Securities Code: 4506

Supplementary Financial Data for the Second Quarter of the Year Ending March 31, 2015

October 30, 2014

Sumitomo Dainippon 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. Consolidated Statements of Income (Billions of yen)

	FY2013 Apr.- Sep.	FY2014 Apr.- Sep.	Change (%)	FY2013	Change (%)	FY2014 (Forecasts) (Note 3)		Change (%)
Net sales	181.4	178.3	(1.7)	387.7	11.5	[352.0]	366.0	(5.6)
Cost of sales	50.4	48.5	(3.9)	104.1	2.4	[100.0]	100.5	(3.5)
SG&A expenses	113.5	117.9	3.8	241.5	9.3	[232.0]	245.5	1.7
SG&A expenses less R&D costs	82.0	84.7	3.3	171.6	6.5	[162.0]	173.5	1.1
R&D costs	31.5	33.2	5.3	69.8	16.6	[70.0]	72.0	3.1
Operating income	17.4	11.9	(31.5)	42.1	68.3		20.0	(52.5)
Ordinary income	17.4	12.7	(27.0)	40.6	65.8	[19.0]	19.5	(52.0)
Net income	8.7	11.8	35.2	20.1	99.7	[12.0]	14.0	(30.2)

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: The forecasts have been revised. Figures in parentheses [ ] are previously disclosed forecasts. Change (%) represents ratio o changes to the revised forecasts.

EBITDA (Billions of yen)	31.8	22.7	68.1	39.0
Earnings per share (yen)	21.89	29.60	50.49	35.24
Return on equity (ROE)	2.4%	2.9%	5.4%	—
Payout ratio	41.1%	30.4%	35.7%	51.1%

2. Consolidated Statements of Cash Flows (Billions of yen)

	FY2013 Apr.- Sep.	FY2014 Apr.- Sep.
Net cash provided by operating activities	22.3	21.6
Net cash provided (used) in investing activities	(5.4)	15.2
Net cash used in financing activities	(8.6)	(8.3)
Cash and cash equivalents at the end of period	82.4	106.3

3. Currency Exchange Rates (Billions of yen)

	2013 Apr.-Sep. Average rate	2014 Apr.-Sep. Average rate	2014 End of Sep.	FY2014 Assumed rate	Forex sensitivity FY2014 (Impact of yen weakness by 1yen/$)	
Yen / USD	98.9	103.0	109.5	105.0	Net Sales	1.5
Yen / RMB	16.1	16.6	17.7	17.0	Operating Income	0.0

Note: Net sales and Operating income in FY2014 Apr.-Sep. increased by 2.9 billion yen and decreased by 0.0 billion yen respectively, compared to FY2013 Apr.-Sep. due to exchange rate fluctuation.

4. Capital Expenditures (Billions of yen)

	FY2013 Apr.-Sep.	FY2014 Apr.- Sep.	Change	FY2014 Forecast	FY2014 Change
Capital expenditures	7.5	4.2	(3.3)	12.0	(1.5)

Note: The amount of capital expenditures are for tangible fixed assets and software.

5. Depreciation and Amortization (Billions of yen)

	FY2013 Apr.-Sep.	FY2014 Apr.- Sep.	Change	FY2014 Forecast	FY2014 Change
Property, plant and equipment	3.4	3.8	0.4	7.3	0.1
Intangible assets	7.6	2.3	(5.2)	4.2	(9.2)
Goodwill	2.5	2.5	0.0	5.5	0.4

（Reference）

Financial Results for DSP (Billions of yen)

	FY2013 Apr.- Sep.	FY2014 Apr.- Sep.	Change (%)	Group-to-parent ratio
Net sales	93.6	90.6	(3.2)	1.97
Cost of sales	28.0	29.1	4.2	
SG&A expenses	54.8	53.6	(2.2)	
SG&A expenses less R&D costs	31.7	30.5	(3.6)	
R&D costs	23.1	23.0	(0.4)	
Operating income	10.8	7.9	(27.3)	1.52
Ordinary income	11.8	9.8	(16.8)	1.30
Extraordinary income	2.8	10.0		
Extraordinary loss	1.3	0.6		
Net income	9.4	13.8	47.0	0.85

Financial Results for Sunovion (Millions of dollars)

	FY2013 Apr.- Sep.	FY2014 Apr.- Sep.	Change (%)
Net sales	693	683	(1.5)
Cost of sales	84	64	(23.8)
SG&A expenses	536	556	3.8
SG&A expenses less R&D costs	448	465	3.9
[amortization of patent rights and goodwill, etc]	[98]	[47]	[(51.8)]
R&D costs	88	91	3.7
Operating income	74	63	(15.4)
Ordinary income	75	64	(15.1)
Extraordinary income	11	—	
Extraordinary loss	51	—	
Net income	17	15	(14.2)

Note: Total of Sunovion's result and amortization of goodwill.

II. Consolidated Statements of (Comprehensive) Income

1. Consolidated Statements of Income

(Billions of yen)

