Securities Code: 4506

Supplementary Financial Data for the Year Ended－ March 31, 2008

May 9, 2008

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)

	Year ended 3/31/07	Year ended 3/31/08		Six months ending 9/30/08 (Forecast)		Year ending 3/31/09 (Forecast)	
			Change (%)		Change (%)		Change (%)
Net sales	261.2	264.0	1.1	132.6	3.0	266.0	0.8
Cost of sales	99.3	99.4	0.0	51.2	6.3	102.5	3.1
SG&A expenses	116.3	124.8	7.3	66.8	14.7	133.0	6.6
[R&D expenditures]	[40.9]	[47.3]	[15.7]	[28.1]	(42.9)	[56.5]	(19.5)
Operating income	45.6	39.8	(12.6)	14.6	(34.6)	30.5	(23.4)
Recurring income	43.2	37.7	(12.8)	14.6	(34.2)	30.5	(19.0)
Net income	22.6	25.6	13.2	8.8	(36.2)	18.5	(27.7)

Notes: Cost of Sales includes reversal of (provision for) reserve for sales returns.
"Change(%)" represent ratio of changes from the figures for the corresponding period of the previous fiscal year.

Earnings per share (yen)	56.86	64.39	46.55
Return on equity (ROE)	7.6%	8.2%	5.7%
Payout ratio	24.6%	28.0%	38.7%

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

	As of 3/31/07 (A)	As of 3/31/08 (B)	(B) - (A)
Total assets	382.5	399.8	17.3
Net assets	306.0	318.3	12.3
Shareholders' equity	305.1	318.2	13.1
Shareholders' equity ratio	79.8%	79.6%	

3. Capital Expenditures and Depreciation (Billions of Yen)

	Year ended 3/31/07	Year ended 3/31/08	Change	Year ending 3/31/09 (Forecast)	Change
Capital expenditures (including intangible fixed assets)	9.5	15.5	5.9	12.0	(3.5)
Depreciation and amortization	11.3	11.1	(0.2)	11.5	0.4

- Major capital expenditure projects for the year ending March 31, 2009

Renovation of Experimental animal facility in Central Research Laboratories:

¥0.5 billion (total budget: ¥0.55 billion, to be completed in December 2008)

Renewal of PTP packaging machine in Ibaraki Plant:

¥0.57 billion (total budget: ¥0.57 billion, to be completed in February 2009)

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

	Year ended 3/31/07	Year ended 3/31/08	Change
Cash flows from operating activities	37.9	32.5	(5.4)
Cash flows from investing activities	(19.7)	(51.0)	(31.3)
Cash flows from financing activities	(7.8)	(6.9)	0.8
Cash and cash equivalents at end of period	81.7	56.3	(25.5)

・Short-term loan to the parent company

II. Consolidated Statements of Income

1. Statements of Income (Billions of Yen)

	Year ended 3/31/07 (A)	Year ended 3/31/08 (B)	(B)-(A)	Change (%)
Net sales	261.2	264.0	2.8	1.1
Overseas sales	22.0	24.5	2.5	11.3
Cost of Sales	99.3	99.4	0.0	0.0
Gross profit	161.9	164.6	2.7	1.7
SG&A expenses	116.3	124.8	8.5	7.3
Labor costs	32.1	32.3	0.3	0.9
Advertising and promotion costs	5.0	5.9	0.8	16.3
Sales promotion costs	9.5	9.4	(0.0)	(0.2)
Other costs	28.9	29.9	1.0	3.5
SG&A expenses less R&D expenditures	75.4	77.5	2.1	2.8
R&D expenditures	40.9	47.3	6.4	15.7
Operating income	45.6	39.8	(5.7)	(12.6)
Non-operating income	1.9	3.1	1.2	
Non-operating expenses	4.3	5.2	1.0	
Recurring income	43.2	37.7	(5.5)	(12.8)
Extraordinary income:	—	3.8	3.8	
Gain on sales of investment securities	—	3.8	3.8	
Extraordinary expenses:	4.8	—	(4.8)	
Additional retirement expenses for employees	2.9	—	(2.9)	
Expenses related to litigation	1.0	—	(1.0)	
Loss on reform of retirement benefits plan	0.6	—	(0.6)	
Loss on impairment of fixed assets	0.2	—	(0.2)	
Income before income taxes and minority interests	38.4	41.5	3.0	7.9
Income taxes	15.8	15.8	0.0	
Minority interests	0.1	0.1	0.0	
Net income	22.6	25.6	3.0	13.2

(Positives)
・Increased sales of 4 strategic products
・Increase of exports
(Negatives)
・Decreased sales other than 4 strategic products

