

**Supplementary Financial Data**  
for the Second Quarter of the Year Ending March 31, 2011

|                                                         |    |
|---------------------------------------------------------|----|
| I. Consolidated Financial Highlights .....              | 1  |
| II. Consolidated Statements of Income .....             | 2  |
| III. Consolidated Balance Sheets .....                  | 7  |
| IV. Major Consolidated Subsidiaries .....               | 9  |
| V. Quarterly Business Results .....                     | 10 |
| VI. Shareholder Positioning .....                       | 11 |
| VII. Development Pipeline .....                         | 12 |
| VIII. Profile of Major Products under Development ..... | 16 |

October 29, 2010

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

### I. Highlights of the Statements of Income

(Billions of yen)

|                                 | Six months ended<br>9/30/09 | Six months ended<br>9/30/10 | Change (%) | Year ended | Change (%) | Year ending                        | Change (%) |
|---------------------------------|-----------------------------|-----------------------------|------------|------------|------------|------------------------------------|------------|
|                                 |                             |                             |            | 3/31/10    |            | 3/31/11<br>(Forecast) <sup>3</sup> |            |
| Net sales                       | 132.2                       | 188.6                       | 42.6       | 296.3      | 12.2       | 365.0                              | 23.2       |
| Cost of sales                   | 51.3                        | 57.8                        | 12.7       | 112.3      | 8.2        | 108.5                              | (3.4)      |
| SG&A expenses                   | 62.0                        | 115.8                       | 86.9       | 148.4      | 14.9       | 238.5                              | 60.7       |
| SG&A expenses less<br>R&D costs | 37.7                        | 83.0                        | 120.0      | 97.0       | 27.1       | 171.5                              | 76.8       |
| R&D costs                       | 24.2                        | 32.8                        | 35.3       | 51.4       | (2.7)      | 67.0                               | 30.4       |
| Operating income                | 18.9                        | 14.9                        | (21.0)     | 35.6       | 14.3       | 18.0                               | (49.5)     |
| Ordinary income                 | 19.1                        | 14.4                        | (24.5)     | 33.8       | 7.8        | 15.5                               | (54.2)     |
| Net income                      | 12.7                        | 8.7                         | (31.6)     | 21.0       | 4.9        | 9.0                                | (57.1)     |

Notes 1: Cost of sales includes provision for (reversal of) reserve for sales returns.

2: Change (%) represent ratio of changes from the corresponding period of the previous year.

3: Forecast released on July 30, 2010 are revised.

|                          |       |       |       |       |
|--------------------------|-------|-------|-------|-------|
| EBITDA (Billions of yen) | 24.2  | 40.4  | 56.4  | 66.8  |
| Earnings per share (yen) | 31.85 | 21.77 | 52.75 | 22.65 |
| Return on equity (ROE)   | 3.8%  | 2.5%  | 6.3%  | 2.7%  |
| Payout ratio             | 28.3% | 41.3% | 34.1% | 79.5% |

### 2. Financial Results of US Subsidiary

(Excluding Impact of Valuations and Accounting Procedures) (Billions of yen)

|                                 | Six months ended<br>6/30/10 | Nine months ended<br>9/30/10 | Year ending            |
|---------------------------------|-----------------------------|------------------------------|------------------------|
|                                 |                             |                              | 12/31/10<br>(Forecast) |
| Net sales                       | 63.0                        | 91.9                         | 121.5                  |
| Cost of sales                   | 6.1                         | 9.4                          | 12.6                   |
| SG&A expenses                   | 40.9                        | 60.4                         | 85.9                   |
| SG&A expenses less<br>R&D costs | 29.4                        | 43.9                         | 63.1                   |
| R&D costs                       | 11.5                        | 16.4                         | 22.8                   |
| Operating income                | 16.0                        | 22.1                         | 23.0                   |
| Ordinary income                 | 16.4                        | 22.5                         | 23.2                   |
| Net income                      | 10.2                        | 14.1                         | 14.3                   |

Note: Forecast released on July 30, 2010 are revised.

### 3. Impact of Accounting for Business Combinations Associated with Acquisition of Sunovion Pharmaceuticals Inc.

(Billions of yen)

|                                 | Six months ended<br>6/30/10 | Nine months ended<br>9/30/10 | Year ending            |
|---------------------------------|-----------------------------|------------------------------|------------------------|
|                                 |                             |                              | 12/31/10<br>(Forecast) |
| Net sales                       | —                           | —                            | —                      |
| Cost of sales                   | 2.6                         | 3.4                          | 3.4                    |
| SG&A expenses                   | 16.6                        | 24.4                         | 32.1                   |
| SG&A expenses less<br>R&D costs | 16.6                        | 24.4                         | 32.1                   |
| R&D costs                       | —                           | —                            | —                      |
| Operating income                | (19.2)                      | (27.7)                       | (35.5)                 |
| Ordinary income                 | (19.2)                      | (27.7)                       | (35.5)                 |
| Net income                      | (12.8)                      | (18.5)                       | (23.7)                 |

### 4. Currency Exchange Rates

|            | FY2010<br>1st half average rate | FY2010 2nd half<br>Forecast rate |
|------------|---------------------------------|----------------------------------|
| Yen / USD  | 91                              | 85                               |
| Yen / Yuan | 13                              | 13                               |

### 5. Capital Expenditures and Depreciation

(Billions of yen)

|                                                       | Six months ended<br>9/30/09 | Six months ended<br>9/30/10 | Change | Year ended | Year ending           | Change |
|-------------------------------------------------------|-----------------------------|-----------------------------|--------|------------|-----------------------|--------|
|                                                       |                             |                             |        | 3/31/10    | 3/31/11<br>(Forecast) |        |
| Capital expenditures<br>(including intangible assets) | 2.6                         | 4.1                         | 1.5    | 6.5        | 13.5                  | 7.0    |
| Depreciation and amortization                         | 5.1                         | 5.7                         | 0.6    | 11.0       | 13.5                  | 2.5    |

Note: Excluding the depreciation associated with acquisition of Sunovion Pharmaceuticals Inc.

