First Quarter Financial Results for FY2011
（Apr. 1 to Jun. 30, 2011）

July 29, 2011
Dainippon Sumitomo Pharma Co., Ltd.

Financial Results

Billions of yen

	FY2010 1Q	**FY2011 1Q**	Change	
			Value	Percentage
Net sales	101.8	**94.8**	△ 7.0	△ 6.9 %
Cost of sales	32.6	**25.8**	△ 6.8	△ 20.9 %
Gross profit	69.2	**69.0**	△ 0.2	△ 0.2 %
SG&A expenses	54.4	**56.2**	1.8	3.4 %
SG&A expenses less R&D costs	39.9	**42.6**	2.7	6.8 %
R&D Costs	14.5	**13.6**	△ 0.9	△ 6.0 %
Operating income	14.8	**12.8**	△ 2.0	△ 13.5 %
Ordinary income	14.8	**13.2**	△ 1.7	△ 11.3 %
Net income	9.3	**8.1**	△ 1.2	△ 12.8 %

Notes: 1. All values are rounded to the nearest 100 million yen.
2. Cost of sales includes provision for (reversal of) reserve for sales returns.

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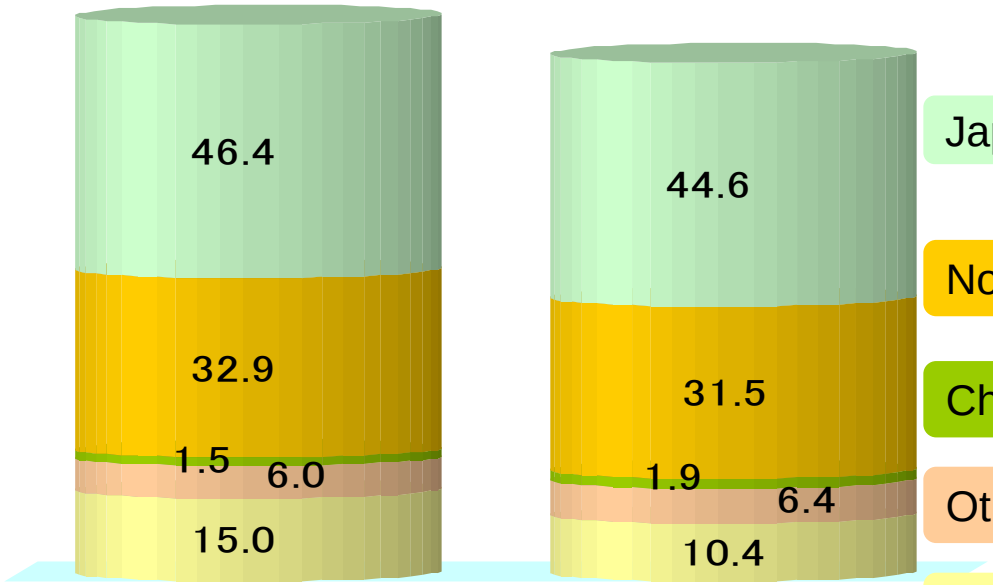
Segment Net Sales

Billions of yen



	FY2010 1Q	FY2011 1Q	Change Value	Change Percentage
	101.8	94.8	△ 7.0	△ 6.9%
Japan	46.4	44.6	△1.9	△4.1%
North America	32.9	31.5	△1.4	△4.2%
China	1.5	1.9	0.4	24.7%
Other Regions	6.0	6.4	0.4	6.9%
Other Business	15.0	10.4	△4.5	△30.2%
Overseas Sales	39.8 %	42.2 %		

【North America】
- Although there was an increase in sales in US currency, a decrease is seen because of the strength of the yen.

【Other business】
- There is a decrease because only the commission equivalent part was recorded as sales on pet foods (until the current fiscal quarter).

