

Third Quarter Financial Results for FY2009 (Apr. 1 to Dec. 31, 2009)

February 3, 2010

Dainippon Sumitomo Pharma Co., Ltd.

Scope of Consolidation after Acquisition of Sepracor

Dainippon Sumitomo Pharma Co., Ltd.

Gokyo Trading Co., Ltd.

DS Pharma Biomedical Co., Ltd.

Sumitomo Pharmaceuticals (Suzhou) Co., Ltd. *1

*1 Newly added as a consolidated subsidiary from this fiscal year

Scope of
Statements of Income

Dainippon Sumitomo Pharma
America Holdings, Inc.

Dainippon Sumitomo
Pharma America, Inc.

Sepracor Inc. *2

Scope of Balance Sheet

*2 Sepracor Inc. has 7 consolidated subsidiaries.

Financial Results

Billions of yen

	3Q FY2008	3Q FY2009	Change		FY2009	
			Value	Percentage	Forecasts as of Oct. 29	Progress rate
Net sales	201.9	203.8	1.8	0.9%	264.0	77.2%
Operating income	27.5	32.0	4.4	16.1%	29.0	110.3%
Ordinary income	28.4	31.8	3.4	11.8%	27.0	117.8%
Net income	17.1	21.2	4.1	23.8%	18.0	117.5%

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 FY2008	3Q FY2009	Change	
			Value	Percentage
Net sales	201.9	203.8	1.8	0.9%
Pharmaceuticals	158.2	158.7	0.5	0.3%
Domestic	143.7	143.0	- 0.7	- 0.5%
Overseas	14.5	15.7	1.2	8.1%
Other products	43.7	45.1	1.4	3.1%

(Positives)

- Sales growth of LONASEN[®] / AVAPRO[®] / AmBisome[®]
- Contribution of Sumitomo Pharmaceuticals (Suzhou) Co., Ltd
- Increased sales of DS Pharma Biomedical Co., Ltd.

(Negatives)

- Decreased sales of AMLODIN[®]

Domestic Sales of Major Products

Billions of yen

	3Q FY2008	3Q FY2009	Change	
			Value	Percentage
AMLODIN®	46.1	41.6	- 4.5	- 9.7%
GASMOTIN®	15.5	16.2	0.6	4.2%
PRORENAL®	11.4	12.1	0.7	6.0%
MEROPEN®	11.5	11.6	0.1	0.9%
4 Strategic Products Total	84.6	81.5	- 3.0	- 3.6%
LONASEN®	2.4	4.7	2.3	93.6%
AVAPRO®	1.4	2.4	1.1	76.9%
TRERIEF®	—	0.6	0.6	—
New Products Total	3.8	7.8	3.9	103.1%
EBASTEL®	6.5	6.4	- 0.1	- 1.1%
SUMIFERON®	4.7	4.5	- 0.1	- 2.9%
AmBisome®	2.3	3.1	0.7	31.4%

Note: Sales are before deduction of sales rebates.

Cost of Sales and Selling, General & Administrative Expenses

Billions of yen

	3Q FY2008		3Q FY2009		Change	
		% of net sales		% of net sales	Value	Percentage
Net sales	201.9	—	203.8	—	1.8	0.9%
Cost of sales	78.9	39.1%	79.1	38.8%	0.2	0.3%
Gross profit	123.0	60.9%	124.7	61.2%	1.6	1.3%
SG&A expenses	95.5	47.3%	92.7	45.5%	- 2.8	- 2.9%
SG&A expenses	57.2	28.3%	57.0	28.0%	- 0.2	- 0.3%
R&D costs	38.3	19.0%	35.7	17.5%	- 2.6	- 6.9%
Operating income	27.5	13.6%	32.0	15.7%	4.4	16.1%

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

(Cost of sales)

- Decrease in the influence of the application of “Accounting Standard for Measurement of Inventories”

(SG&A expenses)

- Decrease in advertising costs
- The review of overseas development examination contents (lurasidone), influence of Yen’s appreciation