## II. Consolidated Statements of Income

### 1. Statements of Income

(Billions of yen)

|                                                   | Six months ended<br>9/30/09<br>(A) | Six months ended<br>9/30/10<br>(B) | Breakdown of<br>(B)-(A) |                        |
|---------------------------------------------------|------------------------------------|------------------------------------|-------------------------|------------------------|
|                                                   |                                    |                                    | (B)-(A)                 | Change (%)             |
|                                                   |                                    |                                    | US Subsidiaries         | Except US Subsidiaries |
| Net sales                                         | 132.2                              | 188.6                              | 56.4                    | 42.6                   |
| Overseas sales<br>[% of net sales]                | 12.4<br>[9.4%]                     | 74.0<br>[39.2%]                    | 61.5                    | 494.9                  |
| Cost of sales                                     | 51.3                               | 57.8                               | 6.5                     | 12.7                   |
| Gross profit                                      | 80.9                               | 130.7                              | 49.9                    | 61.6                   |
| SG&A expenses                                     | 62.0                               | 115.8                              | 53.8                    | 86.9                   |
| Labor costs                                       | 16.8                               | 34.1                               | 17.3                    | 103.3                  |
| Advertising and promotion costs                   | 2.1                                | 7.2                                | 5.1                     | 243.8                  |
| Sales promotion costs                             | 5.4                                | 6.3                                | 0.8                     | 15.0                   |
| Other costs                                       | 13.4                               | 35.5                               | 22.0                    | 164.0                  |
| SG&A expenses less R&D costs                      | 37.7                               | 83.0                               | 45.3                    | 120.0                  |
| R&D costs                                         | 24.2                               | 32.8                               | 8.6                     | 35.3                   |
| Operating income                                  | 18.9                               | 14.9                               | (4.0)                   | (21.0)                 |
| Non-operating income                              | 1.4                                | 1.9                                | 0.5                     |                        |
| Non-operating expenses                            | 1.3                                | 2.4                                | 1.1                     |                        |
| Ordinary income                                   | 19.1                               | 14.4                               | (4.7)                   | (24.5)                 |
| Income before income taxes and minority interests | 19.1                               | 14.4                               | (4.7)                   | (24.5)                 |
| Income taxes                                      | 6.4                                | 5.7                                | (0.7)                   |                        |
| Minority interests in net income                  | 0.0                                | —                                  | (0.0)                   |                        |
| Net income                                        | 12.7                               | 8.7                                | (4.0)                   | (31.6)                 |

Notes 1: Cost of sales includes provision for (reversal of) reserve for sales returns.

2: Overseas sales includes the sales of export.

(Reference)

### Statements of Income (Non-Consolidated)

(Billions of yen)

|                              | Six months ended<br>9/30/09<br>(A) | Six months ended<br>9/30/10<br>(B) | Change (%) | Group-to-parent ratio |
|------------------------------|------------------------------------|------------------------------------|------------|-----------------------|
|                              |                                    |                                    |            |                       |
| Cost of sales                | 45.6                               | 38.6                               | (15.3)     |                       |
| SG&A expenses                | 60.1                               | 57.7                               | (4.0)      |                       |
| SG&A expenses less R&D costs | 35.9                               | 34.3                               | (4.4)      |                       |
| R&D costs                    | 24.2                               | 23.4                               | (3.5)      |                       |
| Operating income             | 18.2                               | 16.7                               | (8.1)      | 0.90                  |
| Ordinary income              | 18.3                               | 15.7                               | (14.1)     | 0.91                  |
| Net income                   | 11.9                               | 10.2                               | (14.4)     | 0.85                  |

Earnings per share (yen)

30.00      25.69

## 2. Segment Information (Six months ended 9/30/10)

(Billions of yen)

|                              | Pharmaceuticals Segment |        |                                       |       |             |       | Others | Total |
|------------------------------|-------------------------|--------|---------------------------------------|-------|-------------|-------|--------|-------|
|                              | Japan                   | U.S.*1 | Impact of purchase price allocation*2 | China | Elimination | Total |        |       |
| Net sales                    | 102.0                   | 63.0   | —                                     | 2.9   | (3.8)       | 164.0 | 24.5   | 188.6 |
| Sales to customers           | 100.8                   | 60.8   | —                                     | 2.5   | —           | 164.0 | 24.5   | 188.6 |
| Intersegment                 | 1.2                     | 2.2    | —                                     | 0.4   | (3.8)       | 0.0   | (0.0)  | —     |
| Cost of sales                | 29.2                    | 6.1    | 2.6                                   | 1.0   | (1.1)       | 37.8  | 20.0   | 57.8  |
| Gross profit                 | 72.8                    | 56.9   | (2.6)                                 | 1.9   | (2.7)       | 126.2 | 4.5    | 130.7 |
| SG&A expenses                | 56.5                    | 40.9   | 16.6                                  | 1.0   | (2.6)       | 112.4 | 3.4    | 115.8 |
| SG&A expenses less R&D costs | 33.3                    | 29.4   | 16.6                                  | 1.0   | (0.4)       | 80.0  | 3.0    | 83.0  |
| R&D costs                    | 23.2                    | 11.5   | —                                     | —     | (2.2)       | 32.4  | 0.4    | 32.8  |
| Operating income             | 16.3                    | 16.0   | (19.2)                                | 0.8   | (0.1)       | 13.8  | 1.1    | 14.9  |

Notes: \*1: Excluding the impact of purchase price allocation by acquisition of Sunovion Pharmaceuticals Inc.

\*2: Mainly amortization of patent rights and goodwill

## (Reference) Segment Information (Six months ended 9/30/09)

(Billions of yen)

|                  | Pharmaceuticals Segment |       |             |       | Others | Total |
|------------------|-------------------------|-------|-------------|-------|--------|-------|
|                  | Japan                   | China | Elimination | Total |        |       |
| Net sales        | 102.7                   | 2.0   | (1.2)       | 103.5 | 28.7   | 132.2 |
| Cost of sales    | 27.4                    | 0.6   | (0.7)       | 27.3  | 24.0   | 51.3  |
| Gross profit     | 75.4                    | 1.4   | (0.5)       | 76.2  | 4.6    | 80.9  |
| SG&A expenses    | 58.0                    | 0.8   | (0.2)       | 58.6  | 3.4    | 62.0  |
| Operating income | 17.4                    | 0.6   | (0.3)       | 17.7  | 1.2    | 18.9  |

