



# First Quarter Financial Results for FY2012 (Apr. 1 to Jun. 30, 2012)

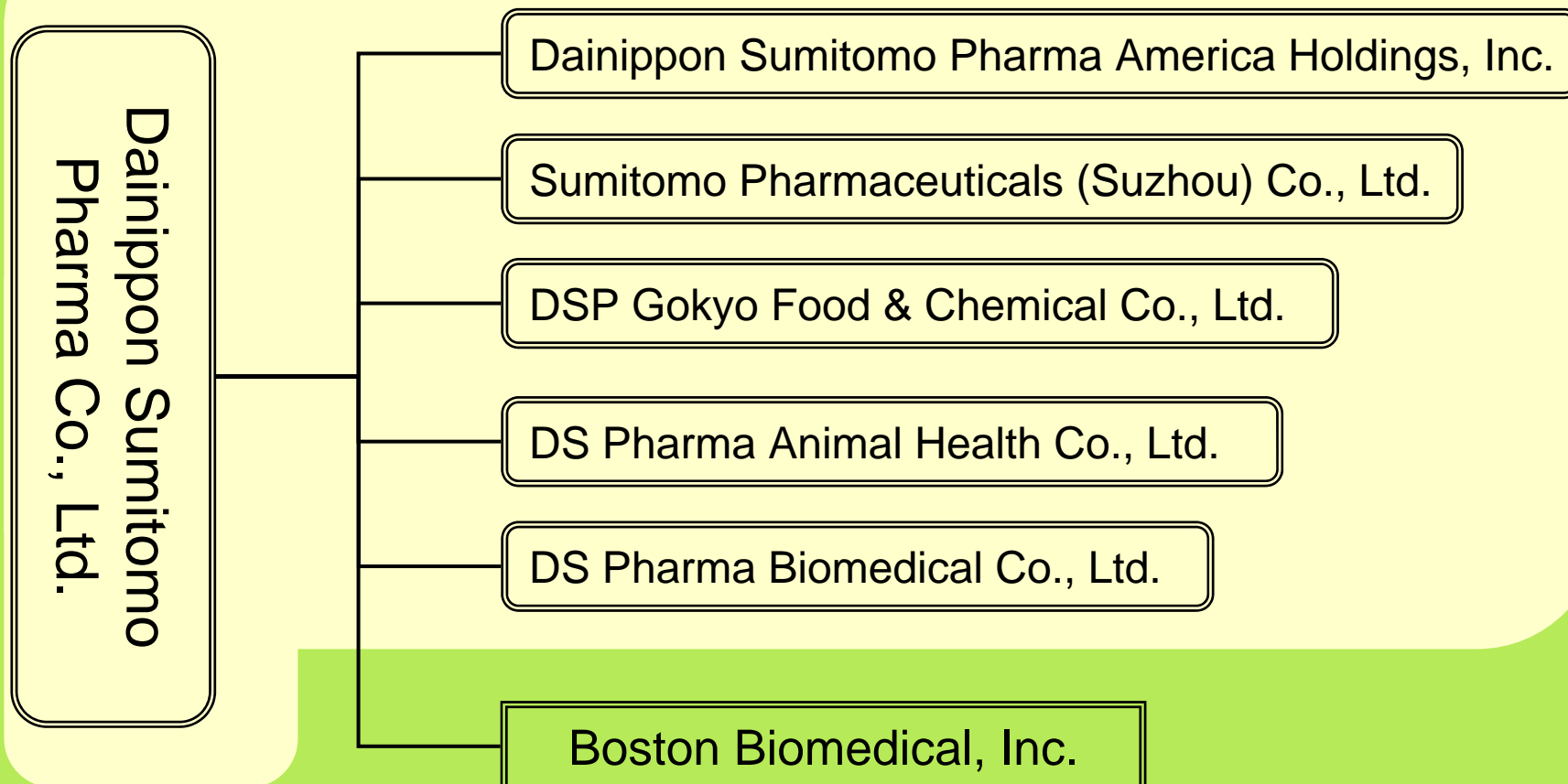
July 27, 2012

Dainippon Sumitomo Pharma Co., Ltd.