Non-operating Income & Expenses and Extraordinary Income & Loss

Billions of yen

	3Q FY2008	3Q FY2009	Change	
			Value	Percentage
Operating income	27.5	32.0	4.4	16.1%
Non-operating income and expenses	0.9	- 0.2	- 1.1	
Finance income and expenses including dividend income	1.4	0.6	- 0.8	
Contribution	- 1.1	- 1.1	0.0	
Others	0.6	0.3	- 0.3	
Ordinary income	28.4	31.8	3.4	11.8%
Extraordinary income and loss	—	—	—	
Income taxes and minority interests	- 11.3	- 10.7	- 0.7	
Net income	17.1	21.2	4.1	23.8%

Valuations of Assets by Acquisition of Sepracor

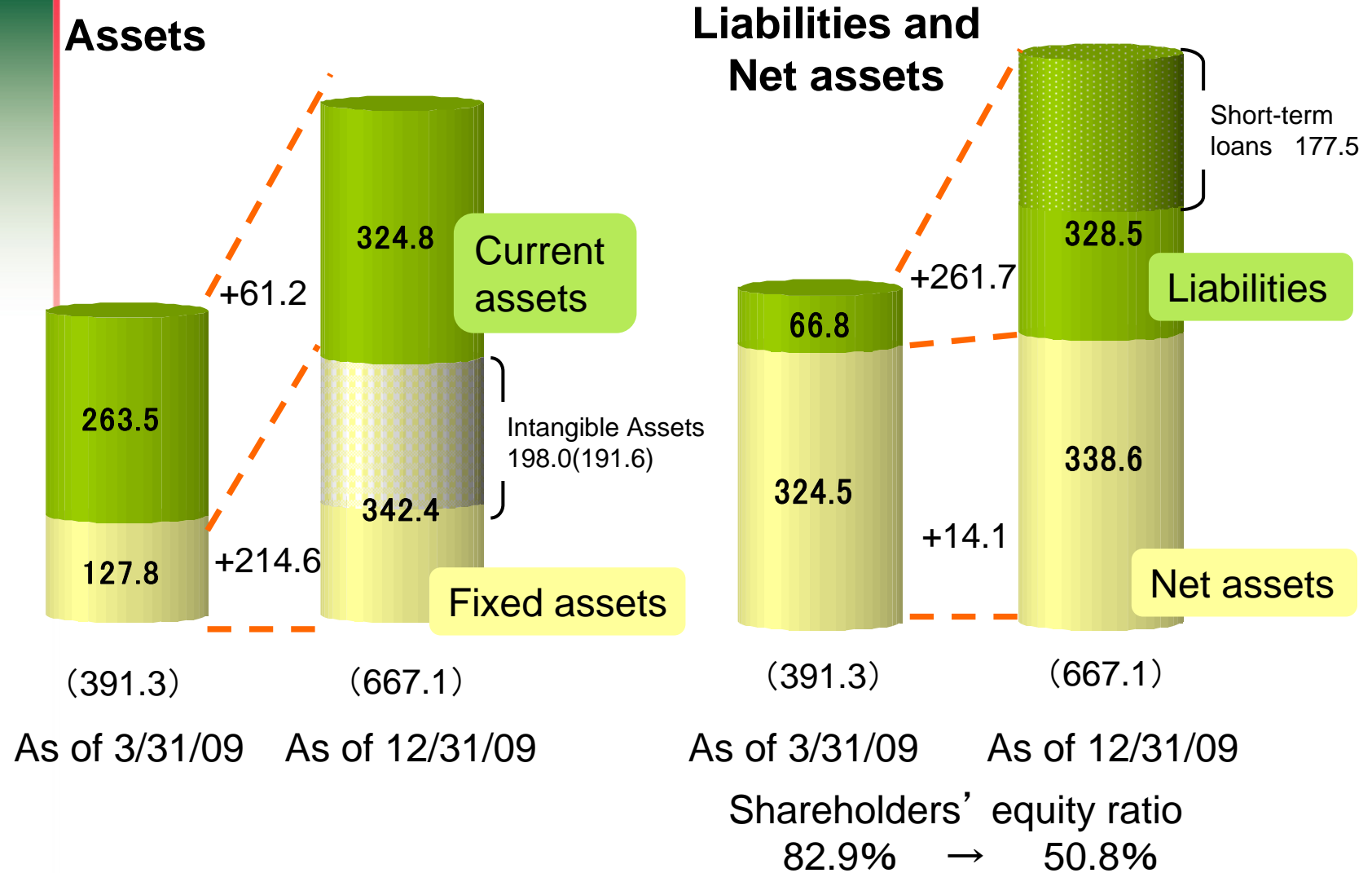
- Notes: 1.Valuations and accounting procedures by acquisition of Sepracor are as follows.
2.Since purchase price allocation is undetermined, the amounts are provisional.