	FY2013 Apr.- Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)
Net sales	181.4	178.3	(3.1)	(1.7)
Overseas sales	76.3	80.6	4.2	5.5
[% of net sales]	42.1%	45.2%		
Cost of sales	50.4	48.5	(2.0)	(3.9)
[% of net sales]	27.8%	27.2%		
Gross profit	131.0	129.8	(1.1)	(0.9)
SG&A expenses	113.5	117.9	4.4	3.8
Labor costs	32.7	34.6	1.9	5.8
Advertising and promotion costs	7.2	12.6	5.4	74.8
Sales promotion costs	6.9	6.3	(0.6)	(9.0)
Depreciation and amortization	8.0	2.8	(5.2)	(64.8)
Other costs	27.1	28.3	1.2	4.4
SG&A expenses less R&D costs	82.0	84.7	2.7	3.3
R&D costs	31.5	33.2	1.7	5.3
[% of net sales]	17.4%	18.6%		
Operating income	17.4	11.9	(5.5)	(31.5)
Non-operating income	1.2	2.4	1.1	
Non-operating expenses	1.3	1.6	0.3	
Ordinary income	17.4	12.7	(4.7)	(27.0)
Extraordinary income	3.8	10.0	6.2	
Gain on sales of property, plant and equipment	—	8.3	8.3	
Compensation income for damage	—	1.7	1.7	
Gain on sales of investment securities	2.8	—	(2.8)	
Fair value adjustment of contingent consideration	1.1	—	(1.1)	
Extraordinary loss	6.3	0.6	(5.6)	
Business structure improvement expenses	1.7	0.6	(1.0)	
Impairment loss	4.6	—	(4.6)	
Income before income taxes and minority interests	15.0	22.1	7.1	47.4
Income taxes	6.3	10.3	4.0	
Income before minority interests	8.7	11.8	3.1	35.2
Net income	8.7	11.8	3.1	35.2

・Japan Segment -6.5
・North America Segment +1.0
(FX rate impact +2.7)
・China Segment +2.9
(FX rate impact +0.3)

Cost of sales %
・Decrease in North America and China
(product mix, sales increase)
・Increase in Japan
(NHI price revision)

・Increase in North America

・Completed amortization of a part of patent rights

・Increase in gain on investments to partnership

・Sale of idle real estate

FY2013:
・Restructuring costs in North America
・Retirement payments in Japan
FY2014:
・Retirement payments in Japan

Notes 1: Cost of sales includes provision for (reversal of) reserve for sales returns.
2: Overseas sales includes exports of non-Pharmaceutical products.

2. Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2013 Apr.- Sep.	FY2014 Apr.- Sep.
Income before minority interests	8.7	11.8
Other comprehensive income	9.8	13.6
Unrealized gains (losses) on available-for-sale securities, net of tax	0.0	0.1
Deferred gains or losses on hedges	—	0.0
Foreign currency translation adjustments	9.8	13.3
Remeasurements of defined benefit plans	—	0.2
Comprehensive income	18.5	25.4

Currency exchange rates : yen/$

3/2013	9/2013	3/2014	9/2014
94.0	→ 97.7	102.9	→ 109.5
	+3.7		+6.6

3. Segment Information (FY2014 Apr.- Sep.) (Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	78.2	67.4	—	8.4	4.5	158.4	19.9	178.3
Sales to customers	78.2	67.4	—	8.4	4.5	158.4	19.9	178.3
Intersegment	—	—	—	—	—	—	—	—
Cost of sales	22.8	5.7	—	1.4	2.8	32.7	15.8	48.5
Gross profit	55.3	61.7	—	7.0	1.7	125.7	4.1	129.8
SG&A expenses less R&D costs	29.1	43.2	4.9	3.3	1.1	81.6	3.1	84.7
Income (loss) of segment	26.2	18.6	(4.9)	3.7	0.6	44.1	1.0	45.1
R&D costs*3						32.7	0.4	33.2
Operating income						11.4	0.6	11.9

Segment Information (FY2013 Apr.- Sep.) (Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	84.7	66.5	—	5.5	4.3	161.0	20.4	181.4
Sales to customers	84.7	66.5	—	5.5	4.3	160.9	20.5	181.4
Intersegment	0.1	—	—	—	—	0.1	(0.1)	—
Cost of sales	23.3	7.6	—	1.2	2.3	34.5	16.0	50.4
Gross profit	61.4	58.9	—	4.3	1.9	126.5	4.5	131.0
SG&A expenses less R&D costs	30.9	34.9	9.8	3.0	0.4	79.0	3.0	82.0
Income (loss) of segment	30.5	24.0	(9.8)	1.3	1.5	47.5	1.4	48.9
R&D costs*3						31.1	0.4	31.5
Operating income						16.4	1.0	17.4

Segment Information (FY2014 Forecasts)*4 (Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	160.1	139.0	—	16.7	8.3	324.1	41.9	366.0
Sales to customers	160.0	139.0	—	16.7	8.3	324.0	42.0	366.0
Intersegment	0.1	—	—	—	—	0.1	(0.1)	—
Cost of sales	48.1	11.0	—	3.3	5.1	67.5	33.0	100.5
Gross profit	112.0	128.0	—	13.4	3.2	256.6	8.9	265.5
SG&A expenses less R&D costs	59.5	89.0	9.4	6.8	2.4	167.1	6.4	173.5
Income (loss) of segment	52.5	39.0	(9.4)	6.6	0.8	89.5	2.5	92.0
R&D costs*3						71.0	1.0	72.0
Operating income						18.5	1.5	20.0

Notes *1: Excluding amortization of patent rights and goodwill, etc.
*2: Including the elimination of intersegment transaction.
*3: R&D costs are controlled globally and not allocated to each segment.
*4: FY2014 forecasts have been revised.

4. Sales of Pharmaceuticals Business (Sales to customers) (Billions of yen)

	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
Japan	84.7	78.2	(6.5)	(7.7)	87.2	171.9	81.8	[163.0]	160.0
North America	66.5	67.4	1.0	1.4	78.8	145.3	71.6	[124.0]	139.0
China	5.5	8.4	2.9	51.9	6.4	11.9	8.3	[15.5]	16.7
Other Regions	4.3	4.5	0.2	4.2	12.4	16.7	3.8	[7.8]	8.3

5. Sales of Major Products

Japan(Strategic Products) (Sales figures before reduction of rebates, Billions of yen)