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# Consolidated Financial Statements for the First Quarter

\*In the scope of Statements of Income



\*In the scope of the Balance Sheet

# FY2012 1Q Financial Results

Billions of yen

	FY2011 1Q	FY2012 1Q	Change			FY2012 2Q		FY2012	
			Value		Percentage (%)	Forecast	Progress (%)	Forecast	Progress (%)
				Exchange Impact					
Net sales	94.8	<b>89.1</b>	- 5.7	- 1.1	- 6.0	176.0	50.6	348.0	25.6
Cost of sales	25.8	<b>25.2</b>	- 0.6	- 0.1	- 2.2	50.0	50.4	101.0	25.0
Gross profit	69.0	<b>63.9</b>	- 5.1	- 1.0	- 7.4	126.0	50.7	247.0	25.9
SG&A expenses	56.2	<b>53.0</b>	- 3.2	- 1.0	- 5.8	115.0	46.1	225.0	23.5
SG&A expenses less R&D costs	42.6	<b>38.9</b>	- 3.7	- 0.8	- 8.6	86.0	45.3	163.0	23.9
R&D Costs	13.6	<b>14.1</b>	0.4	- 0.2	3.1	29.0	48.5	62.0	22.7
Operating income	12.8	<b>10.9</b>	- 1.9	0.1	- 14.9	11.0	99.0	22.0	49.5
Ordinary income	13.2	<b>11.5</b>	- 1.7		- 12.7	10.5	109.4	21.0	54.7
Net income	8.1	<b>5.7</b>	- 2.4		- 29.5	5.0	114.0	10.5	54.3

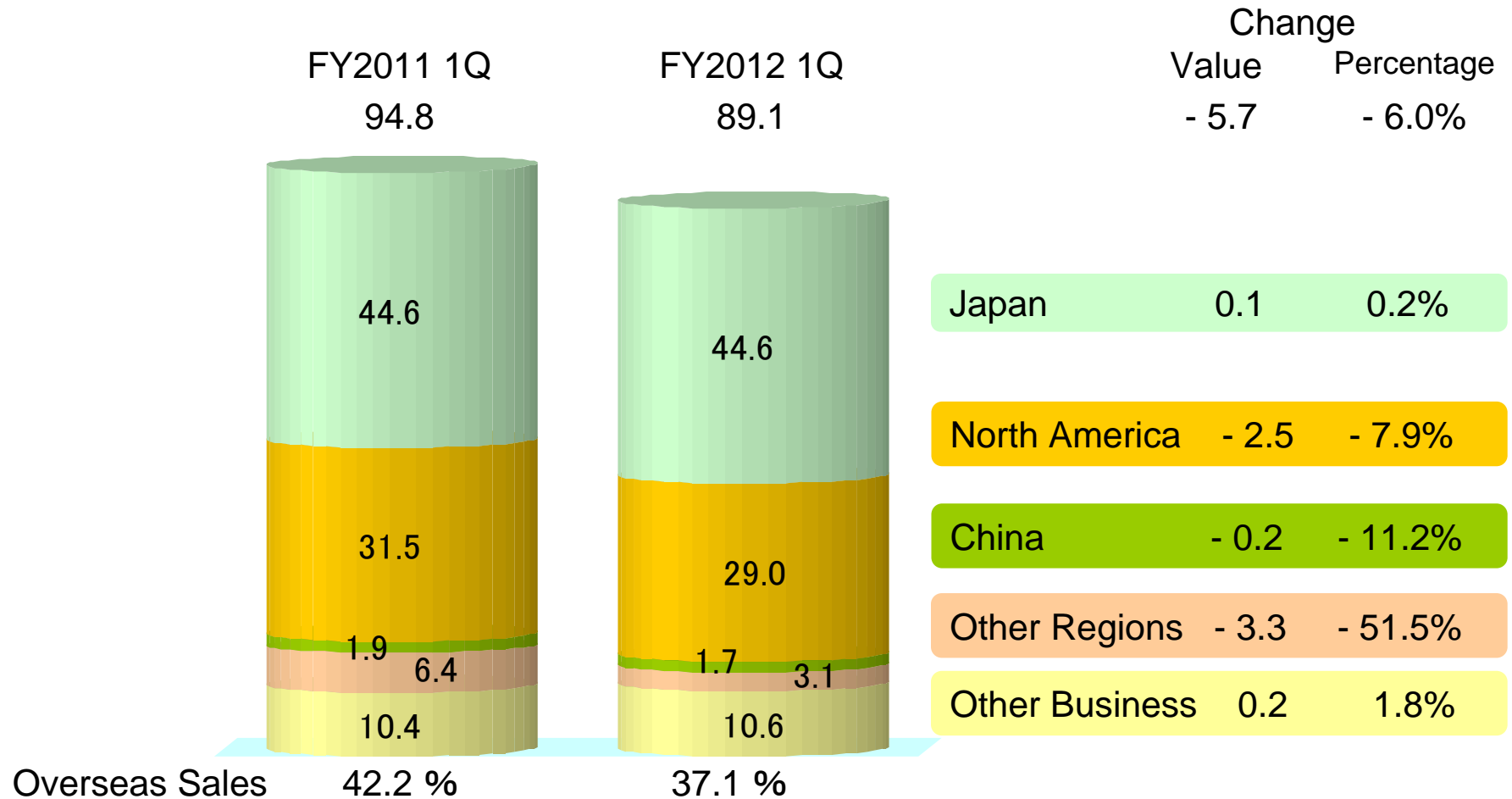
Notes: 1. All values are rounded to the nearest 100 million yen.