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Sales in Japan

Billions of yen

	FY2010 1Q	**FY2011 1Q**	Change		FY2011 2Q	
			Value	Percentage	Forecast as of May.11	Progress
AVAPRO®	1.8	**2.3**	0.6	31.5 %	5.5	41.9 %
LONASEN®	2.2	**2.4**	0.2	8.3 %	6.1	39.3 %
PRORENAL®	3.7	**3.9**	0.1	3.5 %	8.3	46.6 %
Strategic Products Total	7.7	**8.6**	0.9	11.3 %	19.9	43.1 %
TRERIEF®	0.8	**1.2**	0.4	58.6 %	2.2	55.0 %
MIRIPLA®	0.4	**0.3**	△ 0.0	△ 7.0 %	0.8	43.5 %
SUREPOST®	—	**0.1**	0.1	—	0.1	54.7 %
METGLUCO® (Including MELBIN®)	1.1	**1.6**	0.5	42.7 %	2.5	64.8 %
New Products Total	2.3	**3.2**	1.0	42.3 %	5.6	57.7 %
AMLODIN®	10.9	**9.2**	△ 1.7	△ 15.4 %	16.3	56.5 %
GASMOTIN®	5.1	**5.2**	0.0	0.7 %	10.3	50.3 %
MEROPEN®	3.3	**3.0**	△ 0.3	△ 9.3 %	5.4	55.9 %
AmBisome®	1.1	**1.0**	△ 0.1	△ 4.6 %	2.4	43.3 %
REPLAGAL®	1.1	**2.1**	1.0	89.3 %	3.6	58.4 %
Others	14.9	**12.2**	△ 2.7	△ 18.2 %	24.9	49.0 %
Japan Total	**46.4**	**44.6**	**△ 1.9**	**△ 4.1 %**	**88.4**	**50.4 %**

Note: Sales figures before reduction of rebates.

Sales in North America & China

Billions of yen [M$]

	FY2010 1Q		**FY2011 1Q**		Change			FY2011 2Q		
					Value		Percentage	Forecast as of May.11		Progress
LATUDA®		—	**(35)**	**2.9**	[35]	2.9	—	[47]	4.0	71.5 %
LUNESTA®	[161]	14.6	**(124)**	**10.2**	[△ 37]	△ 4.4	△ 30.2 %	[280]	23.8	42.7 %
XOPENEX®	[127]	11.5	**(137)**	**11.3**	[10]	△ 0.3	△ 2.2 %	[194]	16.5	68.2 %
BROVANA®	[25]	2.3	**(33)**	**2.8**	[8]	0.5	19.6 %	[61]	5.2	52.9 %
OMNARIS®	[11]	1.0	**(16)**	**1.3**	[5]	0.3	26.9 %	[38]	3.2	41.2 %
Industrial property revenues	[25]	2.2	**(25)**	**2.1**	[1]	△ 0.1	△ 6.3 %	[27]	2.3	90.6 %
Others	[14]	1.2	**(15)**	**1.1**	[2]	△ 0.2	△ 13.9 %	[32]	2.7	39.5 %
North America Total	**[363]**	**32.9**	**[385]**	**31.5**	**[22]**	**△ 1.4**	**△ 4.2 %**	**[679]**	**57.7**	**54.6 %**
MEROPEN®		1.2		**1.6**		0.4	33.4 %		3.0	54.6 %
Others		0.3		**0.2**		△ 0.0	△ 13.7 %		0.6	40.4 %
China Total		**1.5**		**1.9**		**0.4**	**24.7 %**		**3.6**	**52.2 %**

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Segment Information

Billions of yen

		Pharmaceuticals Business						Other Business	Total
		Japan	North America ※1	Impact of P.P.A.※2	China	Other Regions	Subtotal		
FY2011 1Q Results	Net sales	44.6	31.5	—	1.9	6.4	84.4	10.5	94.8
	Cost of sales	10.9	3.0	—	0.4	3.5	17.8	8.1	25.8
	Gross profit	33.7	28.5	—	1.4	2.9	66.6	2.4	69.0
	SG&A expenses less R&D costs	15.6	17.7	7.1	0.6	0.1	41.2	1.4	42.6
	Income (loss) of Segment	18.1	10.8	△ 7.1	0.8	2.8	25.5	1.0	26.4
	R&D costs								13.6
	Operating income								12.8
FY2010 1Q Results	Net sales	46.4	32.9	—	1.5	6.0	86.8	15.0	101.8
	Cost of sales	12.0	3.1	1.6	0.2	3.0	20.0	12.6	32.6
	Gross profit	34.4	29.7	△ 1.6	1.3	3.0	66.8	2.4	69.2
	SG&A expenses less R&D costs	15.6	13.9	8.2	0.5	0.1	38.3	1.5	39.9
	Income (loss) of Segment	18.8	15.8	△ 9.8	0.8	2.9	28.5	0.8	29.3
	R&D costs								14.5
	Operating income								14.8
Change	Net sales	△ 1.9	△ 1.4	—	0.4	0.4	△ 2.5	△ 4.5	△ 7.0
	Income (loss) of Segment	△ 0.7	△ 5.0	2.7	0.0	△ 0.0	△ 3.0	0.1	△ 2.9
	Operating income								△ 2.0