Millions of dollar

	Before Purchase price allocation	After Purchase price allocation	Valuation differences	Accounting procedures (Amortization)	Impact on pretax incomes (Forecasts for FY2009)
Patent rights	—	1,208	1,208	• Amortization years by products	69
In-process R&D (Intangible assets)	—	57	57	• capitalize (amortize after approval)	—
Inventories	67	146	79	• charge to cost of sales	40
Deferred tax liabilities (of the above)	—	- 489	- 489	—	—
Other assets & liabilities (Net)	661	721	60	—	—
Goodwill	26	864	838	• Amortization for 20 years	9
Total	754	2,506	1,753	—	118

Changes in Financial Position

Billions of yen



Financial Forecasts for FY2009



Forecasts for FY2009

Billions of yen

	FY08 Results	FY09		Changes	
		Forecasts (as of Oct. 29)	Forecasts (as of Feb. 3)	Compared to the previous fiscal year	Compared to the forecasts of Oct.
Net sales	264.0	264.0	295.0	31.0	31.0
Operating income	31.2	29.0	31.0	- 0.2	2.0
Ordinary income	31.4	27.0	29.0	- 2.4	2.0
Net income	20.0	18.0	19.0	- 1.0	1.0
R&D costs	52.8	(53.0)	53.5	0.7	(0.5)

Notes: The figures above include performance figures of the U.S. subsidiaries.

Cost of Sales and Selling, General & Administrative Expenses -Forecasts Which Does Not Include Performance Figures of the U.S. Subsidiaries -

Billions of yen

	FY08 Results	FY09 Forecasts		Changes	
		Forecasts (as of Oct. 29)	Forecasts (as of Feb. 3)	Compared to the previous fiscal year	Compared to the forecasts of Oct.
Net sales	264.0	264.0	266.5	2.5	2.5
	[39.3%]	[39.8%]	[40.2%]	[0.9pt]	[0.4pt]
Cost of sales	103.7	105.0	107.0	3.3	2.0
Gross profit	160.3	159.0	159.5	- 0.8	0.5
SG&A expenses	129.1	130.0	127.5	- 1.6	- 2.5
SG&A expenses	76.3	77.0	77.0	0.7	—
R&D costs	52.8	53.0	50.5	- 2.3	- 2.5
Operating income	31.2	29.0	32.0	0.8	3.0
	[11.8%]	[11.0%]	[12.0%]	[0.2pt]	[1.0pt]

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

2. Assumption Exchange rate in 4Q ¥90 to US\$1, ¥145 to UK£1

(Reason for amendment) · Increase in net sales
· Decrease in R&D costs

Business Performance of Sepracor for 2009 (GAAP·Unaudited)

(million dollars)

	FY2008 ending Dec.31		FY2009 ending Dec.31		Change	
		% of net sales		% of net sales	Value	Percentage
Net sales	1,292	-	1,336	-	44	3.4%
Cost of sales	132	10.2	128	9.6	- 4	- 3.4%
Gross profit	1,160	89.8	1,208	90.4	48	4.2%
SG&A expenses	1,104	85.4	1,066	79.8	- 38	- 3.5%
SG&A expenses	767	59.4	760	56.9	- 7	- 1.0%
R&D costs	337	26.1	306	22.9	- 31	- 9.1%
Operating income	56	4.3	142	10.6	86	154.8%

Year-on-year increase in operating income due to the increased sales of BROVANA® and OMNARIS®, and reserve release into revenue.

- Notes:1. Before purchase price allocation
2. Unaudited

Forecasts for FY2009 (Breakdown)

Billions of yen

	FY09 Forecasts			
	Basis * ¹	U.S. Subsidiaries * ²	Influence of P.P.A. * ³	Total
Net sales	266.5	28.5	—	295.0
Operating income	32.0	10.0	- 11.0	31.0
Ordinary income	30.5	9.5	- 11.0	29.0
Net income	20.0	6.0	- 7.0	19.0
R&D costs	50.5	3.0	—	53.5

* 1 : Excluding the influence of consolidating the U.S. subsidiaries

* 2 : Before purchase price allocation

* 3 : Amortizations of patent rights and goodwill, etc.