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

3. Exchange Rate: FY2011 1Q: 1US\$ = ¥82.32, 1RMB = ¥12.54, FY2012 1Q: 1US\$ = ¥79.36, 1RMB=¥12.60

# Net Sales by Segment

Billions of yen



**【Japan】** While there is impact from NHI price revisions, remains unchanged due to the growth of strategic and new products.

**【North America】** Decrease due to a decline in sales for XOPENEX® and OMNARIS®, impact of the appreciation of the yen, etc.

**【Other Regions】** Decrease in Meropen exports, etc.

# Sales in Japan

Billions of yen

	FY2011 1Q	FY2012 1Q	Change		FY2012 2Q	
			Value	Percentage	Forecast	Progress
AVAPRO®	2.3	2.9	0.6	25.3 %	6.7	43.1 %
LONASEN®	2.4	2.7	0.3	14.6 %	6.1	45.0 %
PRORENAL®	3.9	3.7	- 0.2	- 5.1 %	8.0	45.9 %
TRETRIEF®	1.2	1.7	0.5	43.6 %	3.3	52.7 %
Strategic Products Total	9.8	11.0	1.3	12.9 %	24.1	45.8 %
SUREPOST®	0.1	0.1	0.1	95.0 %	0.8	13.3 %
MIRIPLA®	0.3	0.3	- 0.1	- 16.0 %	0.6	48.7 %
METGLUCO® (Including MELBIN®)	1.6	2.9	1.2	76.4 %	5.3	53.9 %
New Products Total	2.0	3.3	1.2	61.0 %	6.7	48.6 %
AmBisome®	1.0	1.1	0.0	1.6 %	2.4	43.9 %
AMLODIN®	9.2	7.8	- 1.4	- 15.7 %	14.8	52.4 %
GASMOTIN®	5.2	5.2	- 0.0	- 0.2 %	9.4	55.0 %
MEROPEN®	3.0	2.6	- 0.4	- 12.6 %	4.7	56.1 %
REPLAGAL®	2.1	2.6	0.5	24.7 %	4.9	53.5 %
Others	12.2	11.1	- 1.1	- 9.0 %	20.3	54.7 %
<b>Japan Total</b>	<b>44.6</b>	<b>44.6</b>	<b>0.1</b>	<b>0.2 %</b>	<b>87.3</b>	<b>51.1 %</b>

Note: Sales figures before reduction of rebates.

# Sales in North America & China

Billions of yen [M\$]

	FY2011 1Q		FY2012 1Q		Change		FY2012 2Q		
	Value	Percentage	Value	Percentage	Value	Percentage	Forecast	Progress	
LATUDA®	[ 35 ] 2.9		[ 39 ] 3.1		[ 4 ] 0.3	8.9 %	[ 84 ] 7.0	44.5 %	
LUNESTA®	[ 124 ] 10.2		[ 142 ] 11.3		[ 19 ] 1.1	11.0 %	[ 267 ] 22.2	50.9 %	
XOPENEX®	[ 137 ] 11.3		[ 101 ] 8.0		[ - 36 ] - 3.2	- 28.8 %	[ 157 ] 13.0	61.7 %	
BROVANA®	[ 33 ] 2.8		[ 39 ] 3.1		[ 6 ] 0.3	12.4 %	[ 74 ] 6.1	50.7 %	
Ciclesonide Products	[ 25 ] 2.0		[ 9 ] 0.7		[ - 15 ] - 1.3	- 64.1 %	[ 22 ] 1.8	40.4 %	
Industrial property revenues	[ 25 ] 2.1		[ 28 ] 2.2		[ 3 ] 0.1	6.3 %	[ 73 ] 6.1	36.3 %	
Others	[ 4 ] 0.4		[ 7 ] 0.6		[ 3 ] 0.2	59.7 %	[ 21 ] 1.7	33.7 %	
<b>North America Total</b>	[ 383 ] 31.5		[ 366 ] 29.0		[ - 17 ] - 2.5	- 7.9 %	[ 698 ] 57.9	50.1 %	
MEROPEN®		1.6		1.3		- 0.3		2.7	47.9 %
Others		0.2		0.4		0.1		0.6	62.6 %
<b>China Total</b>		1.9		1.7		- 0.2		3.3	50.6 %

