

Consolidated Financial Results for 1st Quarter of FY2007 (April 1, 2007 to June 30, 2007)

July 30, 2007

Dainippon Sumitomo Pharma Co., Ltd.

Financial Results

Billions of Yen

	1Q FY2006	1Q FY2007	Change		Forecast for 1 st half FY 2007	Progress*
			Value	Percentage		
Net sales	65.3	65.3	0.0	0.1 %	133.0	49.1 %
Operating income	12.2	12.1	- 0.1	- 0.5 %	22.0	55.1 %
Recurring income	12.5	12.8	0.4	2.9 %	21.0	61.1 %
Net income	5.6	7.8	2.3	40.7 %	12.4	63.1 %

* Progress against forecast
for 1st half FY 2007

All values are rounded.

Increase and Decrease Factors of Net Sales

Billions of Yen

	1Q FY2006	1Q FY2007	Change	
			Value	Percentage
Net sales	65.3	65.3	0.0	0.1 %

(Positives)

- Sales of 4 strategic products remained firm
- Exports increased

(Negatives)

- Non-strategic products decreased
- Industrial property revenues decreased

Domestic Sales of 4 Strategic Products

Billions of Yen

	1Q FY2006	1Q FY2007	Change	
			Value	Percentage
AMLODIN [®]	14.0	15.2	1.2	8.5 %
GASMOTIN [®]	4.5	4.7	0.2	4.4 %
PRORENAL [®]	3.5	3.5	0.0	0.5 %
MEROPEN [®]	3.6	3.5	- 0.1	- 2.7 %
Total	25.5	26.9	1.3	5.1 %

Cost of Sales and Selling, General & Administrative Expenses

Billions of yen

	1Q FY2006		1Q FY2007		Change
		% of net sales		% of net sales	
Net sales	65.3	—	65.3	—	0.0
Cost of sales	24.6	37.7 %	25.4	38.9 %	0.8
Gross profit	40.7	62.3 %	39.9	61.1 %	- 0.7
SG&A expenses	28.5	43.6 %	27.8	42.6 %	- 0.7
SG&A expenses	18.9	29.0 %	18.5	28.3 %	- 0.4
R&D expenses	9.6	14.7 %	9.3	14.2 %	- 0.3
Operating income	12.2	18.7 %	12.1	18.5 %	- 0.1

(Cost of sales)

- Change of sales structure due to decrease of industrial property revenues

(SG&A expenses)

- Decreased labor costs
- Decreased R&D expenditures

Non-operating Income & Expenses and Extraordinary Income & Expenses

Billions of yen

	1Q FY2006	1Q FY2007	Change
Operating income	12.2	12.1	- 0.1
Non-operating income and expenses	0.3	0.7	0.4
Finance income and expenses including dividend income	0.3 - 0.3	0.6 - 0.2	0.2 0.1
Contribution	0.2	0.3	0.1
Others			
Recurring income	12.5	12.8	0.4
Extraordinary income and expenses	- 2.9	—	2.9
Additional retirement expenses for employees	- 2.9	—	2.9
Income taxes and minority interests	- 4.0	- 5.0	- 1.0
Net income	5.6	7.8	2.3

Financial Forecasts for FY2007

Billions of yen

	FY06	FY07 forecasts	
	results	1st half	Full year
Net sales	261.2	133.0	273.0
Operating income	45.6	22.0	46.0
Recurring income	43.2	21.0	44.0
Net income	22.6	12.4	26.0

R&D expenses	40.9	23.0	48.0
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Forecasts are unchanged from those announced in May, 2007.

Development Pipeline Highlights

EPHEDRINE NAGAI for new admin. route:

Deleted because approved

GASMOTIN for new indication: Newly added for Phase III

SMP-508 (repaglinide): Under preparation for Phase III

AS-3201 (ranirestat):

In Japan- Under preparation for Phase IIb.

In Overseas- Eisai is now responsible for the development under the license agreement. Eisai is considering plans for Phase III trials.

Disclaimer Regarding Forward-looking Statements

The statements made in this presentation material are forward-looking statements based on management's assumptions and beliefs in light of information available up to the day of announcement, and involve both known and unknown risks and uncertainties.

Actual financial results may differ materially from those presented in this document, being dependent on a number of factors.

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