Brand name (Generic name) Therapeutic indication	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
AIMIX® (irbesartan/amlodipine) Therapeutic agent for hypertension (Launch: Dec. 2012)	2.4	5.4	3.0	126.5	4.5	6.9	7.4		12.8
AVAPRO® (irbesartan) Therapeutic agent for hypertension	6.0	5.6	(0.4)	(7.2)	6.1	12.1	6.0		11.6
LONASEN® (blonanserin) Atypical antipsychotic	6.2	5.4	(0.8)	(12.9)	6.4	12.6	6.9	[13.5]	12.3
TRERIEF® (zonisamide) Parkinson's disease drug	4.1	5.3	1.2	28.2	5.4	9.5	6.8	[11.7]	12.1
Japan（New Products / Specialty Products)									
METGLUCO® (metformin) Biguanide oral hypoglycemic	7.3	7.9	0.6	8.4	8.5	15.8	9.2	[16.1]	17.1
SUREPOST® (repaglinide) Rapid-acting insulin secretagogue (Launch: May 2011)	0.7	1.0	0.3	44.6	1.0	1.7	1.5	[3.2]	2.5
AmBisome® (amphotericin B) Therapeutic agent for systemic fungal infection	2.4	2.1	(0.3)	(11.0)	2.4	4.8	2.8	[5.4]	4.9
MIRIPLA® (miriplatin hydrate) Therapeutic agent for hepatocellular Carcinoma	0.6	0.4	(0.1)	(24.3)	0.6	1.2	0.6		1.0
REPLAGAL® (agalsidase alfa) Anderson-Fabry disease drug	5.0	4.8	(0.2)	(4.2)	4.8	9.8	5.2	[10.8]	10.0
Japan(Others)									
AMLODIN® (amlodipine) Therapeutic agent for hypertension and angina pectoris	13.9	9.9	(4.0)	(29.0)	13.1	27.0	9.8	[20.0]	19.7
GASMOTIN® (mosapride citrate) Gastroprokinetic	7.8	5.3	(2.5)	(32.0)	7.2	15.0	5.2		10.5
PRORENAL® (limaprost alfadex) Vasodilator	7.0	5.3	(1.7)	(24.2)	6.5	13.5	5.2		10.5
MEROPEN® (meropenem) Carbapenem antibiotic	5.0	4.1	(0.9)	(18.2)	4.8	9.8	4.0		8.1
EBASTEL® (ebastine) Antiallergic	1.9	1.6	(0.3)	(13.6)	2.5	4.4	2.3		3.9

Note: The forecasts of some products have been revised. Figures in parentheses [ ] are previously disclosed forecasts.

North America (Billions of yen)

Brand name (Generic name) Therapeutic indication	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
LATUDA® (lurasidone) Atypical antipsychotic (Launch: Feb. 2011)	16.0	36.5	20.4	127.2	26.2	42.2	42.2	[72.0]	78.7
BROVANA® (arformoterol tartrate) Long-acting beta-agonist	7.9	9.6	1.6	20.4	8.9	16.8	12.2	[20.8]	21.8
LUNESTA® (eszopiclone) Sedative hypnotic	26.9	7.1	(19.8)	(73.6)	31.1	58.0	2.2	[8.5]	9.3
XOPENEX® (levalbuterol HCl) Short-acting beta-agonist	6.7	5.1	(1.6)	(23.6)	5.4	12.1	1.5	[6.8]	6.6
ALVESCO® (ciclesonide) Inhaled corticosteroid	2.2	1.9	(0.3)	(12.5)	2.0	4.2	1.5	[3.7]	3.4
APTIOM® (eslicarbazepine acetate) Antiepileptic (Launch: Apr. 2014)	—	0.9	0.9	—	—	—	2.7	[3.5]	3.6
OMNARIS® (ciclesonide) Corticosteroid nasal spray	1.1	0.8	(0.3)	(25.3)	1.0	2.1	0.5		1.3
ZETONNA® (ciclesonide) Corticosteroid nasal spray (Launch: Jul. 2012)	0.9	0.6	(0.3)	(33.7)	1.0	1.9	0.3		0.9
Industrial property revenues	2.1	2.6	0.5	26.2	2.0	4.1	6.5	[3.3]	9.1

China (Billions of yen)

Brand name (Generic name)	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
MEROPEN® (meropenem)	4.5	6.9	2.4	54.2	5.3	9.8	7.1	[13.0]	14.0

Other Regions (Billions of yen)

Brand name (Generic name)	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
MEROPEN® (meropenem) (Export)	3.0	2.0	(1.0)	(33.6)	2.6	5.6	2.0	[3.7]	4.0
EXCEGRAN® (zonisamide) (Export)	0.7	0.7	0.1	8.0	0.6	1.3	0.6		1.3
Industrial property revenues	0.1	0.2	0.1	75.1	9.0	9.1	0.2	[0.7]	0.4

(Reference) Sales of Products in North America Segment (based on local currency) (Millions of dollars)

Brand name (Generic name) Therapeutic indication	FY2013 Apr.-Sep. (A)	FY2014 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2013		FY2014 (Forecasts)		
					2nd Half	Full Year	2nd Half	Full Year	
LATUDA® (lurasidone)	162	354	192	118.1	259	421	395	[716]	749
BROVANA® (arformoterol tartrate)	80	93	13	15.6	88	168	114		207
LUNESTA® (eszopiclone)	272	69	(203)	(74.7)	307	579	19	[85]	88
XOPENEX® (levalbuterol HCl)	68	50	(18)	(26.7)	53	121	12	[68]	62
ALVESCO® (ciclesonide)	22	19	(4)	(16.0)	20	42	14	[37]	33
APTIOM® (eslicarbazepine acetate)	—	9	9	—	—	—	26		35
OMNARIS® (ciclesonide)	11	8	(3)	(28.3)	10	21	5		13
ZETONNA® (ciclesonide)	10	6	(3)	(36.4)	9	19	3		9
Industrial property revenues	21	25	4	21.1	20	41	62	[33]	87

Note: The forecasts of some products have been revised. Figures in parentheses [ ] are previously disclosed

III. Consolidated Balance Sheets

ASSETS

(Billions of yen)