# Segment Breakdown for North America

Billions of yen [M\$]

< Excluding amortization of patent rights and goodwill >

	FY2011 1Q		FY2012 1Q		Change		Breakdown	
	[ 383 ]	31.5	[ 366 ]	29.0	[ - 17 ]	- 2.5	Exchange	Others
Net sales	[ 383 ]	31.5	[ 366 ]	29.0	[ - 17 ]	- 2.5	- 1.1	- 1.4
Cost of sales	[ 36 ]	3.0	[ 36 ]	2.9	[ 0 ]	- 0.1	- 0.1	0.0
Gross profit	[ 347 ]	28.5	[ 329 ]	26.1	[ - 17 ]	- 2.4	- 1.0	- 1.4
SG&A expenses	[ 215 ]	17.7	[ 173 ]	13.7	[ - 42 ]	- 4.0	- 0.5	- 3.4
Income (loss) of Segment	[ 132 ]	10.8	[ 156 ]	12.4	[ 25 ]	1.6	- 0.5	2.0

< Amortization of patent rights and goodwill >

SG&A expenses	[ 87 ]	7.1	[ 101 ]	8.0	[ 14 ]	0.9	- 0.3	1.2
Income (loss) of Segment	[ - 87 ]	- 7.1	[ - 101 ]	- 8.0	[ - 14 ]	- 0.9	0.3	- 1.2

# Segment Information

Billions of yen

		Pharmaceuticals Business					Subtotal	Other Business	Total	
		Japan	North America*1	Amortization*2	China	Other Regions				
FY2012 1Q Results	Net sales (external)	44.6	29.0	—	1.7	3.1	78.5	10.6	89.1	
	Cost of sales	12.1	2.9	—	0.4	1.6	17.0	8.2	25.2	
	Gross profit	32.5	26.1	—	1.3	1.5	61.5	2.4	63.9	
	SG&A expenses less R&D costs	15.0	13.7	8.0	0.7	0.1	37.5	1.5	38.9	
	Income (loss) of Segment	<b>17.6</b>	<b>12.4</b>	<b>- 8.0</b>	<b>0.6</b>	<b>1.4</b>	<b>24.0</b>	<b>1.0</b>	<b>24.9</b>	
	R&D costs							13.9	0.2	14.1
	Operating income							10.1	0.8	10.9
FY2011 1Q Results	Net sales (external)	44.6	31.5	—	1.9	6.4	84.4	10.3	94.8	
	Cost of sales	10.9	3.0	—	0.4	3.5	17.8	8.0	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	<b>18.1</b>	<b>10.8</b>	<b>- 7.1</b>	<b>0.8</b>	<b>2.8</b>	<b>25.5</b>	<b>1.0</b>	<b>26.4</b>	
	R&D costs							13.5	0.2	13.6
	Operating income							12.0	0.8	12.8
Change	Net sales (external)	0.1	- 2.5	—	- 0.2	- 3.3	- 5.9	0.2	- 5.7	
	Income (loss) of Segment	<b>- 0.5</b>	<b>1.6</b>	<b>- 0.9</b>	<b>- 0.2</b>	<b>- 1.5</b>	<b>- 1.5</b>	<b>- 0.0</b>	<b>- 1.5</b>	
	R&D costs							0.4	0.0	0.4
	Operating income							- 1.9	- 0.0	- 1.9



- ※ 1. Excluding amortization of patent rights and goodwill  
 ※ 2. Amortization of patent rights and goodwill



# Ordinary income & Net income

Billions of yen

	FY2011 1Q	FY2012 1Q	Change	
			Value	Percentage
Operating Income	12.8	10.9	- 1.9	- 14.9 %
Non-operating income and expenses	0.4	0.6	0.2	
Finance income and expenses including dividend income	0.2	0.2	0.1	
Contributions	- 0.2	- 0.2	0.0	
Others	0.4	0.5	0.1	
Ordinary income	13.2	11.5	- 1.7	- 12.7 %
Extraordinary loss	—	1.5	1.5	
Business structure improvement expenses	—	1.1	1.1	
Impairment loss	—	0.4	0.4	
Income taxes	5.1	4.3	- 0.8	
Net income	8.1	5.7	- 2.4	- 29.5 %

【Business structure improvement expenses】 Cost for U.S. subsidiary organization and operation reforms (workforce reduction)

【Impairment loss】 Impairment loss for a part of in-process R&D

## Valuations and accounting procedures following the acquisition of BBI

Valuation of assets and the accounting procedures associated with acquisition are as follows:

The amount of the purchase price allocation is provisional at this time.