## 3. Sales of Pharmaceuticals Segment (Sales to unaffiliated customers)

(Billions of yen)

|          | Six months ended<br>9/30/09(A) | Six months ended<br>9/30/10 (B) | (B)-(A) | Change<br>(%) | FY2009   |           | FY2010 (Forecast) |               |
|----------|--------------------------------|---------------------------------|---------|---------------|----------|-----------|-------------------|---------------|
|          |                                |                                 |         |               | 2nd half | Full Year | 2nd half          | Full Year     |
| Japan    | 101.8                          | <b>100.8</b>                    | (1.0)   | (1.0)         | 102.3    | 204.0     | 96.5              | [194.2] 197.3 |
| Domestic | 91.4                           | <b>90.2</b>                     | (1.2)   | (1.3)         | 92.8     | 184.2     | 89.2              | [176.5] 179.4 |
| Export   | 10.3                           | <b>10.5</b>                     | 0.2     | 2.2           | 9.5      | 19.8      | 7.4               | [17.7] 17.9   |
| U.S.     | —                              | <b>60.8</b>                     | 60.8    | —             | 28.6     | 28.6      | 56.2              | [115.0] 117.0 |
| China    | 1.8                            | <b>2.5</b>                      | 0.7     | 39.6          | 2.3      | 4.1       | 3.2               | [5.8] 5.7     |

## Overseas Sales Total

|                                    |       |              |      |       |       |       |       |               |
|------------------------------------|-------|--------------|------|-------|-------|-------|-------|---------------|
| Overseas sales (Pharmaceuticals)   | 12.1  | <b>73.8</b>  | 61.7 | 509.5 | 40.4  | 52.6  | 66.8  | [138.5] 140.6 |
| [% of net sales (Pharmaceuticals)] | 11.7% | <b>45.0%</b> |      |       | 30.4% | 22.2% | 42.7% | 43.9%         |

## 4. Sales of Major Products

## Pharmaceuticals (Domestic)

(Billions of yen)

| Brand name (Generic name)<br>Therapeutic indication                                           | Six months ended<br>9/30/09(A) | Six months ended<br>9/30/10(B) | (B)-(A) | Change<br>(%) | FY2009   |           | FY2010 (Forecast) |             |
|-----------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|---------|---------------|----------|-----------|-------------------|-------------|
|                                                                                               |                                |                                |         |               | 2nd half | Full Year | 2nd half          | Full Year   |
| AMLODIN® (amlodipine)<br>Therapeutic agent for hypertension and<br>angina pectoris            | 26.9                           | <b>21.0</b>                    | (5.9)   | (21.9)        | 25.2     | 52.0      | 18.5              | [39.0] 39.5 |
| GASMOTIN® (mosapride citrate)<br>Gastroprokinetic                                             | 10.4                           | <b>10.2</b>                    | (0.1)   | (1.3)         | 10.4     | 20.7      | 10.2              | 20.4        |
| PRORENAL® (limaprost alfadex)<br>Vasodilator                                                  | 7.8                            | <b>7.4</b>                     | (0.4)   | (5.3)         | 7.5      | 15.4      | 8.1               | [16.0] 15.5 |
| MEROPEN® (meropenem)<br>Carbapenem antibiotic                                                 | 7.6                            | <b>6.6</b>                     | (1.1)   | (13.8)        | 7.1      | 14.7      | 5.0               | [11.0] 11.6 |
| LONASEN® (blonanserin)<br>Antipsychotic                                                       | 3.0                            | <b>4.3</b>                     | 1.3     | 45.1          | 3.3      | 6.3       | 6.2               | 10.5        |
| AVAPRO® (irbesartan)<br>Therapeutic agent for hypertension                                    | 1.0                            | <b>3.7</b>                     | 2.7     | 258.7         | 2.7      | 3.7       | 4.3               | 8.0         |
| EBASTEL® (ebastine)<br>Antiallergic                                                           | 4.0                            | <b>2.9</b>                     | (1.1)   | (27.0)        | 5.2      | 9.2       | 4.4               | 7.3         |
| SUMIFERON® (interferon-α NAMALWA)<br>Natural alpha interferon                                 | 3.0                            | <b>2.6</b>                     | (0.4)   | (12.6)        | 2.7      | 5.8       | 2.7               | 5.3         |
| REPLAGAL® (agalsidase alfa)<br>Anderson-Fabry disease drug                                    | 0.9                            | <b>2.5</b>                     | 1.6     | 171.4         | 1.6      | 2.5       | 2.5               | [4.0] 5.0   |
| AmBisome® (amphotericin B)<br>Therapeutic agent for systemic fungal<br>infection              | 1.9                            | <b>2.3</b>                     | 0.4     | 22.4          | 2.1      | 4.0       | 2.6               | [5.1] 4.9   |
| MELBIN® (metformin)<br>Oral hypoglycemic                                                      | 1.9                            | <b>2.2</b>                     | 0.3     | 13.3          | 2.0      | 3.9       | 2.0               | [3.5] 4.2   |
| EXCEGRAN® (zonisamide)<br>Antiepileptic                                                       | 1.8                            | <b>1.8</b>                     | (0.1)   | (4.3)         | 1.7      | 3.6       | 1.6               | 3.4         |
| DOPS® (droxidopa)<br>Neural function ameliorant                                               | 1.9                            | <b>1.7</b>                     | (0.2)   | (8.9)         | 1.7      | 3.6       | 1.6               | 3.3         |
| GLIMICRON® (gliclazide)<br>Oral hypoglycemic                                                  | 1.7                            | <b>1.4</b>                     | (0.3)   | (15.1)        | 1.5      | 3.2       | 1.5               | 2.9         |
| QVAR™ (beclomethasone dipropionate)<br>Bronchial asthma                                       | 1.4                            | <b>1.4</b>                     | (0.0)   | (0.1)         | 1.6      | 3.0       | 1.1               | 2.5         |
| ALMARL® (arotinolol)<br>Therapeutic agent for hypertension, angina<br>pectoris and arrhythmia | 1.5                            | <b>1.3</b>                     | (0.1)   | (9.4)         | 1.3      | 2.8       | 1.2               | 2.5         |
| LULLAN® (perospirone)<br>Antipsychotic                                                        | 1.3                            | <b>1.3</b>                     | (0.1)   | (6.3)         | 1.2      | 2.6       | 1.3               | [2.4] 2.6   |
| SEDIEL® (tandospirone)<br>Serotonin-agonist antianxiety drug                                  | 1.3                            | <b>1.2</b>                     | (0.1)   | (10.1)        | 1.2      | 2.5       | 1.2               | 2.4         |

Note: Figures in parentheses [ ] are forecasts released on July 30, 2010.