・Improved cost of sales ratio due to sales growth of 4 strategic products (38.0% → 37.6%)

・Measures to raise company awareness

・Overseas clinical trials of lurasidone fully in progress

・Increase in interest income

・Sales of investment securities due to tender offer

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

2. Segment Information

(Billions of Yen)

	Year ended 3/31/07			Year ended 3/31/08			Six months ending 9/30/08 (Forecast)			Year ending 3/31/09 (Forecast)		
	Pharma ceuticals	Other products	Total	Pharma ceuticals	Other products	Total	Pharma ceuticals	Other products	Total	Pharma ceuticals	Other products	Total
Net sales	206.3	55.0	261.2	208.7	55.3	264.0	104.6	28.0	132.6	209.0	57.0	266.0
Operating income	44.4	1.2	45.6	38.7	1.1	39.8						

3. Sales of Major Products

Domestic Sales

(Billions of Yen)

Brand name (Generic name) Therapeutic indication	Year ended 3/31/07	Year ended 3/31/08	Year ending 3/31/09 (Forecast)
AMLODIN® (amlodipine) Therapeutic agent for hypertension and angina pectoris	59.2	**63.6**	57.0
GASMOTIN® (mosapride citrate) Gastroprokinetic	18.5	**19.5**	20.0
MEROPEN® (meropenem) Carbapenem antibiotic	14.3	**14.8**	14.5
PRORENAL® (limaprost alfadex) Vasodilator	13.8	**14.5**	15.0
EBASTEL® (ebastine) Antiallergic	11.4	**11.1**	10.5
SUMIFERON® (interferon-α NAMALWA)) Natural alpha interferon	6.4	**6.0**	6.5
QVAR™ (beclomethasone dipropionate) Bronchial asthma	4.8	**4.3**	4.3
GROWJECT® (somatropin) Growth hormone	4.8	**4.3**	4.5
DOPS® (droxidopa) Norepinephrine-activating neural function ameliorant	4.5	**4.1**	3.6
GLIMICRON® (gliclazide) Oral hypoglycemic	4.4	**3.9**	3.5
EXCEGRAN® (zonisamide) Antiepileptic	3.6	**3.5**	3.5
TAGAMET® (cimetidine) H_2-receptor antagonist	3.9	**3.3**	2.8
ALMARL® (arotinolol) Therapeutic agent for hypertension, angina pectoris and arrhythmia	3.5	**3.2**	3.0
LULLAN® (perospirone) Antipsychotic	3.1	**3.0**	2.9
SEDIEL® (tandospirone) Serotonin-agonist antianxiety drug	3.0	**3.0**	2.9
AmBisome® (amphotericin B) Therapeutic agent for systemic fungal infection	1.3	**2.5**	4.0

Exports (Billions of Yen)

Generic name Therapeutic indication	Year ended 3/31/07	Year ended 3/31/08	Year ending 3/31/09 (Forecast)
meropenem trihydrate Carbapenem antibiotic	16.1	**18.1**	14.0
mosapride citrate Gastroprokinetic	1.4	**1.7**	1.8
zonisamide Antiepileptic	0.8	**0.3**	0.8

Industrial Property Revenues (Billions of Yen)

	Year ended 3/31/07	Year ended 3/31/08	Year ending 3/31/09 (Forecast)
Industrial property revenues	3.9	**3.5**	3.4

Overseas Sales (Billions of Yen)

	Year ended 3/31/07	Year ended 3/31/08	Year ending 3/31/09 (Forecast)
Exports	19.1	**21.1**	17.3
Industrial property revenues	2.9	**3.5**	3.4
Overseas Sales Total (% of net sales)	22.0 (8.4)	**24.5** **(9.3)**	20.7 (7.8)

III. Consolidated Balance Sheets

ASSETS

(Billions of Yen)

	As of 3/31/07 (A)	As of 3/31/08 (B)	(B) - (A)
[Assets]	382.5	399.8	17.3
Current assets:	234.3	251.1	16.7
Cash and time deposits	55.8	28.2	(27.6)
Notes and accounts receivable	88.8	86.4	(2.4)
Marketable securities	28.0	30.1	2.1
Inventories	45.0	48.5	3.6
Deferred tax assets	10.4	13.4	2.9
Short-term loans	—	40.0	40.0
Others	6.6	4.9	(1.8)
Allowance for doubtful receivables	(0.2)	(0.3)	(0.1)
Fixed assets:	148.2	148.7	0.5
Property, plant and equipment:	65.2	70.3	5.0
Buildings and structures	37.4	39.8	2.3
Machinery, equipment and carriers	11.3	10.1	(1.2)
Land	10.0	10.0	—
Construction in progress	1.9	6.2	4.2
Others	4.6	4.3	(0.3)
Intangible fixed assets	6.7	5.8	(0.9)
Investments and other assets:	76.3	72.6	(3.7)
Investment securities	52.0	44.3	(7.7)
Deferred tax assets	0.0	1.6	1.6
Others	24.6	26.9	2.3
Allowance for doubtful receivables	(0.4)	(0.3)	0.1
Total assets	382.5	399.8	17.3