Billions of yen

	Before purchase price allocation	After purchase price allocation (provisional)	Valuation differences	Accounting procedures (Amortization)
In-process R&D (Intangible Assets)	—	28.5	28.5	Capitalize (Amortize after approval)
Deferred Tax Liabilities (of the above)	—	- 11.6	- 11.6	—
Other Assets & Liabilities (Net)	0.1	0.1	—	—
Goodwill	—	0.3	0.3	Amortization for 20 years
Total	0.1	17.3	17.2	—

# FY2012 Revision of Financial Forecasts

Billions of yen

	FY2012				Comparison to Initial Forecast					
	Forecast (as of May. 10)		Revision of Financial Forecast		Value				Percentage	
	2Q	FY2012	2Q	FY2012	2Q		FY2012		2Q	FY2012
					Exchange Impact		Exchange Impact			
Net Sales	176.0	348.0	179.0	348.0	3.0	-2.4	0.0	-4.2	1.7	-
Cost of Sales	50.0	101.0	50.3	100.2	0.3	-0.3	-0.8	-0.6	0.6	-0.8
Gross profit	126.0	247.0	128.7	247.8	2.7	-2.1	0.8	-3.6	2.1	0.3
SG&A expenses	115.0	225.0	111.5	222.8	-3.5	-2.4	-2.2	-4.3	-3.0	-1.0
SG&A expenses less R&D costs	86.0	163.0	82.5	163.1	-3.5	-1.9	0.1	-3.3	-4.1	0.1
R&D costs	29.0	62.0	29.0	59.7	-	-0.5	-2.3	-1.0	-	-3.7
Operating Income	11.0	22.0	17.2	25.0	6.2	0.3	3.0	0.7	56.4	13.6
Ordinary Income	10.5	21.0	17.0	24.0	6.5		3.0		61.9	14.3
Extraordinary loss	-1.5	-1.5	-1.5	-2.0	-		-0.5		-	33.3
Net income	5.0	10.5	8.8	12.0	3.8		1.5		76.0	14.3
EBITDA	32.5	58.5	38.0	60.0	5.5		1.5		16.9	2.6

Notes: 1. All values are rounded to the nearest 100 million yen.  
2. EBITDA: earning before interest, taxes, depreciation and amortization

## 【Exchange Rates】

FY2011: 1US\$ = ¥79.8 1RMB = ¥12.4  
 FY2012 First Forecast: 1US\$ = ¥83 1RMB = ¥12  
 2Q Revision: 1US\$ = ¥79.8 1RMB = ¥12.6  
 FY2012 Revision: 1US\$ = ¥80.0 1RMB = ¥12.3

# Revision of Financial Forecasts (FY2012 2Q) by Segment (Compared to previous Forecast)

Billions of yen

		Pharmaceuticals Business						Other Business	Total	
		Japan	North America*1	Amortization*2	China	Other Regions	Subtotal			
Previous Forecast FY2012 2Q	Net sales	87.3	57.9	—	3.3	6.2	154.7	21.3	176.0	
	Cost of Sales	24.5	5.2	—	0.8	3.4	33.9	16.1	50.0	
	Gross Profit	63.0	52.7	—	2.5	2.8	121.0	5.0	126.0	
	SG&A expenses	31.3	32.6	16.8	2.0	0.2	82.9	3.1	86.0	
	Segment Profit	31.7	20.1	-16.8	0.5	2.6	38.1	1.9	40.0	
	R&D costs							28.5	0.5	29.0
	Operating income							9.6	1.4	11.0
Revised Forecast FY2012 2Q	Net sales	87.3	59.5	—	4.0	6.9	157.7	21.3	179.0	
	Cost of Sales	23.8	5.7	—	1.0	3.7	34.2	16.1	50.3	
	Gross Profit	63.7	53.8	—	3.0	3.2	123.7	5.0	128.7	
	SG&A expenses	31.4	30.2	16.0	1.6	0.2	79.4	3.1	82.5	
	Segment Profit	32.3	23.6	-16.0	1.4	3.0	44.3	1.9	46.2	
	R&D costs							28.5	0.5	29.0
	Operating income							15.8	1.4	17.2
Change	Net sales	0.0	1.6	—	0.7	0.7	3.0	—	3.0	
	Segment Profit	0.6	3.5	0.8	0.9	0.4	6.2	—	6.2	
	R&D costs							0.0	—	0.0
	Operating income							6.2	—	6.2



