Third Quarter Financial Results for FY2008

(April 1 to December 31, 2008)

February 3, 2009

Dainippon Sumitomo Pharma Co., Ltd.

Financial Results

Billions of Yen

	3Q FY2007	3Q FY2008	Change		Progress against forecast for FY2008	
			Value	Percentage	FY2008 Forecast	Progress
Net sales	199.2	201.9	2.7	1.4 %	266.0	75.9 %
Operating income	33.2	27.5	- 5.7	- 17.0 %	30.5	90.3 %
Ordinary income	33.3	28.4	- 4.8	- 14.5 %	30.5	93.3 %
Net income	20.7	17.1	- 3.6	- 17.3 %	18.5	92.4 %

Notes

1. All values are rounded to the nearest 100 million yen.
2. 3Q represent period from Apr.1 to Dec.31

Increase and Decrease Factors of Net Sales

Billions of Yen

	3Q FY2007	3Q FY2008	Change	
			Value	Percentage
Net sales	199.2	201.9	2.7	1.4 %

(Positives)
・Sales of new products (LONASEN®／AVAPRO®)
・Start of new contract manufacturing

(Negatives)
・NHI price revision
・Decreased sales of AMLODIN®

Domestic Sales of 4 Strategic Products and New Products

Billions of Yen

	3Q FY2007	3Q FY2008	Change	
			Value	Percentage
AMLODIN®	50.1	46.1	- 4.0	- 8.0 %
GASMOTIN®	15.3	15.5	0.3	1.7 %
PRORENAL®	11.3	11.4	0.1	1.1 %
MEROPEN®	11.5	11.5	0.0	0.1 %
4 Strategic Products Total	88.2	84.6	- 3.6	- 4.1 %

LONASEN®	—	2.4	2.4	—
AVAPRO®	—	1.4	1.4	—
New Products Total	—	3.8	3.8	—

Cost of Sales and Selling, General & Administrative Expenses

Billions of yen

	3Q FY2007	% of net sales	3Q FY2008	% of net sales	Change
Net sales	199.2	—	201.9	—	2.7
Cost of sales	74.0	37.2 %	78.9	39.1 %	4.8
Gross profit	125.2	62.8 %	123.0	60.9 %	- 2.1
SG&A expenses	92.0	46.1 %	95.5	47.3 %	3.5
SG&A expenses	58.2	29.2 %	57.2	28.3 %	- 1.0
R&D costs	33.8	16.9 %	38.3	19.0 %	4.6
Operating income	33.2	16.7 %	27.5	13.6 %	- 5.7

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

(Cost of sales)
・Rise in cost of sales ratio due to NHI price revision and the application of “Accounting Standard for Measurement of Inventories”

(SG&A expenses)
・Increase of R&D costs due to overseas clinical trials of lurasidon in progress

Non-operating Income & Expenses and Extraordinary Income & Expenses

Billions of yen

	3Q FY2007	3Q FY2008	Change
Operating income	33.2	27.5	- 5.7
Non-operating income and expenses	0.1	0.9	0.8
Finance income and expenses including dividend income	1.2	1.4	0.2
Contribution	- 1.0	- 1.1	- 0.0
Others	- 0.1	0.6	0.7
Ordinary income	33.3	28.4	- 4.8
Extraordinary income and expenses	—	—	—
Income taxes and minority interests	- 12.6	- 11.4	1.2
Net income	20.7	17.1	- 3.6

Forecasts for FY2008

Billions of yen

	FY07	FY08	
	Results	Forecasts	Changes
Net sales	264.0	266.0	2.0
Operating income	39.8	30.5	- 9.3
Ordinary income	37.7	30.5	- 7.2
Net income	25.6	18.5	- 7.1

R&D costs	47.3	55.0	7.7

Forecasts are unchanged from those announced in October, 2008

Development Pipeline

Pre-registration	Phase III	Phase II	Phase I
Hepatocellular carcinoma SM-11355 (miriplatin)	Diabetes SMP-508 (repaglinide)	Diabetic neuropathy AS-3201 (ranirestat)	Over-active bladder syndrome SMP-986
Diabetes SMP-862 (metformin)	Schizophrenia SM-13496 (lurasidone)	Dementia AC-3933	Diabetes DSP-3235
Improvement in bowel cleansing by orally gastrointestinal lavage solution prior to barium enema X-ray examination GASMOTIN	Schizophrenia (US/EU etc.) SM-13496 (lurasidone)	Over-active bladder syndrome (US/EU) SMP-986	Allergic disorders (Under preparation for Phase I) DSP-3025
Addition of fungal species AmBisome	Small cell lung cancer (China) amrubicin	Dementia (US/EU) AC-3933	Bronchial asthma (US) SMP-028
Febrile neutropenia MEROPEN			Diabetes (EU) DSP-7238
			Diabetes (US) DSP-8658

Development in Japan (New Chemical Entity) Development in Japan for new indications etc. Overseas development

White font indicates updated projects

Development Pipeline Highlight

- TRERIEF（zonisamide）:
  Deleted because approved in January 2009

- SMP-114（rimacalib）:
  Deleted because of discontinuation

- amrubicin hydrochloride:
  Newly added in “Phase III”
  - To obtain approval for small cell lung cancer in China

Clinical Development of Lurasidone

Global studies (ongoing)

- Schizophrenia
  - Phase 3 Placebo-Controlled Clinical Trial (PEARL #1)
    - Screening started on October 25, 2007.
    - Recruitment of patients completed as scheduled
  - Phase 3 Placebo- and Active Comparator- Controlled Clinical Trial (PEARL #2)
    - Screening started on January 31, 2008, dosing underway
  - Long-term Safety Study (PEARL Safety)
    - Screening started on March 17, 2008, dosing underway
  - Phase 3 Placebo- and Active Comparator- Controlled Clinical Trial (PEARL #3)
    - IND Amendment submitted to FDA on October 15, 2008.
    - Screening started on October 27, 2008, dosing underway

Clinical Development of Lurasidone

Global studies (ongoing)

- Bipolar Disorder（Phase 3 studies)
  - IND submitted to FDA on December 17, 2008.
  - Screening to be started soon

Development for Japanese NDA submission (Pan-Asia study)

- IND for Phase 3 Study（against schizophrenia) in Japan, Taiwan and South Korea
- Dosing underway in Japan, Taiwan and South Korea
- Protocol Synopsis
  - Comparator：Placebo (Reference：risperidone)
  - Target Number of Enrolled Patients：440
  - Primary Endpoints：PANSS

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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