※1. Excluding impact of purchase price allocation by acquisition.
2. Mainly amortization of patent rights and goodwill.

Financial Forecast for FY2011

Billions of yen

	Results FY2010	Forecast FY2011 2Q	Forecast FY2011
Net sales	379.5	179.7	362.0
Cost of sales	110.0	50.1	103.8
Gross profit	269.5	129.6	258.2
SG&A expenses	238.5	120.7	241.2
SG&A expenses less R&D costs	170.4	90.1	179.2
R&D costs	68.2	30.6	62.0
Operating income	31.0	8.9	17.0
Ordinary income	28.6	8.4	15.5
Net income	16.8	4.8	8.5

Forecasts are unchanged from those announced in May, 2011.

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U.S.subsidiary（FY2011 Jan - Jun Unaudited)

M$

	FY2011 Jan - Jun		Forecast FY2011	Progress (FY2011 Jan- Jun)
	Forecast	Results		
LATUDA®	47	**41**	120	34.2%
LUNESTA®	280	**261**	535	48.8%
XOPENEX®	194	**216**	388	55.7%
BROVANA®	61	**62**	127	48.8%
OMNARIS®	38	**34**	75	45.3%
ALVESCO®	22	**17**	48	35.4%
Industrial property revenues	27	**42**	46	91.3%
Others	10	**14**	20	70.0%
U.S. Total	679	**688**	1,359	50.6%

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Development Pipeline ① (Current as of July 29 2011)

Central Nervous System Field

Domestic Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA filed
LATUDA (SM-13496)	lurasidone hydrochloride	Schizophrenia	Canada			Overseas	
		(Change of maximum dose) Schizophrenia: 160mg daily	US			Overseas	
		Schizophrenia	Japan			Domestic	
		(New indication) Bipolar disorder	US/Europe, etc.			Overseas	
		(New indication) MDD with mixed features	US			Overseas	
STEDESA™	eslicarbazepine acetate	Epilepsy-Adjunct	US			Overseas	
		Epilepsy-Adult monotherapy	US			Overseas	
DSP-8658	TBD	Alzheimer's disease	US	Overseas			
SEP-228432	TBD	Neuropathic Pain, Depression	US	Overseas			
DSP-1053	TBD	Depression	US	Overseas			

LATUDA(SM-13496) : Co-development with Takeda Pharmaceutical in Europe (Phase III Study : Schizophrenia , Bipolar disorder)

Cardiovascular/Diabetes Field

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA filed
SUREPOST®	repaglinide	(New indication) Type 2 diabetes (Combination therapy with thiazolidine or biguanide)	Japan			Domestic	
METGLUCO®	metformin hydrochloride	(Addition of pediatric usage) Type 2 diabetes	Japan			Domestic	
AS-3201	ranirestat	Diabetic neuropathy	Japan			Domestic	※
DSP-8153	amlodipine besilate/irbesartan	Hypertension/Combination agent	Japan			Domestic	
DSP-8658	TBD	Type 2 diabetes	US	Overseas			

Revisions since the announcement of Feb. 2011 are in red.