Notes: 1. Unaudited

2. Assumption exchange rate in 4Q ¥90 to US\$1, ¥145 to UK£1

R&D Pipeline



Development Pipeline (as of Feb. 3, 2010)

	NDA filed	Phase III	Phase II	Phase I
Japan	<p>SMP-508 (Diabetes)</p>	<p>Lurasidone (Schizophrenia)</p>	<p>AS-3201 Diabetic neuropathy</p> <p>DSP-8153 (Hypertension/ Combination product)</p>	<p>SMP-986 (Over-active bladder)</p> <p>DSP-3235 (Diabetes)</p> <p>DSP-3025 (Allergic disorders)</p>
Foreign Markets	<p>Lurasidone US (Schizophrenia)</p> <p>STEDESA™ US * (Epilepsy-Adjunct)</p>	<p>Lurasidone US·EU etc. (Bipolar disorder)</p> <p>Amurubicin hydrochloride China (Small cell lung cancer)</p> <p>OMNARIS® HFA Nasal MDI US * (Allergic Rhinitis)</p> <p>STEDESA™ US * (Epilepsy- Adult monotherapy)</p> <p>LUNESTA® US * (Insomnia-Pediatrics)</p>	<p>SMP-986 US·EU (Over-active bladder)</p> <p>SEP-225289 US * (TBD)</p> <p>ALVESCO® HFA US * (Asthma-Pediatrics age range TBD)</p> <p>SEP-227018 US * (Insomnia)</p> <p>SEP-227162 US * (Major depression)</p>	<p>SMP-028 US·EU (Bronchial asthma)</p> <p>DSP-7238 EU (Diabetes)</p> <p>DSP-8658 US (Diabetes)</p> <p>SEP-227900 US * (Cognition/Pain/AD)</p> <p>SEP-228432 US * (ADHD)</p>
	<p> New Chemical Entities</p> <p> New Indication etc.</p> <p>* Pipeline candidates in Sepracor</p>			

Development Pipeline Highlights

- METGLUCO[®] (metformin hydrochloride) : Deleted
Approved in Jan. 2010, awaiting NHI pricing
Indication : Type 2 diabetes
- MEROPEN[®] (meropenem hydrate) : Deleted
Approval in Jan. 2010
Additional Indication : Febrile neutropenia
Indication : various types of moderate to severe infections
caused by gram-positive / gram-negative bacteria
- SM-13496 (lurasidone) : Changed to “NDA filed” in US
Submitted New Drug Application to FDA in Dec. 2009
Proposed indication : Schizophrenia
- Pipeline Candidates in Sepracor : Newly added

Clinical Development of Lurasidone

Schizophrenia:

NDA to the U.S. FDA was submitted on Dec. 30th of 2009

■ Schizophrenia Phase 3 studies

- Phase 3 Placebo-Controlled Clinical Study (PEARL 1)
 - Study completed as scheduled (extension study ongoing)
 - Results announced in May, 2009.
- Phase 3 Placebo- and Active Comparator- Controlled Clinical Study (PEARL 2)
 - Study completed as scheduled (extension study ongoing)
 - Result announced in August, 2009.
- Long-term Safety Study (PEARL Safety)
 - Screening started on March 17, 2008, dosing underway
- Phase 3 Placebo- and Active Comparator- Controlled Clinical Study (PEARL 3)
 - Screening started on October 27, 2008, dosing underway

Program to
Evaluate the
Antipsychotic
Response to
Lurasidone

Clinical Development of Lurasidone

Program to
Evaluate the
Antidepressant
Impact of
Lurasidone

- Bipolar Disorder (Phase 3 studies)
 - IND submitted to FDA on December 17, 2008.
 - Screening started in April, 2009, dosing underway
 - Supplemental NDA to be submitted by first half of fiscal year 2012

- Development for Japanese NDA submission (Pan-Asia study)
 - IND for Phase 3 Study (schizophrenia indication) in Japan, Taiwan and South Korea
 - Dosing underway
 - 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.

Information concerning pharmaceuticals (including compounds under development) contained within this material is not intended as advertising or medical advice.