	As of Mar. 31, 2014 (A)	As of Sep. 30, 2014 (B)	(B)-(A)
[Assets]	659.0	670.8	11.7
Current assets:	359.6	371.8	12.2
Cash and time deposits	22.7	29.5	6.8
Notes and accounts receivable	111.7	94.1	(17.6)
Marketable securities	82.0	103.2	21.2
Inventories	59.1	64.1	5.0
Deferred tax assets	37.3	37.5	0.2
Short-term loans receivable	41.7	38.3	(3.4)
Others	5.2	5.2	(0.0)
Allowance for doubtful receivables	(0.1)	(0.1)	0.0
Fixed assets:	299.4	299.0	(0.4)
Property, plant and equipment:	72.7	69.9	(2.8)
Buildings and structures	44.4	44.2	(0.2)
Machinery, equipment and carriers	9.6	9.4	(0.3)
Land	8.4	6.4	(2.0)
Construction in progress	3.1	2.6	(0.5)
Others	7.2	7.3	0.2
Intangible assets:	156.8	158.5	1.7
Goodwill	80.7	82.9	2.2
In-process research & development	56.1	55.9	(0.1)
Others	20.1	19.7	(0.4)
Investments and other assets:	69.9	70.6	0.7
Investment securities	50.8	52.4	1.6
Asset for retirement benefit	4.7	4.6	(0.1)
Deferred tax assets	8.6	6.1	(2.5)
Others	5.9	7.5	1.7
Allowance for doubtful receivables	(0.0)	(0.0)	(0.0)
Total assets	659.0	670.8	11.7

Receipt of Milestone Revenue and decrease in sales

Increase in certificate of deposit

Sale of idle real estate

Amortization -2.5
Exchange +4.8

Exchange -0.1

Accounts receivable turnover period (in months)	3.46	3.17

LIABILITIES AND NET ASSETS

(Billions of yen)

	As of Mar. 31, 2014 (B)	As of Sep. 30, 2014 (B)	(B)-(A)
[Liabilities]	260.5	250.8	(9.7)
Current liabilities:	131.2	124.9	(6.3)
Notes and accounts payable	11.7	14.1	2.4
Current portion of long-term loans payable	10.0	10.2	0.2
Income taxes payable	10.5	6.1	(4.5)
Reserve for bonuses	7.8	8.7	0.9
Reserve for sales returns	9.9	7.6	(2.3)
Reserve for sales rebates	26.4	30.3	3.9
Accounts payable-other	35.9	31.4	(4.5)
Others	18.9	16.5	(2.4)
Long-term liabilities:	129.3	125.9	(3.4)
Bonds payable	60.0	60.0	—
Long-term loans payable	25.0	20.1	(4.9)
Deferred tax liabilities	15.7	14.6	(1.1)
Liability for retirement benefit	13.9	14.0	0.2
Others	14.7	17.1	2.5
[Net assets]	398.5	420.0	21.5
Shareholders' equity:	356.5	364.3	7.9
Common stock	22.4	22.4	—
Capital surplus	15.9	15.9	0.0
Retained earnings	318.9	326.7	7.9
Treasury stock	(0.7)	(0.7)	(0.0)
Accumulated other comprehensive income (loss):	42.1	55.7	13.6
Unrealized gains on available-for-sale securities, net of tax	17.2	17.4	0.1
Deferred gains or losses on hedges	(0.0)	0.0	0.0
Foreign currency translation adjustments	26.8	40.1	13.3
Remeasurement of defined benefit plans	(2.0)	(1.8)	0.2
Total liabilities and net assets	659.0	670.8	11.7

Payment of advertisement cost, decrease in accounts payable-facilities, etc.

Total interest-bearing debt
95.0→90.3
(scheduled payment -5.0)

Net income +11.8
Payment of dividend -3.6

Currency exchange rates: yen/$
03/2014 09/2014
102.9 → 109.5

IV. Quarterly Business Results

(Billions of yen)

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	89.6	91.8	103.1	103.2	89.7	88.5
Cost of sales	25.3	25.2	27.7	26.0	24.1	24.4
SG&A expenses	55.3	58.2	58.2	69.7	57.0	60.9
SG&A expenses less R&D costs	40.6	41.4	40.7	48.9	41.8	43.0
R&D costs	14.7	16.8	17.5	20.8	15.2	18.0
Operating income (loss)	9.0	8.4	17.2	7.5	8.7	3.3
Non-operating income	0.9	0.3	0.5	0.4	1.3	1.0
Non-operating expenses	0.5	0.8	0.8	1.6	0.5	1.1
Ordinary income (loss)	9.5	7.9	16.9	6.3	9.6	3.2
Extraordinary income	―	3.8	0.0	0.2	1.7	8.3
Extraordinary loss	1.0	5.3	0.1	3.6	0.1	0.5
Income (Loss) before income taxes and minority interests	8.5	6.5	16.8	2.9	11.1	10.9
Net income (loss)	4.8	3.9	10.5	0.9	5.8	6.0

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

V. Major Consolidated Subsidiaries (As of September 30, 2014)

Domestic	DSP Gokyo Food & Chemical Co., Ltd.	DS Pharma Animal Health Co., Ltd.	DS Pharma Biomedical Co., Ltd.
Establishment	October 1947	July 2010	June 1998
Ownership	100%	100%	100%
Number of employees	155	101	63
Businesses	Manufacturing and sales of food ingredients, food additives, chemical product materials, etc.	Manufacturing, and sales of veterinary medicines, etc.	Manufacturing and sales of diagnostics, etc.