※ under preparation

Development Pipeline ② (Current as of July 29 2011)

Respiratory Field

Domestic Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA filed
Ciclesonide HFA Nasal Aerosol	ciclesonide	(New dose form) Allergic rhinitis	US				
DSP-3025	TBD	Asthma/Allergic Rhinitis	Japan				

Cancer Field

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA filed
CALSED® (Product name in Japan)	amrubicin hydrochloride	Small cell lung cancer	China				
WT4869	TBD	Myelodysplastic syndromes	Japan		※		
		Solid cancer	Japan				

※ on Phase I of Phase I/II study

Other Fields

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA filed
SMP-986	afacifenacin	Overactive bladder	Japan				
			US and Europe				
PRORENAL®	limaprost alfadex	Carpal-tunnel syndrome	Japan				
DSP-6952	TBD	IBS with constipation, Chronic idiopathic constipation	Japan				
DSP-1747	obeticholic acid	Primary biliary cirrhosis (PBC), Nonalcoholic steatohepatitis (NASH)	Japan		※		
DSP-5990	ceftaroline fosamil	MRSA Infection	Japan		※		

Newly added

※ under preparation

Revisions since the announcement of Feb. 2011 are in red.

Development Pipeline Highlights

(Main revisions since the announcement of May 2011)

- **SUREPOST® (repaglinide) : Launched (May, 2011)**
- **Lurasidone hydrochloride (SM-13496):**

  sNDA submitted for change of maximum dose, newly added for MDD with mixed features in Phase III in the US

  NDS submitted in Canada

  New Phase III study under preparation in Japan
- **Ranirestat (AS-3201) : Changed to Phase III under preparation in Japan**
- **PRORENAL® : Newly added in Phase II study in Japan**
  - Started Phase II study for carpal-tunnel syndrome (Co-development with Ono Pharmaceutical)
- **WT4869 : Newly added in Phase I study for Solid cancer in Japan (Co-development with Chugai Pharmaceutical)**
- **DSP-6952 : Newly added in Phase I study in Japan**
  - Gastroprokinetic Agent
- **DSP-1747 : Newly added in Phase I under preparation in Japan**
  - FXR（Farnesoid X receptor) agonist (in-licensed from Intercept Pharmaceuticals Inc.)
- **DSP-5990 : Newly added in Phase I under preparation in Japan**
  - Cephem antibiotic (in-licensed from Takeda Pharmaceutical)
- **DSP-3235 : Deleted because of discontinuation**
- **DSP-7238 : Deleted because of discontinuation**

LATUDA®（Lurasidone）– Clinical development status (1)

US (schizophrenia)

- **sNDA submitted for change of maximum dose (160mg/day) (June)**

- **Key Current LATUDA® Studies in Schizophrenia**
  - PEARL 3 Study：Placebo controlled (with comparator [Quetiapine XR]) Phase III study
    6 week double blind study completed, 12-month safety and tolerability study in progress.
  - Switch Study: initiated in 3Q 2010, in progress.

- **Planned LATUDA® Studies in Schizophrenia**
  - Schizophrenia Maintenance Study: to be initiated in 3Q 2011
  - Low-dose Schizophrenia Study with 20mg/d: to be initiated in 2Q 2012
  - Pediatric (10-17 yrs) PK Study: to be initiated in 3Q 2011
  - Pediatric (13-17 yrs) Efficacy Study: to be initiated in 2Q 2012

LATUDA®（Lurasidone）– Clinical development status (2)

U.S. (Bipolar disorder, others)

- **Bipolar disorder (depression) Phase III study (PREVAIL Studies)**
  - PREVAIL#1：Placebo controlled, lithium or divalproex add-on study initiated in April 2009
  - PREVAIL#2：Placebo controlled, monotherapy initiated in April 2009
  - PREVAIL#3：Placebo controlled, lithium or divalproex add-on study initiated in December 2010

sNDA planned for 2012

- **MDD with mixed features**
  - Phase III studies initiated in 2Q 2011
- **Other studies under consideration**
  - Bipolar maintenance： to be initiated in 3Q 2011
  - IM depot formulation

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LATUDA®（Lurasidone）– Clinical development status (3)

Outside the U.S.

- Japan： Schizophrenia/ New Phase III study under preparation
- Canada： Schizophrenia/ NDS submitted (June 2011)
- China： Schizophrenia/ IND submission planned (2011)
- Europe： Schizophrenia and Bipolar disorder/ Co-development with Takeda Pharmaceutical in Europe (Phase III)

  DSP plans to commercialize lurasidone independently in the UK

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

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