・Decrease in time deposits and increase in short-term loans because of loan to the parent company

・New solid preparation building at the Suzuka Plant,etc.

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

	Year ended 3/31/07	Year ended 3/31/08
Accounts receivable turnover period (in months)	4.08	3.93

LIABILITIES AND NET ASSETS

(Billions of Yen)

	As of 3/31/07 (A)	As of 3/31/08 (B)	(B) - (A)
［Liabilities］	76.5	81.5	5.0
Current liabilities:	56.0	67.9	11.9
Notes and accounts payable	18.0	16.5	(1.5)
Current portion of long-term debt	—	4.6	4.6
Income taxes payable	8.2	10.9	2.6
Reserve for bonuses	8.0	8.2	0.2
Reserve for sales returns	0.1	0.1	(0.0)
Reserve for sales rebates	0.5	0.5	(0.0)
Reserve for expenses related to litigation	1.0	1.1	0.0
Other accounts payable	—	22.8	22.8
Others	20.1	3.3	(16.9)
Long-term liabilities:	20.5	13.6	(6.9)
Long-term debt	4.6	—	(4.6)
Deferred tax liabilities	2.1	—	(2.1)
Reserve for retirement benefits	8.2	8.8	0.6
Reserve for directors' retirement benefits	0.1	0.0	(0.0)
Others	5.6	4.8	(0.8)
［Net assets］	306.0	318.3	12.3
Shareholders' equity:	287.3	306.5	19.2
Common stock	22.4	22.4	—
Capital surplus	15.9	15.9	(0.0)
Retained earnings	249.5	268.8	19.3
Treasury stock	(0.5)	(0.6)	(0.1)
Valuation, transaction adjustments and others	17.8	11.7	(6.1)
Unrealized gains on available-for-sale securities	17.8	11.7	(6.1)
Minority interests	0.9	0.1	(0.8)
Total liabilities and net assets	382.5	399.8	17.3

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

・(A)： Other accounts payable (15.8 billion yen) is included in ″Others„
・(B)：Increase because payments for construction of new solid preparation building are due after April
（Net increase of other accounts payable is 7.1 billion yen）

・Decrease by valuation of marketable securities

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

1. Group-to-parent ratios for the year ended 3/31/08

(Billions of Yen)

	Consolidated	Non-consolidated	Variance	Group-to-parent ratio
Net sales	264.0	247.8	16.2	1.07
Operating income	39.8	39.5	0.4	1.01
Recurring income	37.7	38.0	(0.3)	0.99
Net income	25.6	25.4	0.2	1.01

2. Consolidated subsidiaries (as of 3/31/08)

	Establishment	Paid-in capital	Ownership
Gokyo Trading Co., Ltd.	October 1947	¥100 million	96.12%
DS Pharma Biomedical Co., Ltd.	April 2001	¥480 million	100%

3. Number of employees (as of 3/31/08): 4,795 (consolidated); 4,646 (non-consolidated)

4. Number of MRs (as of 3/31/08): 1,400 (excluding managers); 1,600 (including managers)

V. Quarterly Business Results

(Billions of Yen)

	Year ended 3/31/07				Year ended 3/31/08			
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	65.3	61.7	68.9	65.3	65.3	63.4	70.5	64.8
Cost of Sales	24.6	23.5	25.8	25.5	25.4	22.8	25.9	25.3
SG&A expenses	28.5	29.9	29.4	28.5	27.8	30.5	33.7	32.8
SG&A expenses less R&D expenditures	18.9	18.8	18.9	18.8	18.5	20.1	19.6	19.3
R&D expenditures	9.6	11.1	10.5	9.7	9.3	10.4	14.1	13.5
Operating income	12.2	8.3	13.7	11.4	12.1	10.2	10.9	6.6
Non-operating income	0.7	0.4	0.4	0.4	1.1	0.4	1.0	0.6
Non-operating expenses	0.4	1.6	0.4	1.9	0.4	1.3	0.8	2.8
Recurring income	12.5	7.1	13.7	9.9	12.8	9.4	11.1	4.4
Extraordinary income	—	—	—	—	—	—	—	3.8
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	11.1	8.2
Net income	5.6	3.9	8.4	4.7	7.8	6.0	6.9	4.9