\*1 Excluding amortization of patent rights and goodwill

\*2 Amortization of patent rights and goodwill

# Revision of Financial Forecasts (FY2012) by Segment (Compared to previous Forecast)

Billions of yen

		Pharmaceuticals Business					Subtotal	Other Business	Total	
		Japan	North America*1	Amortization*2	China	Other Regions				
Previous Forecast FY2012	Net sales	179.7	109.1	—	7.1	9.7	305.6	42.4	348.0	
	Cost of Sales	49.8	11.8	—	1.8	5.2	68.6	32.4	101.0	
	Gross Profit	130.2	97.3	—	5.3	4.5	237.3	9.7	247.0	
	SG&A expenses	63.4	61.7	27.2	4.1	0.4	156.8	6.2	163.0	
	Segment Profit	66.8	35.6	-27.2	1.2	4.1	80.5	3.5	84.0	
	R&D costs							61.1	0.9	62.0
	Operating income							19.4	2.6	22.0
Revised Forecast FY2012	Net sales	178.5	110.8	—	7.1	9.2	305.6	42.4	348.0	
	Cost of Sales	48.7	12.6	—	1.8	4.7	67.8	32.4	100.2	
	Gross Profit	130.1	98.2	—	5.3	4.5	238.1	9.7	247.8	
	SG&A expenses	63.0	63.8	25.6	4.1	0.4	156.9	6.2	163.1	
	Segment Profit	67.1	34.4	-25.6	1.2	4.1	81.2	3.5	84.7	
	R&D costs							58.8	0.9	59.7
	Operating income							22.4	2.6	25.0
Change	Net sales	-1.2	1.7	—	—	-0.5	—	—	—	
	Segment Profit	0.3	-1.2	1.6	—	—	0.7	—	0.7	
	R&D costs							-2.3	—	-2.3
	Operating income							3.0	—	3.0



\*1 Excluding amortization of patent rights and goodwill

\*2 Amortization of patent rights and goodwill

# North America Segment Revised Sales Forecast

Million \$

	FY2011 Results	FY2012 Previous Forecast (May. 10)		FY2012 Forecast Revision		Value compared to previous forecast	
		2Q	FY2012	2Q	FY2012	2Q	FY2012
LATUDA®	86	84	190	<b>80</b>	<b>190</b>	- 4	0
LUNESTA®	528	267	513	<b>278</b>	<b>545</b>	11	32
XOPENEX®	419	157	257	<b>186</b>	<b>286</b>	29	29
BROVANA®	127	74	158	<b>77</b>	<b>160</b>	3	2
Ciclesonide products	99	22	67	<b>23</b>	<b>65</b>	1	- 2
Industrial property revenues	72	73	93	<b>76</b>	<b>99</b>	3	6
Others	27	21	37	<b>25</b>	<b>40</b>	4	3
North America Total	<b>1,359</b>	<b>698</b>	<b>1,315</b>	<b>745</b>	<b>1,385</b>	<b>47</b>	<b>70</b>

[Exchange Rates]  
 FY2011: 1\$=¥79.8  
 FY2012 Previous Forecast: 1\$=¥83.0  
 FY2012 Revised Forecast: 1\$=¥80.0  
 (2Q): 1\$ =¥79.8

Billions of yen

	FY2011 Results	FY2012 Previous Forecast (May. 10)		FY2012 Forecast Revision		Value compared to Previous Forecast			
		2Q	FY2012	2Q	FY2012	2Q		FY2012	
							Exchange Impact		Exchange Impact
LATUDA®	6.9	7.0	15.8	<b>6.4</b>	<b>15.2</b>	-0.6	-0.3	-0.6	-0.6
LUNESTA®	42.1	22.2	42.6	<b>22.2</b>	<b>43.6</b>	—	-0.9	1.0	-1.6
XOPENEX®	33.4	13.0	21.4	<b>14.9</b>	<b>22.9</b>	1.9	-0.6	1.5	-0.9
BROVANA®	10.2	6.1	13.2	<b>6.1</b>	<b>12.8</b>	—	-0.2	-0.4	-0.5
Ciclesonide products	7.9	2.0	5.5	<b>1.8</b>	<b>5.2</b>	-0.2	-0.1	-0.3	-0.2
Industrial property revenues	5.8	6.1	7.7	<b>6.0</b>	<b>7.9</b>	-0.1	-0.2	0.2	-0.3
Others	2.2	1.5	2.9	<b>2.1</b>	<b>3.2</b>	0.6	-0.1	0.3	-0.1
North America Total	<b>108.4</b>	<b>57.9</b>	<b>109.1</b>	<b>59.5</b>	<b>110.8</b>	<b>1.6</b>	<b>-2.4</b>	<b>1.7</b>	<b>-4.2</b>

