetes

- In-licensed from Novo Nordisk
- The third rapid insulin secretagogue in Japan. This drug is expected to suppress the postprandial elevation of blood glucose levels, resulting in lower HbAlc and fasting blood glucose levels.
- Development stage: Under preparation for Phase III in Japan

SMP-862 (metformin hydrochloride) Diabetes

- In-licensed from Merck Sante
- SMP-862 (metformin hydrochloride) is an anti-diabetic agent that lowers blood glucose levels by improving insulin resistance without enhancing insulin secretion. An oral formulation of metformin hydrochloride was first developed and launched as Melbin® in Japan by our company in 1961. Following the elucidation of the mechanism of action of metformin and with the accumulated findings from the large-scale clinical trials on this drug conducted in the U.S. and Europe, we believe that further information about the effect of this drug on Japanese patients should be collected to meet with the recent trend for evidence-based medicine. We are conducting clinical studies on Japanese patients so as to meet with the current regulatory requirement to approve a new indication with new dosage regimen for metformin.
- Development stage: Phase II in Japan

AC-3933 (radequinil) Dementia

- Developed in-house
- AC-3933 is a partial inverse agonist at benzodiazepine receptors, a mechanism of action markedly different from that of acetylcholinesterase inhibitors. This drug not only activates cholinergic neurons by enhancing the release of acetylcholine, but it also stimulates glutaminergic neurons. This drug is expected to improve memory impairment, a core symptom of dementia.
- Development stage: Phase II in the U.S. and Europe. Phase II in Japan

SMP-986 Overactive bladder

- Developed in-house
- SMP-986 possesses the dual pharmacological actions of muscarinic receptor antagonism (non-selective) and inhibition of the bladder afferent pathway through Na+-channel blockade. The drug is expected to

ease urinary urgency and reduce the frequency of both urination and incontinence. This drug is expected to have lower incidence of side effects related to muscarinic receptor antagonism, such as dry mouth.

- Development stage: Phase II in the U.S. and Europe. Phase I in Japan

SMP-028 Bronchial asthma

- Developed in-house
- SMP-028 suppresses a variety of inflammatory leukocytes that are involved in the pathology of bronchial asthma. It is expected to become a treatment for asthma with a novel anti-inflammatory mechanism of action.
- Development stage: Phase I in the U.S.