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

VI. Non-Consolidated Financial Highlights

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

	Year ended 3/31/07	Year ended 3/31/08		Six months ending 9/30/08 (Forecast)		Year ending 3/31/09 (Forecast)	
			Change (%)		Change (%)		Change (%)
Net sales	247.8	247.8	(0.0)	124.6	3.3	250.0	0.9
Cost of sales	87.6	86.2	(1.6)	44.6	7.4	89.5	3.8
SG&A expenses	114.9	122.1	6.2	65.6	15.3	130.5	6.9
[R&D expenditures]	[40.9]	[47.1]	[15.3]	[28.1]	[43.4]	[56.4]	[19.7]
Operating income	45.3	39.5	(12.8)	14.4	(35.1)	30.0	(24.0)
Recurring income	42.9	38.0	(11.4)	14.4	(34.8)	30.0	(21.1)
Net income	22.5	25.4	12.8	8.7	(37.4)	18.2	(28.4)

Notes: Cost of Sales includes reversal of (provision for) reserve for sales returns.
"Change(%)" represent ratio of changes from the figures for the corresponding period of the previous fiscal year.

Earnings per share (yen)	56.72	63.99		45.79

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

	As of 3/31/07 (A)	As of 3/31/08 (B)	(B) - (A)
Total assets	376.4	394.8	18.4
Net assets	304.1	317.0	12.9
Shareholders' equity ratio	80.8%	80.3%	

VII. Shareholder Positioning (As of March 31, 2008)

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

2. Total number of shares outstanding: 397,900,154 (Number of treasury stock 472,642)

3. Number of shareholders: 17,181

4. Major shareholders:

Shareholders	Status of ownership	
	Number of shares held (Thousand shares)	Percentage of issued 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)	14,378	3.61
Nippon Life Insurance Company	10,530	2.65
Japan Trustee Services Bank, Ltd. (Trust account)	9,535	2.40
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
Deutsche Securities Inc.	5,411	1.36
Nissay Dowa General Insurance Co., Ltd.	4,928	1.24
The Dai-ichi Mutual Life Insurance Company	3,248	0.82

VIII. Development Pipeline

Major Products under Development in Japan by DSP

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Approved (awaiting NHI pricing)	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.
NDA filed	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.
	GASMOTIN Oral	mosapride citrate	Improvement in bowel cleansing by orally gastrointestinal lavage solution prior to barium enema X-ray examination	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 III	SMP-508 Oral	repaglinide	Diabetes	In-licensed from Novo Nordisk
	SM-13496 Oral	lurasidone	Schizophrenia	Developed in-house
Phase III New Indication	MEROPEN Injection	meropenem hydrate	Febrile neutropenia	Developed in-house Approved indications: moderate to severe bacterial infections

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
	SMP-114 Oral	rimacalib	Rheumatoid arthritis	Developed in-house
	SMP-862 Oral	metformin hydrochloride	Diabetes	In-licensed from Merck Sante
	AC-3933 Oral	radequinil	Dementia	Developed in-house

Stage in JPN	Brand name/ Product code Formulation	Generic name	Therapeutic indications	Remarks
Phase I	SMP-986 Oral	TBD	Overactive bladder	Developed in-house
	DSP-3235 Oral	TBD	Diabetes	In-licensed from Kissei Pharmaceutical
	Product Code TBD	TBD	Bronchial asthma, allergic rhinitis	Developed in-house Preparing for Phase 1

[Main revisions since the announcement of February 2008]

LONASEN (blonanserin)	Deleted because launched
Irbesartan	Changed from “NDA filed” to “Approved (awaiting NHI pricing)”
GASMOTIN for new indication	Changed from “Phase III” to “NDA filed”
Lurasidone	Changed from “Phase II” to “Phase III”
Prorenal for new indication	Deleted because of discontinuation
DSP-3235	Newly added in “Phase I”
Product code TBD	Newly added in “Phase I (preparing for 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.
	DSP-7238 Oral	TBD	Diabetes	Developed in-house Phase I in Europe
	DSP-8658 Oral	TBD	Diabetes	Developed in-house Preparing for Phase I in the U.S.