## Pharmaceuticals (Domestic, New Products)

(Billions of yen)

| Brand name (Generic name)<br>Therapeutic indication                                                                    | Six months<br>ended<br>9/30/09(A) | Six months<br>ended<br>9/30/10(B) | (B)-(A) | Change<br>(%) | FY2009   |           | FY2010 (Forecast) |           |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|---------|---------------|----------|-----------|-------------------|-----------|
|                                                                                                                        |                                   |                                   |         |               | 2nd half | Full Year | 2nd half          | Full Year |
| TRERIEF <sup>®</sup> (zonisamide)<br>Parkinson's disease drug<br>(Launch: March, 2009)                                 | 0.4                               | <b>1.6</b>                        | 1.2     | 329.2         | 0.4      | 0.8       | 1.8               | [2.8] 3.4 |
| MIRIPLA <sup>®</sup> (miriplatin hydrate)<br>Therapeutic agent for hepatocellular<br>Carcinoma (Launch: January, 2010) | —                                 | <b>0.7</b>                        | 0.7     | —             | 0.2      | 0.2       | 0.8               | 1.5       |
| METGLUCO <sup>®</sup> (metformin)<br>Oral hypoglycemic (Launch: May, 2010)                                             | —                                 | <b>0.1</b>                        | 0.1     | —             | —        | —         | 0.2               | [0.7] 0.3 |

## Pharmaceuticals (Export)

|                                                               |     |            |       |        |     |      |     |           |
|---------------------------------------------------------------|-----|------------|-------|--------|-----|------|-----|-----------|
| MEROPEN <sup>®</sup> (meropenem)<br>Carbapenem antibiotic     | 8.2 | <b>8.1</b> | (0.1) | (1.6)  | 7.5 | 15.7 | 5.5 | 13.6      |
| GASMOTIN <sup>®</sup> (mosapride citrate)<br>Gastroprokinetic | 0.5 | <b>0.7</b> | 0.3   | 62.5   | 0.6 | 1.1  | 0.4 | 1.1       |
| EXCEGRAN <sup>®</sup> (zonisamide)<br>Antiepileptic           | 0.2 | <b>0.8</b> | 0.6   | 280.3  | 0.4 | 0.6  | 0.8 | 1.6       |
| Industrial property revenues                                  | 1.4 | <b>0.8</b> | (0.6) | (40.2) | 0.8 | 2.2  | 0.5 | [1.1] 1.3 |

Note: Sales to unaffiliated customers

## U.S.

|                                                                          |   |             |      |   |      |      |      |             |
|--------------------------------------------------------------------------|---|-------------|------|---|------|------|------|-------------|
| LUNESTA <sup>®</sup> (eszopiclone)<br>Sedative hypnotic                  | — | <b>28.5</b> | 28.5 | — | 10.5 | 10.5 | 24.3 | [50.4] 52.8 |
| XOPENEX <sup>®</sup> (levalbuterol HCl)<br>Short-acting beta-agonist     | — | <b>19.0</b> | 19.0 | — | 13.6 | 13.6 | 19.4 | [39.4] 38.4 |
| BROVANA <sup>®</sup> (arformoterol tartrate)<br>Long-acting beta-agonist | — | <b>4.5</b>  | 4.5  | — | 1.7  | 1.7  | 4.8  | [8.7] 9.3   |
| OMNARIS <sup>®</sup> (ciclesonide)<br>Corticosteroid nasal spray         | — | <b>2.6</b>  | 2.6  | — | 0.6  | 0.6  | 2.3  | [4.8] 4.9   |
| Industrial property revenues                                             | — | <b>3.9</b>  | 3.9  | — | 1.5  | 1.5  | 2.9  | [6.6] 6.8   |

## China

|                                                           |     |            |     |      |     |     |     |     |
|-----------------------------------------------------------|-----|------------|-----|------|-----|-----|-----|-----|
| MEROPEN <sup>®</sup> (meropenem)<br>Carbapenem antibiotic | 1.7 | <b>2.3</b> | 0.6 | 38.8 | 2.1 | 3.8 | 2.9 | 5.2 |
|-----------------------------------------------------------|-----|------------|-----|------|-----|-----|-----|-----|

Note: Figures in parentheses [ ] are forecasts released on July 30, 2010.

(Reference)

Quarterly Business Results of Sunovion Pharmaceuticals Inc.

(Millions of dollar)

|                                                                              | Jan-Mar<br>2010 | Apr-Jun<br>2010 | Jan-Jun<br>2010 | Jul-Sep<br>2010<br>(Unaudited) |
|------------------------------------------------------------------------------|-----------------|-----------------|-----------------|--------------------------------|
| Net sales                                                                    | 363             | 315             | 677             | 337                            |
| Cost of sales                                                                | 52              | 43              | 96              | 47                             |
| SG&A expenses                                                                | 287             | 309             | 596             | 306                            |
| SG&A expenses less R&D<br>costs (Excluding depreciation<br>of patent rights) | 149             | 164             | 312             | 163                            |
| R&D costs                                                                    | 58              | 66              | 124             | 63                             |
| Depreciation of patent rights*                                               | 80              | 80              | 159             | 80                             |
| Operating income                                                             | 24              | (38)            | (14)            | (16)                           |

\*Amortization according to valuations and accounting procedures by acquisition of Sunovion Pharmaceuticals Inc.

(Reference)

Sales of Products

(Millions of dollar)

| Brand name (Generic name)<br>Therapeutic indication                      | Jan-Mar<br>2010 | Apr-Jun<br>2010 | Jan-Jun<br>2010 | Jul-Sep<br>2010<br>(Unaudited) |
|--------------------------------------------------------------------------|-----------------|-----------------|-----------------|--------------------------------|
| LUNESTA <sup>®</sup> (eszopiclone)<br>Sedative hypnotic                  | 161             | 151             | 312             | 154                            |
| XOPENEX <sup>®</sup> (levalbuterol HCl)<br>Short-acting beta-agonist     | 127             | 81              | 207             | 99                             |
| BROVANA <sup>®</sup> (arformoterol tartrate)<br>Long-acting beta-agonist | 25              | 24              | 49              | 28                             |
| OMNARIS <sup>®</sup> (ciclesonide)<br>Corticosteroid nasal spray         | 11              | 17              | 28              | 12                             |
| Industrial property revenues                                             | 25              | 18              | 43              | 16                             |
| Others                                                                   | 14              | 24              | 38              | 28                             |
| Total                                                                    | 363             | 315             | 677             | 337                            |