Overseas	Sunovion Pharmaceuticals Inc.	Boston Biomedical, Inc.	Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.
Establishment	January 1984	November 2006	December 2003
Ownership	100%	100%	100%
Number of employees	1,572	70	745
Businesses	Manufacturing and sales of pharmaceuticals	R&D in the oncology area	Manufacturing and sales of pharmaceuticals

(Reference) Number of employees and MRs

		As of Mar. 31, 2014	As of Sep. 30, 2014
consolidated		7,015	6,956
non-consolidated		4,331	4,240
MRs Japan	(excluding managers)	1,400	1,370
	(including managers)	1,600	1,550
MRs U.S.	(excluding managers)	710	700
	(including managers)	810	800
MRs China	(excluding managers)	390	380
	(including managers)	480	480

VI. Shareholder Positioning (As of September 30, 2014)

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

2. Total number of shares outstanding: 397,900,154 (Including number of treasury stock 594,785)

3. Number of shareholders: 29,074

4. Major shareholders:

Shareholders	Status of ownership	
	Number of shares held (Thousand shares)	Percentage of shareholding(%)
Sumitomo Chemical Co., Ltd.	199,434	50.20
Inabata & Co., Ltd.	27,282	6.87
The Master Trust Bank of Japan, Ltd. (Trust account)	17,315	4.36
Japan Trustee Services Bank, Ltd. (Trust account)	8,606	2.17
Nippon Life Insurance Company	7,581	1.91
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
Aioi Nissay Dowa Insurance Co., Ltd.	4,435	1.12
Sumitomo Dainippon Pharma Employee shareholders' association	4,101	1.03
BNP Paribas Securities (Japan), Limited	2,638	0.66

Notes: *1: Percentage of shareholding is calculated excluding treasury stock (594,785 stocks).
*2: The numbers of shares held are rounded down to the nearest thousand shares.

VII. Development Pipeline (As of October 30, 2014)

Major Products under Development in Japan

Stage in JPN	Brand name/ Product code Formulation	Generic name	Proposed indication	Origin	Remarks
Submitted	SUREPOST® Oral	repaglinide	(New indication) Type 2 diabetes All combination therapies including DPP-4 inhibitors	Novo Nordisk	Submitted in December 2013 Approved indication: The reduction of postprandial blood glucose in patients with type 2 diabetes (Monotherapy, Combination with α-GI, BG and TZD)
Phase III	AS-3201 Oral	ranirestat	Diabetic neuropathy	In-house	
	SM-13496 Oral	lurasidone hydrochloride	Schizophrenia	In-house	Approved in the U.S., Canada, Europe and Australia
			Bipolar I depression		Approved in the U.S. and Canada
			Bipolar maintenance		
	BBI608 Oral	TBD	Colorectal cancer (Monotherapy)	In-house	Global clinical trial Further enrollment of new patients was stopped and all study drug was discontinued in patients in May 2014
			Gastric cancer, Gastro-esophageal junction adenocarcinoma (Combination therapy)	In-house	Global clinical trial
	LONASEN® Oral	blonanserin	(Addition of pediatric usage) Schizophrenia	In-house	
	LONASEN® Transdermal Patch		(New formulation – Transdermal patch) Schizophrenia		Co-development with Nitto Denko Approved formulation: Oral

Stage in JPN	Brand name/ Product code Formulation	Generic name	Proposed indication	Origin	Remarks
Phase II/III	EPI-743 Oral	TBD	Leigh syndrome	Edison Pharmaceuticals	
Phase II	DSP-1747 Oral	obeticholic acid	Nonalcoholic steatohepatitis (NASH)	Intercept Pharmaceuticals	
	DSP-6952 Oral	TBD	IBS with constipation, Chronic idiopathic constipation	In-house	
	TRERIEF® Oral	zonisamide	(New indication) Parkinsonism in Dementia with Lewy Bodies (DLB)	In-house	
Phase I/II	WT4869 Injection	TBD	Myelodysplastic syndromes	Joint research with Chugai Pharmaceutical	Independent development after April 2013
Phase I	WT4869 Injection	TBD	Solid tumors	Joint research with Chugai Pharmaceutical	Independent development after April 2013
	WT2725 Injection	TBD	Solid tumors	Joint research with Chugai Pharmaceutical	Independent development after April 2013

[Main revisions since the announcement of July 2014]

METGLUCO® (Pediatric usage)	Deleted due to approval (Approved in August 2014)
BBI608 (Gastric cancer,etc. / Combination therapy)	Changed from Phase I to Phase III
LONASEN® (Transdermal patch)	Changed from Phase II to Phase III
DSP-3025 (Bronchial asthma, Allergic rhinitis)	Deleted due to discontinued development

Major Products under Development in Foreign Markets

Stage	Brand name/ Product code Formulation	Generic name	Proposed indication	Origin	Country/ Area	Remarks
Submitted	Amrubicin hydrochloride Injection	amrubicin hydrochloride	Small cell lung cancer	In-house	China	Submitted in August 2013 Brand name in Japan: CALSED®
	Blonanserin Oral	blonanserin	Schizophrenia	In-house	China	Submitted in September 2013 Brand name in Japan: LONASEN®
	APTIOM® Oral	eslicarbazepine acetate	(New indication) Epilepsy (Monotherapy)	BIAL	U.S. , Canada	Submitted in October 2014 Approved indication: Epilepsy (Adjunctive therapy)
Phase III	BBI608 Oral	TBD	Colorectal cancer (Monotherapy)	In-house	U.S., Canada, etc.	Global clinical trial Further enrollment of new patients was stopped and all study drug was discontinued in patients in May 2014
			Gastric cancer, Gastro-esophageal junction adenocarcinoma (Combination therapy)		U.S., Canada, etc.	Global clinical trial
	SM-13496 Oral	lurasidone hydrochloride	Schizophrenia	In-house	China	Approved in the U.S., Canada, Europe and Australia
	LATUDA® Oral		(New indication) Bipolar maintenance		U.S., Europe, etc.	
			(New indication) MDD with mixed features			
	SEP-225289 Oral	dasotraline	Adult attention-deficit hyperactivity disorder (ADHD)	In-house	U.S.	