[Main revisions since the announcement of February 2008]

DSP-7238	Newly added in “Phase I”
DSP-8658	Newly added in “Phase I (preparing for Phase I)”

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 U.S. and European territories in May 2005 Phase II ongoing in the U.S. by Protez Pharmaceuticals (Protez's product code: PZ-601)
amrubicin hydrochloride (CALSED)	Small Cell Lung Cancer	Out-licensed to Celgene (former Pharmion) for the U.S. and European territories in June 2005 Phase III ongoing in the U.S. and Europe by Celgene
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. Phase II study of intradialytic hypotension ongoing in the U.S. by Chelsea . Phase III study of neurogenic orthostatic hypotension ongoing in the U.S. and Europe by Chelsea.
Product Code TBD	Bronchial asthma, allergic rhinitis	AstraZeneca has right for the worldwide territory, excluding Japan, China, Korea and Taiwan in March 2005. AstraZeneca started Phase I in Europe (January, 2008)

[Main revisions since the announcement of February 2008]

SMP-601	Changed from "Phase I ongoing in Switzerland" to "Phase II ongoing in the U.S."
Droxidopa (DOPS)	Changed from "Phase III study under preparation" to "Phase III study"
Product Code TBD	Newly added

IX. Profile of Major Products under Development

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.
- ARB (angiotensin II receptor antagonist)
- Long-lasting stable anti-hypertension effect with renal protection effect. Abundant data for efficacy and safety available from the US and Europe where this drug is on the market under the brand name of AVAPRO or APROVEL.
- Development stage: Approved (awaiting NHI pricing) in Japan
- Brand name: AVAPRO® Tablet 50 mg/100 mg

SM-11355 (miriplatin hydrate) Hepatocellular carcinoma

- Developed in-house
- This drug is a lipid-soluble platinum complex that is suspended in ethyl esters of iodized fatty acids of poppy seed oil (EEIFA) and the suspension is injected via a hepatic artery into the liver. By having it suspended in EEIFA, the active substance of this drug is localized around the tumor and gradually released for a long time from EEIFA.. 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

SMP-508 (repaglinide) Diabetes

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

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 high antipsychotic efficacy 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. Phase III 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 II in Japan (co-developed with Kyorin Pharmaceutical)

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-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 shows a variety of effects to wide range of inflammatory cells those are involved in the

pathology of bronchial asthma. It suppresses inflammatory mediator release/production and *in vivo* studies have shown effectiveness of SMP-028 in animal models of asthma. It is expected to become a new treatment for asthma as a potent anti-inflammatory agent with a novel mechanism of action.

- Development stage: Phase I in the U.S.

DSP-7238 Diabetes

- Developed in-house
- DSP-7238 is a dipeptidyl peptidase IV (DPP IV) inhibitor and improves hyperglycemia through the GLP-1- induced acceleration of insulin secretion. Since DSP-7238 has a selective and strong inhibitory activity for the GLP-1-degrading enzyme DPP IV, it may be a promising DPP IV inhibitor that achieves better glycemic control.
- Development stage: Phase I in Europe

DSP-3235 Diabetes

- In-licensed from Kissei Pharmaceutical
- DSP-3235 is a selective inhibitor for an isoform of sodium-dependent glucose cotransporters (SGLT1). It is expected to improve postprandial hyperglycemia by suppressing glucose absorption from the intestine with a novel mechanism of action different from that of conventional alpha-glucosidase inhibitors.
- Development stage: Phase I in Japan

DSP-8658 Diabetes

- Developed in-house
- DSP-8658 is a novel PPARα/γ modulator that exhibits potent antihyperglycemic and lipid lowering activity in several animal models.
- Non-clinical studies suggest that DSP-8658 may offer advantages over marketed PPARγ agonists, particularly with respect to improvements in lipid metabolism and incidence of fluid retention or body weight gain.
- Development stage: Preparing for Phase I in the U.S.

Product code TBD Bronchial asthma, allergic rhinitis

- Developed in-house
- An immune response modifier with agonistic activity against Toll-like receptor 7 (TLR7). It is expected to become a therapeutic agent providing long-term disease remission in bronchial asthma and allergic rhinitis.
- A series of promising compounds were identified from the drug discovery research for therapeutic agent with a novel mechanism of action targeting for allergic disorders. With this as a turning point, we started research collaboration with AstraZeneca in 2004, and discovered a drug candidate as an outcome from the research collaboration.
- Entered into a development and marketing agreement with AstraZeneca in March 2005. Under the agreement, we will retain development and commercialization right in Japan, China, Korea and Taiwan, and AstraZeneca will retain development and commercialization right world wide excluding the four countries. Phase I studies ongoing in Europe by AstraZeneca.
- Development stage: Preparing for Phase I in Japan