### III. Consolidated Balance Sheets

#### ASSETS

(Billions of yen)

|                                    | As of<br>3/31/10<br>(A) | As of<br>9/30/10<br>(B) | (B)-(A) |                                                                                           |
|------------------------------------|-------------------------|-------------------------|---------|-------------------------------------------------------------------------------------------|
| [ Assets ]                         | 626.7                   | 601.9                   | (24.8)  |                                                                                           |
| Current assets:                    | 287.6                   | 303.5                   | 15.9    |                                                                                           |
| Cash and time deposits             | 13.8                    | 14.7                    | 0.9     |                                                                                           |
| Notes and accounts receivable      | 94.0                    | 90.3                    | (3.7)   |                                                                                           |
| Marketable securities              | 51.2                    | 76.6                    | 25.4    | • Transfer from investment securities<br>• Increase in short-term operating funds         |
| Inventories                        | 65.2                    | 58.6                    | (6.6)   | • Decrease in inventories added according to accounting for business combinations         |
| Deferred tax assets                | 32.4                    | 31.7                    | (0.8)   |                                                                                           |
| Short-term loans                   | 25.0                    | 25.0                    | —       |                                                                                           |
| Others                             | 6.1                     | 6.7                     | 0.6     |                                                                                           |
| Allowance for doubtful receivables | (0.2)                   | (0.1)                   | 0.1     |                                                                                           |
| Fixed assets:                      | 339.2                   | 298.4                   | (40.8)  |                                                                                           |
| Property, plant and equipment:     | 74.1                    | 71.9                    | (2.2)   |                                                                                           |
| Buildings and structures           | 43.0                    | 42.8                    | (0.2)   |                                                                                           |
| Machinery, equipment and carriers  | 12.8                    | 12.1                    | (0.7)   |                                                                                           |
| Land                               | 10.3                    | 10.3                    | (0.0)   |                                                                                           |
| Construction in progress           | 2.7                     | 1.6                     | (1.1)   |                                                                                           |
| Others                             | 5.3                     | 5.2                     | (0.1)   |                                                                                           |
| Intangible assets:                 | 199.5                   | 173.8                   | (25.7)  |                                                                                           |
| Goodwill                           | 83.6                    | 76.5                    | (7.1)   | • Decrease by amortization<br>• Decrease in yen amounts by yen strength                   |
| Patent rights                      | 104.0                   | 86.1                    | (17.9)  |                                                                                           |
| Others                             | 11.9                    | 11.2                    | (0.7)   |                                                                                           |
| Investments and other assets:      | 65.6                    | 52.7                    | (12.9)  |                                                                                           |
| Investment securities              | 53.2                    | 39.5                    | (13.7)  | • Transfer to marketable securities<br>• Decrease by revaluation of investment securities |
| Deferred tax assets                | 2.4                     | 3.5                     | 1.1     |                                                                                           |
| Others                             | 10.2                    | 9.8                     | (0.4)   |                                                                                           |
| Allowance for doubtful receivables | (0.1)                   | (0.1)                   | (0.0)   |                                                                                           |
| Total assets                       | 626.7                   | 601.9                   | (24.8)  |                                                                                           |

| Accounts receivable turnover period<br>(in months) | Year ended<br>3/31/10 | Six months<br>ended<br>9/30/10 |
|----------------------------------------------------|-----------------------|--------------------------------|
|                                                    | 3.81                  | 2.87                           |



## LIABILITIES AND NET ASSETS

(Billions of yen)

|                                                               | As of<br>3/31/10<br>(A) | As of<br>9/30/10<br>(B) | (B)-(A) |
|---------------------------------------------------------------|-------------------------|-------------------------|---------|
| [ Liabilities ]                                               | 283.3                   | 264.7                   | (18.6)  |
| Current liabilities:                                          | 265.0                   | 247.3                   | (17.7)  |
| Notes and accounts payable                                    | 16.9                    | 13.5                    | (3.4)   |
| Short-term loans payable                                      | 165.8                   | 160.9                   | (4.9)   |
| Income taxes payable                                          | 8.6                     | 6.6                     | (2.0)   |
| Reserve for bonuses                                           | 7.4                     | 7.2                     | (0.2)   |
| Reserve for sales returns                                     | 2.7                     | 2.7                     | (0.0)   |
| Reserve for sales rebates                                     | 15.7                    | 15.3                    | (0.4)   |
| Accounts payable-other                                        | 33.4                    | 28.0                    | (5.4)   |
| Others                                                        | 14.5                    | 13.0                    | (1.5)   |
| Long-term liabilities:                                        | 18.3                    | 17.4                    | (0.9)   |
| Liability for retirement benefits                             | 9.8                     | 10.0                    | 0.2     |
| Liability for directors' retirement benefits                  | 0.1                     | 0.0                     | (0.0)   |
| Others                                                        | 8.4                     | 7.3                     | (1.1)   |
| [ Net assets ]                                                | 343.5                   | 337.3                   | (6.2)   |
| Shareholders' equity:                                         | 332.3                   | 337.4                   | 5.1     |
| Common stock                                                  | 22.4                    | 22.4                    | —       |
| Capital surplus                                               | 15.9                    | 15.9                    | —       |
| Retained earnings                                             | 294.7                   | 299.8                   | 5.1     |
| Treasury stock                                                | (0.6)                   | (0.6)                   | (0.0)   |
| Valuation, translation adjustments and others:                | 11.2                    | (0.1)                   | (11.3)  |
| Unrealized gains on available-for-sale securities, net of tax | 7.9                     | 5.9                     | (2.1)   |
| Foreign currency translation adjustment                       | 3.2                     | (6.0)                   | (9.3)   |
| Total liabilities and net assets                              | 626.7                   | 601.9                   | (24.8)  |

