

First Quarter Financial Results for FY2013
(Apr. 1 to Jun. 30, 2013)

July 31, 2013

Dainippon Sumitomo Pharma Co., Ltd.

FY2013 1Q Financial Results

Billions of yen

| | FY2012 1Q | FY2013 1Q | Change | | | FY2013 2Q | | FY2013 | |
|---------------------------------------|--------------|--------------|--------|--------------------|-------------------|-----------|-----------------|----------|-----------------|
| | | | Value | | Percentage (%) | Forecast | Progress (%) | Forecast | Progress (%) |
| | | | | Exchange Impact | | | | | |
| Net sales | 89.1 | 89.6 | 0.5 | 6.2 | 0.6 | 178.0 | 50.3 | 369.0 | 24.3 |
| Cost of sales | 25.2 | 25.3 | 0.0 | 0.8 | 0.2 | 52.0 | 48.6 | 106.0 | 23.8 |
| Gross profit | 63.9 | 64.4 | 0.5 | 5.4 | 0.8 | 126.0 | 51.1 | 263.0 | 24.5 |
| SG&A expenses | 53.0 | 55.3 | 2.4 | 5.6 | 4.4 | 116.0 | 47.7 | 237.0 | 23.3 |
| S G & A expenses less R&D costs | 38.9 | 40.6 | 1.7 | 4.3 | 4.4 | 86.0 | 47.3 | 170.0 | 23.9 |
| R&D Costs | 14.1 | 14.7 | 0.6 | 1.3 | 4.5 | 30.0 | 49.0 | 67.0 | 21.9 |
| Operating income | 10.9 | 9.0 | - 1.9 | - 0.2 | - 17.1 | 10.0 | 90.3 | 26.0 | 34.7 |
| Ordinary income | 11.5 | 9.5 | - 2.0 | | - 17.4 | 10.0 | 94.9 | 25.0 | 38.0 |
| Net income | 5.7 | 4.8 | - 0.9 | | - 15.6 | 5.0 | 96.2 | 13.0 | 37.0 |
| E B I T D A | 21.9 | 16.8 | | | | 25.0 | | 54.0 | |

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.

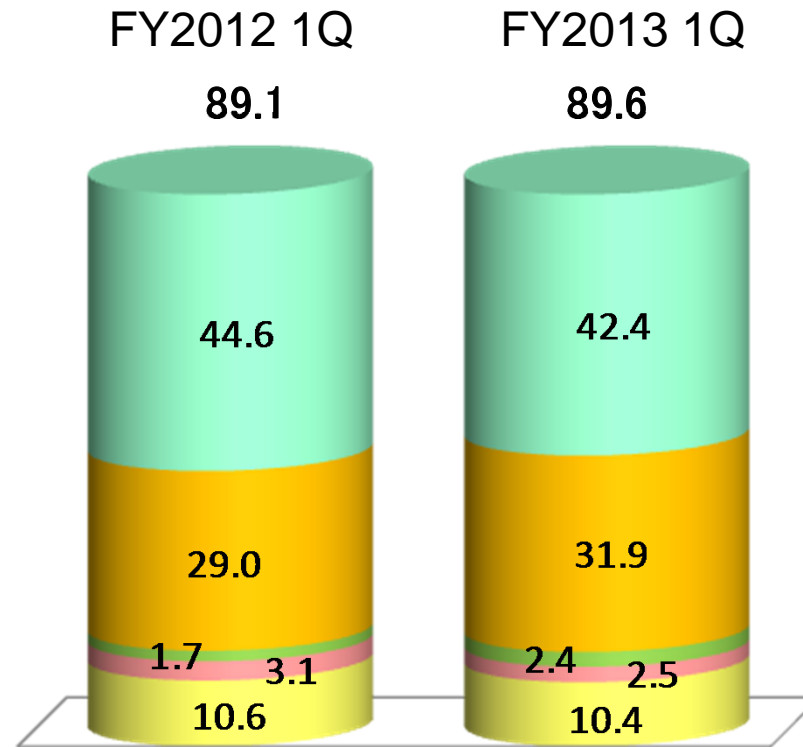
Exchange Rate:
 FY2012 1Q : 1US\$ = ¥ 79.4, 1RMB = ¥12.6
 FY2013 1Q : 1US\$ = ¥ 98.8, 1RMB = ¥16.1
 FY2013 Forecast : 1US\$ = ¥100.0, 1RMB = ¥15.0