Stage	Brand name/ Product code Formulation	Generic name	Proposed indication	Origin	Country/ Area	Remarks
Phase II	BBI608 Oral	TBD	Colorectal cancer (Combination therapy)	In-house	U.S., Canada	
	SUN-101 Inhalant	glycopyrrolate bromide	Chronic obstructive pulmonary disease (COPD)	In-house	U.S.	From the former Elevation Pharmaceuticals
	BBI503 Oral	TBD	Renal cell carcinoma, Urothelial carcinoma (Monotherapy)	In-house	Canada	
			Hepatocellular carcinoma, Cholangio carcinoma (Monotherapy)			
			Gastrointestinal stromal tumor (Monotherapy)			
	SB623 Injection	TBD	Chronic Stroke	SanBio	U.S.	Joint development with SanBio.
Phase I/II	BBI608 Oral	TBD	Solid tumors (Combination therapy)	In-house	U.S., Canada	Phase II : Ovarian cancer, Breast cancer, Non-small cell lung cancer, Melanoma, etc.
			Hepatocellular carcinoma (Combination therapy)		U.S.	
	BBI503 Oral	TBD	Solid tumors (Monotherapy)	In-house	U.S., Canada	Phase II : Colorectal cancer, Head and Neck cancer, Ovarian cancer, etc.
			Hepatocellular carcinoma (Combination therapy)		U.S.	
Phase I	DSP-2230 Oral	TBD	Neuropathic pain	In-house	U.K., U.S.	
	WT2725 Injection	TBD	Solid tumors, Hematologic cancers	Joint research with Chugai Pharmaceutical	U.S.	Independent development after April 2013
	SEP-363856 Oral	TBD	Schizophrenia	In-house	U.S.	

Stage	Brand name/ Product code Formulation	Generic name	Proposed indication	Origin	Country/ Area	Remarks
Phase I	BBI608 Oral	TBD	Gastrointestinal cancer (Combination therapy)	In-house	U.S., Canada	
			Pancreatic cancer (Combination therapy)		U.S.	
	SEP-225289 Oral	dasotraline	Pediatric attention-deficit hyperactivity disorder (ADHD)	In-house	U.S.	
	DSP-3748 Oral	TBD	Cognitive impairment assosiated with schizophrenia	In-house	U.S.	

* Phase I study of EPI-589 which was in-licensed from Edison Pharmaceuticals (in-licensed territories: Japan and North America) is ongoing in Europe by Edison Pharmaceuticals.

[Main revisions since the announcement of July 2014]

APTIOM® (Epilepsy / Monotherapy)	Changed from Phase Ⅲ to Submitted in the U.S. and Canada (Submitted in October 2014)
SEP-225289 (Adult Attention-deficit hyperactivity disorder)	Changed from Phase Ⅱ to Phase Ⅲ in the U.S.
SB623	Newly added in Phase Ⅱ in the U.S.
BBI608 (Hepatocellular carcinoma / Combination therapy)	Newly added in Phase Ⅰ / Ⅱ in the U.S.
BBI503 (Hepatocellular carcinoma / Combination therapy)	Newly added in Phase Ⅰ / Ⅱ in the U.S.
SEP-225289 (Pediatric Attention-deficit hyperactivity disorder)	Newly added in Phase Ⅰ in the U.S.
BBI608 (Pancreatic cancer/ Combination therapy)	Newly added in Phase Ⅰ in the U.S.
DSP-3748	Newly added in Phase Ⅰ in the U.S.

Major Products under Development by Licensees

Generic / Product code (Brand name in JPN)	Proposed indications	Status of development
vosaroxin AG-7352	Cancer	Out-licensed to Sunesis Pharmaceuticals Inc. for the worldwide territory in October 2003. Phase III study completed in North America by Sunesis (Sunesis' product code: SNS-595) in October 2014.
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 study completed in the U.S. and Europe by Celgene.
droxidopa (DOPS®)	Neurogenic orthostatic hypotension, Intradialytic hypotension, Fibromyalgia	Out-licensed to Lundbeck (former Chelsea Therapeutics) for the worldwide territory, excluding Japan, China, Korea and Taiwan in May 2006. Lundbeck obtained the approval for neurogenic orthostatic hypotension in the U.S. in February 2014, and launched in the U.S. in September 2014 (Lundbeck's brand name: NORTHERA™). Phase II study of fibromyalgia and phase II study of intradialytic hypotension completed by Lundbeck.
lurasidone hydrochloride SM-13496	Schizophrenia Bipolar disorder	Entered into a license agreement with Takeda Pharmaceutical for co-development and exclusive commercialization for the European territory, excluding the U.K. in March 2011. Takeda submitted an MAA in Europe for schizophrenia in September 2012. Takeda obtained the approval for schizophrenia in Switzerland in August 2013. Out-licensed to Standard Chem. & Pharm. for Taiwan in August 2013, and submitted for schizophrenia in Taiwan in October 2013. Out-licensed to Daiichi-Sankyo for rights or option rights in four South American countries to commercialize in January 2014 Takeda obtained the approval in Europe for schizophrenia in March 2014.
SMP-986	Nocturia	Out-licensed to Nippon Shinyaku for rights in Japan to develop and commercialize in March 2013. Phase II study ongoing in Japan by Nippon Shinyaku.(Nippon Shinyaku's product code: NS-986).

[Main revisions since the announcement of July 2014]

Droxidopa	Lundbeck launched in the U.S. in September 2014
Vosaroxin (AG-7352)	Sunesis completed Phase III in the U.S. in october 2014
DSP-3025	Deleted due to discontinued development by Astrazeneca

VIII. Profile of Major Products under Development (As of October 30, 2014)

APTIOM® (eslicarbazepine acetate) Epilepsy

- In-licensed from BIAL Portela & C[a], S.A
- A novel voltage-gated sodium channel blocker, is taken once daily and can be taken whole or crushed, with or without food. APTIOM® is not classified as a controlled substance by the FDA.
- Sunovion obtained the approval of APTIOM® for use as adjunctive treatment of partial-onset seizures in the U.S. in November 2013 and launched in the U.S. in April 2014. The approval is based on three global studies which were jointly performed with BIAL. These were randomized, double-blind, placebo-controlled studies, which included more than 1,400 people living with partial-onset seizures inadequately controlled by one to three concomitant AEDs. APTIOM™ was approved for use as adjunctive treatment of partial-onset seizures in Canada in July 2014.
- Development stage:
  Epilepsy (monotherapy): Submitted in the U.S. and Canada in October 2014.