•Repayment of bridge loan  $\Delta$   
5.0

•Impact of yen strength

IV. Major consolidated subsidiaries (as of 9/30/10)

|                     | Domestic                                                                                                                                                                                              |                                                                                                                                                                    |                                                                                                                                                                | Overseas                                        |                                                 |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
|                     | DSP Gokyo Food & Chemical Co., Ltd.                                                                                                                                                                   | DS Pharma Animal Health Co., Ltd.                                                                                                                                  | DS Pharma Biomedical Co., Ltd.                                                                                                                                 | Sunovion Pharmaceuticals Inc.                   | Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.     |
| Establishment       | October 1947                                                                                                                                                                                          | July 2010                                                                                                                                                          | June 1998                                                                                                                                                      | January 1984                                    | December 2003                                   |
| Fiscal year         | March 31                                                                                                                                                                                              | March 31                                                                                                                                                           | March 31                                                                                                                                                       | December 31                                     | December 31                                     |
| Ownership           | 100%                                                                                                                                                                                                  | 100%                                                                                                                                                               | 100%                                                                                                                                                           | 100%                                            | 100%                                            |
| Number of employees | 135                                                                                                                                                                                                   | 93                                                                                                                                                                 | 65                                                                                                                                                             | 2,189                                           | 502                                             |
| Businesses          | Manufacture, processing, sale/purchase, and import/export of food materials, raw materials for cosmetics, pharmaceutical additives, chemicals for electronic materials, coating materials, and others | Manufacture, processing, sale/purchase, and import/export of veterinary medicines, veterinary reagents, medical devices for animals, feedstuff, and feed additives | Research, development, manufacture, sale, import and export of diagnostic reagents, medical devices and physicochemistry-measuring instruments for medical use | Manufacturing, sales of ethical pharmaceuticals | Manufacturing, sales of ethical pharmaceuticals |

3. Number of employees (as of 9/30/10):

7,513 (consolidated)

4,529 (non-consolidated)

4. Number of MRs (as of 9/30/10):

Japan 1,370 (excluding managers) 1,560 (including managers)

U.S. 1,180 (excluding managers) 1,330 (including managers)

China 260 (excluding managers) 320 (including managers)

## V. Quarterly Business Results

(Billions of yen)

|                                                   | FY2009 |      |      |       | FY2010 |       |
|---------------------------------------------------|--------|------|------|-------|--------|-------|
|                                                   | 1Q     | 2Q   | 3Q   | 4Q    | 1Q     | 2Q    |
| Net sales                                         | 66.0   | 66.2 | 71.5 | 92.5  | 101.8  | 86.8  |
| Cost of sales                                     | 25.4   | 25.9 | 27.8 | 33.2  | 32.6   | 25.2  |
| SG&A expenses                                     | 29.4   | 32.6 | 30.7 | 55.7  | 54.4   | 61.4  |
| SG&A expenses less R&D costs                      | 17.5   | 20.2 | 19.3 | 40.0  | 39.9   | 43.1  |
| R&D costs                                         | 11.9   | 12.4 | 11.4 | 15.7  | 14.5   | 18.3  |
| Operating income                                  | 11.2   | 7.7  | 13.1 | 3.6   | 14.8   | 0.1   |
| Non-operating income                              | 1.1    | 0.3  | 0.5  | 0.4   | 1.1    | 0.8   |
| Non-operating expenses                            | 0.5    | 0.8  | 0.8  | 2.0   | 1.1    | 1.4   |
| Ordinary income                                   | 11.8   | 7.2  | 12.8 | 2.0   | 14.8   | (0.5) |
| Extraordinary income                              | —      | —    | —    | —     | —      | —     |
| Extraordinary loss                                | —      | —    | —    | 2.4   | —      | —     |
| Income before income taxes and minority interests | 11.8   | 7.2  | 12.8 | (0.4) | 14.8   | (0.5) |
| Net income                                        | 7.8    | 4.8  | 8.5  | (0.2) | 9.3    | (0.6) |

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

VI.Shareholder Positioning (As of September 30, 2010)

1. Total number of authorized shares: 1,500,000,000
2. Total number of shares outstanding: 397,900,154 (Including number of treasury stock 585,475)
3. Number of shareholders: 21,742

4. Major shareholders:

| Shareholders                                                                                                          | Status of ownership                        |                                   |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------|
|                                                                                                                       | Number of shares held<br>(Thousand shares) | Percentage of<br>shareholding (%) |
| Sumitomo Chemical Co., Ltd.                                                                                           | 199,434                                    | 50.20                             |
| Inabata & Co., Ltd.                                                                                                   | 27,282                                     | 6.87                              |
| The Master Trust Bank of Japan, Ltd.<br>(Trust account)                                                               | 14,981                                     | 3.77                              |
| Japan Trustee Services Bank, Ltd.<br>(Trust account)                                                                  | 11,055                                     | 2.78                              |
| Nippon Life Insurance Company                                                                                         | 10,530                                     | 2.65                              |
| Japan Trustee Services Bank, Ltd.<br>(Trust account for Sumitomo Mitsui Banking<br>Corporation's retirement benefits) | 7,000                                      | 1.76                              |
| Sumitomo Life Insurance Company                                                                                       | 5,776                                      | 1.45                              |
| Aioi Nissay Dowa Insurance Co., Ltd.                                                                                  | 4,928                                      | 1.24                              |
| Dainippon Sumitomo Pharma<br>Employee shareholders' association                                                       | 3,572                                      | 0.90                              |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.                                                                                | 3,144                                      | 0.79                              |

Note: Percentage of shareholding is calculated excluding treasury stock (585,475 stocks).

VII. Development Pipeline (as of October. 29, 2010)

Major Products under Development in Japan

| Stage in JPN | Brand name/<br>Product code<br>Formulation | Generic name      | Therapeutic indications                        | Origin       | Remarks                                                                      |
|--------------|--------------------------------------------|-------------------|------------------------------------------------|--------------|------------------------------------------------------------------------------|
| NDA filed    | SMP-508<br>Oral                            | repaglinide       | Diabetes                                       | Novo Nordisk | Rapid insulin secretagogue<br>NDA filed in Sep. 2009                         |
|              | MEROPEN®<br>Injection                      | meropenem hydrate | Change of the maximum daily dose from 2g to 3g | In-house     | Approved maximum daily dose:2g for patients with severe/refractory infection |

| Stage in JPN | Brand name/<br>Product code<br>Formulation | Generic name             | Therapeutic indications                           | Origin       | Remarks                                  |
|--------------|--------------------------------------------|--------------------------|---------------------------------------------------|--------------|------------------------------------------|
| Phase III    | SM-13496<br>Oral                           | lurasidone hydrochloride | Schizophrenia                                     | In-house     | Pan-Asia study (Japan, Korea and Taiwan) |
|              | SMP-508<br>Oral                            | repaglinide              | Diabetes<br>Combination therapy with biguanide    | Novo Nordisk | Rapid insulin secretagogue               |
|              |                                            |                          | Diabetes<br>Combination therapy with thiazolidine |              |                                          |