# North America Segment Revised FY2012 Forecast

Million \$

	FY2011 Results	FY2012 Previous Forecast (May. 10)		FY2012 Forecast Revision		Value compared to previous forecast	
		2Q	FY2012	2Q	FY2012	2Q	FY2012
Net Sales	1,359	698	1,315	745	1,385	47	70
Cost of Sales	140	63	142	71	158	8	16
Gross Profit	1,218	635	1,172	674	1,228	39	56
SG&A expenses	875	393	743	379	797	- 14	54
<b>Segment Profit</b>	<b>343</b>	<b>242</b>	<b>429</b>	<b>295</b>	<b>431</b>	<b>53</b>	<b>2</b>

[Exchange Rates]  
 FY2011: 1\$=¥79.8  
 FY2012 Previous Forecast: 1\$=¥83.0  
 FY2012 Revised Forecast: 1\$=¥80.0  
 (2Q): 1\$ =¥79.8

Billions of yen

	FY2011 Results	FY2012 Previous Forecast (May. 10)		FY2012 Forecast Revision		Value compared to previous forecast			
		2Q	FY2012	2Q	FY2012	2Q		FY2012	
							Exchange Impact		Exchange Impact
Net Sales	108.4	57.9	109.1	59.5	110.8	1.6	-2.4	1.7	- 4.2
Cost of Sales	11.2	5.2	11.8	5.7	12.6	0.5	-0.2	0.8	- 0.5
Gross Profit	97.2	52.7	97.3	53.8	98.2	1.1	-2.2	0.9	- 3.7
SG&A expenses	66.8	32.6	61.7	30.2	63.8	- 2.4	- 1.2	2.1	- 2.4
<b>Segment Profit</b>	<b>27.4</b>	<b>20.1</b>	<b>35.6</b>	<b>23.6</b>	<b>34.4</b>	<b>3.5</b>	<b>- 1.0</b>	<b>- 1.2</b>	<b>- 1.3</b>

# Development Pipeline (1) (as of July 27, 2012)

## Central Nervous System Field

Domestic Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	Submitted
LATUDA (SM-13496)	lurasidone hydrochloride	Schizophrenia	Canada	Overseas			
		Schizophrenia	Japan	Domestic			
		(New indication) Bipolar I Depression	US/Europe, etc.	Overseas			
		(New indication) Bipolar Maintenance	US/Europe, etc.	Overseas			
		(New indication) MDD with mixed features	US	Overseas			
STEDESA™	eslicarbazepine acetate	Epilepsy-Adjunct	US	Overseas			
		Epilepsy-Adult monotherapy	US	Overseas			
LONASEN®	blonanserin	Schizophrenia	China	Overseas			
		(Addition of pediatric usage) Schizophrenia	Japan	Domestic			
		(New Formulation: Transdermal Tape) Schizophrenia	Japan	Overseas			
DSP-8658	TBD	Alzheimer's disease	US	Overseas			
SEP-228432	TBD	Neuropathic Pain, Depression	US	Overseas			
DSP-1053	TBD	Depression	US	Overseas			
DSP-0565	TBD	Epilepsy	US	Overseas			
DSP-2230	TBD	Neuropathic Pain	UK	Overseas			

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










Revisions since the previous announcement are in red.



# Development Pipeline (2) (as of July 27, 2012)




## Cancer Field

 Domestic  Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	Submitted
CALSED® (Brand name in Japan)	amrubicin hydrochloride	Small cell lung cancer	China				
BBI608	TBD	Colorectal Cancer (2nd/3rd line) (Monotherapy)	US/Canada				
		Colorectal Cancer (2nd/3rd line) (Combination therapy)	US/Canada				
		Solid Cancer (2nd/3rd line) (Combination therapy with paclitaxel)	US/Canada		※		
WT4869	TBD	Myelodysplastic syndromes	Japan		※		
		Solid cancer	Japan				
WT2725	TBD	Solid cancer	US				
BBI503	TBD	Solid cancer (monotherapy)	US/Canada				