LATUDA® (lurasidone hydrochloride) Schizophrenia, Bipolar disorder

- Developed in-house
- LATUDA® (lurasidone hydrochloride) is an atypical antipsychotic agent that is believed to have an affinity for dopamine D_2, serotonin 5-HT_{2A} and serotonin 5-HT_7 receptors where it has antagonist effects. In addition, LATUDA is a partial agonist at the serotonin 5-HT_{1A} receptor and has no appreciable affinity for histamine or muscarinic receptors.
- In the clinical studies supporting the U.S. FDA approval, the efficacy of LATUDA for the treatment of schizophrenia was established in four, short-term (6-week), placebo-controlled clinical studies in adult patients. In these studies, LATUDA demonstrated significantly greater improvement versus placebo. A total of five short-term placebo-controlled clinical studies contributed to the understanding of the tolerability and safety profile of LATUDA. LATUDA was approved for the treatment of schizophrenia by the U.S. FDA in October 2010, and launched by Sunovion in the U.S. in February 2011. For the treatment of schizophrenia, LATUDA was approved in Canada in June 2012, in Switzerland in August 2013, in Europe and Australia in March 2014.
  For the treatment of bipolar I depression, LATUDA was approved as the first atypical antipsychotic indicated for the treatment of bipolar I depression as a monotherapy and as an adjunctive therapy to lithium or valproate by the U.S. FDA in June 2013. In addition, LATUDA was approved in Canada in March 2014.
- Development stage:

Schizophrenia:	Submitted in Taiwan by Standard Chem. & Pharm. Phase III in Japan and China
Bipolar I depression:	Phase III in Japan In addition, plans to submit an MAA in Europe by Takeda Pharmaceutical. (Phase III in Europe)
Bipolar maintenance:	Phase III in the U.S., Europe and Japan, etc.
MDD with mixed features:	Phase III in the U.S. and Europe, etc.

ranirestat (AS-3201)　　Diabetic neuropathy

- Developed in-house
- AS-3201 is expected to alleviate 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.
- Development stage: Phase III in Japan

BBI608　　Solid tumors

- Developed in-house (Boston Biomedical, Inc.)
- BBI608 is a small-molecule compound with a novel mechanism that blocks cancer stem cells (cancer cells with stem cell-like properties) self-renewal and induces cell death in cancer stem cells as well as other heterogeneous cancer cells. By targeting cancer stem cells in addition to heterogeneous (non-stem) cancer cells, it may provide a new therapeutic option against cancer challenges such as treatment resistance, recurrence and metastasis.
- BBI608 has been shown to inhibit the Stat3 pathways, Nanog pathways and β-catenin pathways in the pre-clinical study.
- Development stage:
  Colorectal cancer (monotherapy): Phase III in the U.S., Canada and Japan, etc.
  *Further enrollment of new patients was stopped and all study drug was discontinued in patients in May 2014.
  Gastric cancer, Gastro-esophageal junction adenocarcinoma (combination therapy with paclitaxel): Phase III in the U.S., Canada and Japan, etc.
  Colorectal cancer (combination therapy with cetuximab, panitumumab or capecitabine): Phase II in the U.S. and Canada
  Solid tumors (combination therapy with paclitaxel): Phase I/II in the U.S. and Canada
  * Phase II : Ovarin cancer, Brest cancer, Non-small cell lung cancer, Melanoma, etc.
  Hepatocellular carcinoma (combination therapy with sorafenib): Phase I / II in the U.S.
  Gastrointestinal cancer (combination therapy with FOLFOX[*1], FOLFOX[*1] and bevacizumab, CAPOX[*2], FOLFIRI[*3], FOLFIRI[*3] and bevacizumab, or regorafenib): Phase I in the U.S. and Canada
  *1 FOLFOX: Combination therapy with fluorouracil, leucovorin, oxaliplatin
  *2 CAPOX: Combination therapy with capecitabine, oxaliplatin
  *3 FOLFIRI: Combination therapy with fluorouracil, leucovorin,irinotecan
  Pancreatic cancer (combination therapy with gemcitabine and nab-paclitaxel): Phase I in the U.S.

dasotraline (SEP-225289)　　Attention-deficit hyperactivity disorder (ADHD)

- Developed in-house (Sunovion Pharmaceuticals Inc.)
- SEP-225289 is a DNRI that inhibits the reuptake of dopamine and norepinephrine. SEP-225289 is being developed as a once daily long-acting treatment that will be effective throughout the day. Because of its ability to maintain a stable concentration in blood levels all day, it is expected to be effective over the course of the day.
- Development stage:
  Adult attention-deficit hyperactivity disorder (ADHD): Phase III in the U.S.
  Pediatric attention-deficit hyperactivity disorder (ADHD): Phase I in the U.S.

EPI-743 Mitochondrial disease

- In-licensed from Edison Pharmaceuticals
- EPI-743 is to synchronize energy generation in the mitochondria with the counterbalancing of redox stress. It is expected to be a world's first treatment for mitochondrial diseases beginning with Leigh syndrome.
- Development stage: Phase II/III in Japan for Leigh syndrome

DSP-1747 Nonalcoholic steatohepatitis (NASH), Primary biliary cirrhosis (PBC)

- In-licensed from Intercept Pharmaceuticals Inc. (Intercept's product code: INT-747)
- DSP-1747 is an agonist to farnesoid X receptor (FXR) whose ligand is the primary human bile acid chenodeoxycholic acid, the natural endogenous FXR agonist. The compound is expected to be effective for hepatic dysfunction and hepatic fibrosis associated with an increase of bile acid in the liver.
- Development stage: Phase II in Japan for NASH. Phase II for PBC is under consideration.