| Stage in JPN | Brand name/<br>Product code<br>Formulation | Generic name                     | Therapeutic indications | Origin   | Remarks                                 |
|--------------|--------------------------------------------|----------------------------------|-------------------------|----------|-----------------------------------------|
| Phase II     | AS-3201<br>Oral                            | ranirestat                       | Diabetic neuropathy     | In-house | Co-developed with Kyorin Pharmaceutical |
|              | DSP-8153<br>Oral                           | amlodipine besilate / irbesartan | Hypertension            | In-house | Combination product                     |
|              | SMP-986<br>Oral                            | TBD                              | Overactive bladder      | In-house |                                         |

| Stage in JPN | Brand name/<br>Product code<br>Formulation | Generic name | Therapeutic indications                | Origin                | Remarks         |
|--------------|--------------------------------------------|--------------|----------------------------------------|-----------------------|-----------------|
| Phase I      | DSP-3235<br>Oral                           | TBD          | Diabetes                               | Kissei Pharmaceutical | SGLT1 inhibitor |
|              | DSP-3025<br>Intranasal                     | TBD          | Bronchial asthma,<br>Allergic rhinitis | In-house              | TLR7 agonist    |
|              | SMP-028<br>Oral                            | TBD          | Bronchial asthma                       | In-house              |                 |

[Main revisions since the announcement of July 2010]

None

**Major Products under Development in Foreign Markets**

| <b>Stage</b> | <b>Brand name/<br/>Product code<br/>Formulation</b> | <b>Generic name</b>         | <b>Therapeutic indications</b> | <b>Origin</b> | <b>Country/Area</b> | <b>Remarks</b>                                      |
|--------------|-----------------------------------------------------|-----------------------------|--------------------------------|---------------|---------------------|-----------------------------------------------------|
| Approved     | SM-13496<br>Oral                                    | lurasidone<br>hydrochloride | Schizophrenia                  | In-house      | U.S.                | Approved in Oct.2010<br>Brand name in U.S.: LATUDA® |
| NDA filed    | STEDESA™<br>Oral                                    | eslicarbazepine<br>acetate  | Epilepsy-Adjunct               | BIAL          | U.S.                | NDA submitted in Mar.2009                           |

| <b>Stage</b> | <b>Brand name/<br/>Product code<br/>Formulation</b> | <b>Generic name</b>         | <b>Therapeutic indications</b>         | <b>Origin</b> | <b>Country/Area</b>   | <b>Remarks</b>                                                              |
|--------------|-----------------------------------------------------|-----------------------------|----------------------------------------|---------------|-----------------------|-----------------------------------------------------------------------------|
| Phase III    | SM-13496<br>Oral                                    | lurasidone<br>hydrochloride | Bipolar disorder                       | In-house      | U.S. and Europe, etc. |                                                                             |
|              | amrubicin<br>hydrochloride<br>Injection             | amrubicin<br>hydrochloride  | Small cell lung cancer                 | In-house      | China                 | Brand name in Japan: CALSED®                                                |
|              | CiclesonideHF<br>A Nasal Aerosol<br>Collunarium     | ciclesonide                 | (New Formulation)<br>Allergic rhinitis | Nycomed       | U.S.                  | approved formulation: OMNARIS® Nasal Spray, an aqueous solution nasal spray |
|              | STEDESA™<br>Oral                                    | eslicarbazepine<br>acetate  | Epilepsy-Adult monotherapy             | BIAL          | U.S.                  |                                                                             |

| <b>Stage</b> | <b>Brand name/<br/>Product code<br/>Formulation</b> | <b>Generic name</b> | <b>Therapeutic indications</b>                           | <b>Origin</b> | <b>Country/Area</b> | <b>Remarks</b>                                          |
|--------------|-----------------------------------------------------|---------------------|----------------------------------------------------------|---------------|---------------------|---------------------------------------------------------|
| Phase II     | SMP-986<br>Oral                                     | TBD                 | Overactive bladder                                       | In-house      | U.S. and Europe     |                                                         |
|              | ALVESCO®<br>HFA<br>Inhaler                          | ciclesonide         | (New Indication)<br>Asthma-Pediatric<br>(Age range: TBD) | Nycomed       | U.S.                | approved indication: asthma (12 years of age and older) |

| Stage   | Brand name/<br>Product code<br>Formulation | Generic<br>name | Therapeutic<br>indications                              | Origin                 | Country/Area       | Remarks                               |
|---------|--------------------------------------------|-----------------|---------------------------------------------------------|------------------------|--------------------|---------------------------------------|
| Phase I | SMP-028<br>Oral                            | TBD             | Bronchial asthma                                        | In-house               | U.S. and<br>Europe |                                       |
|         | DSP-7238<br>Oral                           | TBD             | Diabetes                                                | In-house               | Europe             | DPPIV<br>inhibitor                    |
|         | DSP-8658<br>Oral                           | TBD             | Diabetes                                                | In-house               | U.S.               | PPAR $\alpha$ / $\gamma$<br>modulator |
|         | SEP-228432<br>Oral                         | TBD             | Neuropathic Pain,<br>Major Depressive<br>Disorder (MDD) | In-house<br>(Sunovion) | U.S.               |                                       |

[Main revisions since the announcement of July 2010]

lurasidone hydrochloride  
SEP-227900  
SEP-228432

Changed from "NDA filed" to "Approved" for Schizophrenia in U.S.

Deleted because of discontinuation

Therapeutic indication changed from "Attention-deficit hyperactivity disorder" to  
"Neuropathic Pain, Major Depressive Disorder"