## Respiratory Field

※on Phase I of Phase I/II study  Under Preparation

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

 Approved/Preparing for Launch

# Development Pipeline (3) (as of July 27, 2012)

## Cardiovascular/ Diabetes Field

Domestic Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	Submitted
DSP-8153	amlodipine besilate/irbesartan	Hypertension/Combination agent	Japan	Domestic	Domestic	Domestic	
SUREPOST®	repaglinide	(New indication) Type 2 diabetes (Combination therapy with thiazolidine or biguanide)	Japan	Domestic	Domestic	Domestic	
		(New indication) Type 2 diabetes (All combination therapies including DPP4 inhibitors)	Japan	Domestic	Domestic	Domestic	
METGLUCO®	metformin hydrochloride	(Addition of pediatric usage) Type 2 diabetes	Japan	Domestic	Domestic	Domestic	
AS-3201	ranirestat	Diabetic neuropathy	Japan	Domestic	Domestic	Domestic	
DSP-8658	TBD	Type 2 diabetes	US	Overseas			
DSP-9599	TBD	Hypertension	Japan	Domestic			

## Other Fields

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	Submitted
MEROPEN®	meropenem hydrate	(Change of maximum dose) Purulent meningitis: 6g daily	Japan	Domestic	Domestic	Domestic	
SMP-986	afacifenacin fumarate	Overactive bladder	Japan	Domestic	Domestic		
			US/Europe	Overseas	Overseas		
PRORENAL®	limaprost alfadex	(New Indication) Carpal-tunnel syndrome	Japan	Domestic	Domestic		
DSP-1747	obeticholic acid	Primary biliary cirrhosis (PBC), Nonalcoholic steatohepatitis (NASH)	Japan	Domestic			
DSP-6952	TBD	IBS with constipation, Chronic idiopathic constipation	Japan	Domestic			
DSP-5990	ceftaroline fosamil	MRSA Infection	Japan	Domestic			

# Development Pipeline State of Progress (Main changes after May 10, 2012)

- **LATUDA<sup>®</sup>** (lurasidone hydrochloride)
  - Canada: Approval for adults with Schizophrenia. (approved in June 2012)
  
- **LONASEN<sup>®</sup>** Transdermal Patch Formulation
  - Japan: New Formulation added: Transdermal Patch
  - Newly added in Phase 2 (Japan)
  - Aiming for the world's first Transdermal Patch Formulation of a Schizophrenia Treatment, Joint Development with Nitto Denko
  - Characteristics of a patch formulation:
    - Ability to maintain a stable drug concentration in the blood. Also, less susceptible to dietary effects.
    - Provides a new treatment option to patients who have difficulty with, or who do not prefer oral administration.
    - Medication status can be verified visually.

# LATUDA<sup>®</sup> (Lurasidone) – Clinical development status (1)

## US (schizophrenia)

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### ■ Key Current LATUDA<sup>®</sup> Studies in Schizophrenia

- Schizophrenia Maintenance Study: initiated in 3Q 2011, in progress.
- Pediatric (6-17 yrs) PK Study: initiated in 2Q 2012, in progress.

### ■ Planned LATUDA<sup>®</sup> Studies in Schizophrenia

- Low-dose Schizophrenia Study with 20mg/day: to be initiated in 1Q 2013
- Pediatric (6-17 yrs) Efficacy Study: to be initiated in 3Q 2013

## U.S. (Bipolar disorder, others)

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### ■ Bipolar I depression Phase III studies (PREVAIL Studies)

- PREVAIL#1, PREVAIL#2: Received top line results (April 2012 Press Release)
- PREVAIL#3: Placebo controlled, lithium or valproate adjunctive study  
Initiated in December 2010

**Bipolar I depression sNDA planned for 3Q 2012**

### ■ Bipolar maintenance

- Phase III study initiated in 2Q 2011

### ■ MDD with mixed features

- Phase III study initiated in 2Q 2011

### ■ IM depot formulation

- Pre-clinical stage

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

## Outside the U.S.

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- Japan: Schizophrenia/ New Phase III study in progress (Initiated in April 2012)
- Canada: Schizophrenia/ Approved (June 2012)  
Bipolar Disorder SNDS planned (3Q 2012)
- China: Schizophrenia/ IND submitted (September 2011)
- Europe: Schizophrenia and Bipolar disorder/ Co-development with Takeda Pharmaceutical in Europe (Phase III).  
MAA submitted in Switzerland (Submission by Takeda in March, 2012)

DSP plans to commercialize lurasidone independently in the UK

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# 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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