DSP-6952 IBS with constipation, Chronic idiopathic constipation

- Developed in-house
- DSP-6952 is a high affinity serotonin-4 receptor partial agonist with enterokinetic effect. DSP-6952 is expected to be effective for IBS with constipation and chronic idiopathic constipation by increasing complete spontaneous bowel movement.
- Development stage: Phase II in Japan

glycopyrrolate bromide (SUN-101) Chronic obstructive pulmonary disease (COPD)

- Developed in-house (Sunovion Pharmaceuticals Inc.)
- SUN-101 is a proprietary solution formulation of glycopyrrolate bromide, delivered by a customized eFlow® Nebulizer System (originated by and licensed from PARI Pharma GmbH), which was developed to optimize medication delivery and allow ease of use. Including products on the market and in development in this therapeutic area, SUN-101 is currently the only LAMA (long-acting muscarinic antagonist) in nebulized form.
- Development stage: Phase II in the U.S.

BBI503 Solid tumors

- Developed in-house (Boston Biomedical, Inc.)
- BBI503 is a small-molecule compound with a novel and a mechanism different to that of BBI608 that blocks cancer stem cell (cancer cell with stem cell-like properties) self-renewal and induces cell death in CSC as well as other heterogeneous cancer cells. By targeting cancer stem cells in addition to heterogeneous (non-stem) cancer cells, it may provide a new therapeutic option against cancer challenges such as treatment resistance, recurrence and metastasis.
- BBI503 has been shown to inhibit multi-kinase in pre-clinical study.
- Development stage:
  Renal cell carcinoma, Urothelial carcinoma (monotherapy): Phase II in Canada
  Hepatocelluar carcinoma, Cholangiocarcinoma (monotherapy): Phase II in Canada
  Gastrointestinal stromal tumor (monotherapy): Phase II in Canada
  Solid tumors (monotherapy): Phase I / II in the U.S. and Canada
  * Phase II : Colorectal cancer, Head and Neck cancer, Ovarian cancer, etc.
  Hepatocellular carcinoma (combination therapy with sorafenib): Phase I / II in the U.S.

SB623 Stroke

- In-licensed from SanBio and joint development with SanBio
- SB623 is an allogeneic cell product, derived from bone marrow stromal cells isolated from healthy donors. Unlike autologous cell therapy, which requires individualized cell preparation at the health care institution, SB623 production can be scaled from a single donor's cells, enabling delivery of uniform quality products to a large number of stroke patients. In preclinical and clinical studies to date, SB623 has shown beneficial results for stroke disability with no serious adverse events which are associated with SB623.
- Development stage: Phase II in the U.S.

WT4869 Myelodysplastic syndromes (MDS), Solid tumors

- Developed in house (Joint research with Chugai Pharmaceutical)
- WT4869 is a therapeutic cancer vaccine candidate using a peptide derived from Wilms' tumor gene 1 (WT1) protein. WT4869 is expected to treat patients with various types of hematologic cancers and solid tumors that overexpress WT1, by the induction of WT1-specific cytotoxic T-lymphocytes.
- Development stage:

Myelodysplastic syndromes (MDS):	Phase I/II in Japan
Solid tumors:	Phase I in Japan

DSP-2230 Neuropathic pain

- Developed in-house
- DSP-2230 is a novel compound that selectively inhibits voltage-gated sodium channels Nav1.7 and Nav1.8 with higher potencies than those against the other sodium channel subtypes studied. In addition, DSP-2230 has demonstrated antiallodynic effects in animal models of neuropathic pain that have been shown to be predictive of efficacy in humans. Due to its novel mechanism, DSP-2230 is expected not to produce CV or CNS side effects, which are present with the current drugs, such as non-selective sodium channel blockers and anti-epilepsy medicines.
- Development stage: Phase I in the U.K. and the U.S.

WT2725 Solid tumors, Hematologic cancers

- Developed in-house (Joint research with Chugai Pharmaceutical)
- WT2725 is a therapeutic cancer vaccine candidate using a peptide derived from Wilms' tumor gene 1 (WT1) protein. WT2725 is expected to treat patients with various types of hematologic cancers and solid tumors that overexpress WT1, by the induction of WT1-specific cytotoxic T-lymphocytes.
- Development stage:

Solid tumors, Hematologic cancers:	Phase I in the U.S.
Solid tumors:	Phase I in Japan

SEP-363856 Schizophrenia

- Developed in-house (Sunovion Pharmaceuticals Inc.)
- SEP-363856 is an antipsychotic with a novel mechanism of action. Compared to existing antipsychotics that are effective for positive symptoms of schizophrenia, this also shows efficacy for the negative symptoms. Even in combination treatment with atypical antipsychotics, extrapyramidal side effects were not observed. High efficacy and improved QOL are expected for the treatment for schizophrenia.
- Development stage: Phase I in the U.S.

EPI-589 Neurodegenerative diseases

- In-licensed from Edison Pharmaceuticals
- EPI-589 is a generation 2 redox cofactor modeled after EPI-743. It is expected to be developed for neurodegenerative indications arising through redox stress based on defects in mitochondrial function.
- Development stage: Phase I in Europe by Edison Pharmaceuticals.

DSP-3748 Cognitive impairment associated with schizophrenia (CIAS)

- Developed in-house
- DSP-3748 is positive allosteric modulator (PAM) of α7 type nicotinic acetylcholine receptor (α7nAChR). DSP-3748 is expected to treat patients with cognitive impairment associated with schizophrenia (CIAS) by enhancing the ACh transmission via α7nAChR. DSP-3748 is expected to cause less desensitization in comparison with a conventional agonist.
- Development stage: Phase I in the U.S.