### Major Products under Development by Licensees

| Generic / Product code<br>(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<br>Phase II study ongoing in North America by Sunesis (Sunesis' product code: SNS-595)                                                                                                                                                                             |
| amrubicin<br>hydrochloride<br>(CALSED <sup>®</sup> ) | Small cell lung cancer                                                            | Out-licensed to Celgene (former Pharmion) for the U.S. and European territories in June 2005<br>Phase III study ongoing in the U.S. and Europe by Celgene                                                                                                                                                                                                   |
| ranirestat<br>AS-3201                                | Diabetic neuropathy                                                               | Out-licensed to Eisai for the worldwide territory, excluding Japan, in September 2005.<br>Phase II / III study ongoing in the U.S., Canada and Europe by Eisai                                                                                                                                                                                              |
| droxidopa<br>(DOPS <sup>®</sup> )                    | Neurogenic orthostatic hypotension,<br>Intradialytic hypotension,<br>Fibromyalgia | Out-licensed to Chelsea Therapeutics for the worldwide territory, excluding Japan, China, Korea and Taiwan in May 2006.<br>Phase III study of neurogenic orthostatic hypotension in the U.S. and Europe, and phase II study of fibromyalgia in the UK are ongoing by Chelsea. Phase II study of intradialytic hypotension completed in the U.S. by Chelsea. |
| DSP-3025                                             | Bronchial asthma,<br>Allergic rhinitis                                            | Entered into a development and marketing agreement concluded in March 2005. AstraZeneca has the right for the worldwide territory, excluding Japan, China, Korea and Taiwan.<br>Phase II study is ongoing in Europe by AstraZeneca (AstraZeneca' product code: AZD-8848)                                                                                    |
| eszopiclone                                          | Insomnia                                                                          | Out-licensed by Sunovion to Eisai for the Japanese territory in July, 2007.<br>(Brand name in U.S.: LUNESTA <sup>®</sup> )                                                                                                                                                                                                                                  |

[Main revisions since the announcement of July 2010]

None



## VIII. Profile of Major Products under Development (as of October 29, 2010)

### **SMP-508 (repaglinide) Diabetes**

- In-licensed from Novo Nordisk
- Repaglinide is a rapid-acting insulin secretagogue and approved/ marketed in more than 90 countries including the world's major countries.
- Repaglinide is expected to suppress the postprandial elevation of blood glucose levels, resulting in lower HbA<sub>1C</sub> and fasting blood glucose levels, therefore repaglinide is expected to be a medicine that is superior to existing rapid insulin secretagogue.
- Diabetes: Development stage: NDA filed in Japan  
Diabetes: (Combination therapy with beguanide) : Phase III in Japan  
Diabetes: (Combination therapy with thiazolidine) : Phase III in Japan

### **SM-13496 (lurasidone hydrochloride) Schizophrenia, Bipolar disorder**

- Developed in-house
- Lurasidone is an atypical antipsychotic agent with a unique chemical structure. Lurasidone has high affinity for dopamine D<sub>2</sub>, serotonin 5-HT<sub>2A</sub> and serotonin 5-HT<sub>7</sub> receptors where it has antagonist effects. In addition, lurasidone is a partial agonist at the serotonin 5-HT<sub>1A</sub> receptor and has no appreciable affinity for histamine or muscarinic receptors. In four double-blind clinical studies in schizophrenia patients, lurasidone demonstrated significantly greater improvement versus placebo in the Positive and Negative Syndrome Scale total score at study endpoint. Also, lurasidone was well-tolerated and the impact of lurasidone on weight gain, changes in movement disorder parameters and prolactin levels was limited. SM-13496 is also being studied as a potential treatment of Bipolar disorder.
- Development stage:  
Schizophrenia: Approved in the U.S., Phase III as Pan-Asia study (Japan, Korea and Taiwan)  
Planning to develop in other countries including Europe by using global Phase III data  
Bipolar disorder: Phase III as Global study

### **STEDES<sup>TM</sup> (eslicarbazepine acetate) Epilepsy**

- In-licensed from BIAL
- STEDES is a novel voltage-gated sodium channel blocker. STEDES has been studied in Phase III, multi-center, randomized, placebo-controlled studies, which involved patients from 23 countries. Patients involved in the studies were required to have at least four partial-onset seizures per month despite treatment with one to three concomitant antiepileptic drugs. After a two-week titration period, patients were assessed over a 12-week maintenance period with continued follow-up over a one-year, open-label period. STEDES is expected to have clear dose-response correlation and marked and sustained seizure reduction with favorable tolerability and safety profiles.
- NDA filed in the U.S.

### **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 compound has a stronger inhibitory effect and is longer-acting compared to other drugs in this therapeutic area. Clinical studies have shown AS-3201 to have good penetration into nerve tissues, resulting in dose-dependent inhibition of intraneural accumulation of sorbitol and fructose. Based on the results of clinical studies, AS-3201 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 conducting

Phase II / III study in the U.S., Canada and Europe.

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

#### **DSP-8153            Hypertension**

- Developed in-house
- Combination product of amlodipine besilate (AMLODIN®; calcium channel blocker) and irbesartan (AVAPRO®; angiotensin II receptor blocker). DSP-8153 is expected to have an antihypertensive activity for the patients with essential hypertension who do not have sufficient antihypertensive effect by irbesartan or amlodipine treatment. In addition, the product is expected to have cerebroprotective, cardioprotective and renoprotective effect for patients with essential hypertension, because irbesartan has renoprotective effect and amlodipine has cerebroprotective and cardioprotective effects.
- Development stage: 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<sup>+</sup>-channel blockade. This compound is expected to ease urinary urgency and reduce the frequency of both urination and incontinence. The compound is also 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 II in Japan

#### **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-3025            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 drug discovery research for a therapeutic agent with a novel mechanism of action against allergic disorders. With this as a turning point, we started a research collaboration with AstraZeneca in 2004 and discovered a drug candidate as an outcome based on this research collaboration.
- We entered into a development and marketing agreement with AstraZeneca in March 2005. Under the agreement, we will retain development and commercialization rights in Japan, China, Korea and Taiwan and AstraZeneca will retain development and commercialization rights worldwide excluding the four countries. AstraZeneca is conducting Phase II study in Europe. (AstraZeneca' product code: AZD-8848)
- Development stage: Phase I in Japan

**SMP-028                      Bronchial asthma**

- Developed in-house
- SMP-028 shows a variety of effects on a wide range of inflammatory cells 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. Allergen challenge clinical pharmacology studies are ongoing in the UK.
- Development stage: Phase I in the U.S. , Europe and Japan

**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-8658                      Diabetes**

- Developed in-house
- DSP-8658 is a novel PPAR $\alpha/\gamma$  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 PPAR $\gamma$  agonists, particularly with respect to improvements in lipid metabolism and incidence of fluid retention or body weight gain.
- Development stage: Phase I in the U.S.

**SEP-228432                      Neuropathic Pain, Major Depressive Disorder (MDD)**

- Developed in-house (Sunovion)
- SEP-228432 is a new triple reuptake inhibitor (TRI) that inhibits reuptake of serotonin, norepinephrine and dopamine. The compound is under development for neuropathic pain and MDD in central nervous disorders (CNS) area.
- Development stage: Phase I in the U.S.