1Q Net Sales by Segment

Billions of yen

Change

| Value | Percentage |
|-------|------------|
| 0.5 | 0.6 % |



| | | |
|----------------|-------|---------|
| Japan | - 2.2 | - 4.9% |
| North America | 2.8 | 9.7% |
| China | 0.7 | 43.4% |
| Other Regions | - 0.6 | - 18.5% |
| Other Business | - 0.2 | - 2.3% |

【 Japan 】 Decrease in long-term listed products and contract manufacture products

【 North America 】 Increase of sales for LATUDA®, impact of weak yen



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FY2013 Forecast : 1US\$ = ¥100.0, 1RMB = ¥15.0

1Q Sales in Japan

Billions of yen

| | FY2012 1Q | FY2013 1Q | Change | | FY2013 2Q | |
|--------------------------|--------------|--------------|--------------|-------------------|-------------|-----------------|
| | | | Value | Percentage (%) | Forecast | Progress (%) |
| AIMIX® | — | 0.8 | 0.8 | — | 1.8 | 45.8 |
| AVAPRO® | 2.9 | 3.0 | 0.1 | 4.5 | 6.1 | 49.5 |
| LONASEN® | 2.7 | 3.0 | 0.2 | 8.5 | 6.0 | 49.7 |
| TRERIEF® | 1.7 | 2.1 | 0.3 | 18.4 | 4.4 | 46.8 |
| Strategic products total | 7.4 | 8.9 | 1.5 | 20.5 | 18.3 | 48.5 |
| METGLUCO® | 2.9 | 3.5 | 0.7 | 23.7 | 7.4 | 47.8 |
| SUREPOST® | 0.1 | 0.3 | 0.2 | 209.2 | 0.9 | 36.6 |
| New products total | 3.0 | 3.9 | 0.9 | 30.3 | 8.3 | 46.6 |
| AmBisome® | 1.1 | 1.1 | 0.1 | 8.2 | 2.5 | 45.7 |
| MIRIPLA® | 0.3 | 0.3 | 0.0 | 2.3 | 0.6 | 49.9 |
| REPLAGAL® | 2.6 | 2.6 | - 0.1 | - 2.3 | 5.1 | 50.2 |
| Specialty products total | 4.0 | 4.0 | 0.0 | 0.9 | 8.2 | 48.8 |
| AMLODIN® | 7.8 | 7.2 | - 0.6 | - 7.5 | 13.3 | 53.9 |
| GASMOTIN® | 5.2 | 4.0 | - 1.1 | - 22.1 | 8.7 | 46.3 |
| PRORENAL® | 3.7 | 3.5 | - 0.1 | - 3.9 | 6.8 | 51.8 |
| MEROPEN® | 2.6 | 2.5 | - 0.2 | - 6.7 | 5.1 | 48.3 |
| Others | 11.1 | 8.5 | - 2.6 | - 23.4 | 17.0 | 50.0 |
| Japan total | 44.6 | 42.4 | - 2.2 | - 4.9 | 85.7 | 49.5 |

Note: Sales figures are before reduction of rebates

1Q Sales in North America & China

| | FY2012 1Q | FY2013 1Q | Change | FY2012 1Q | FY2013 1Q | Change | |
|---------------------------------|---------------|--------------|-------------|---------------|--------------|------------|-------------------------|
| | | | | | | Value | Exchange Rate Impact |
| North America | (Million \$) | | | (Billion yen) | | | |
| LATUDA® | 39 | 68 | 29 | 3.1 | 6.8 | 3.6 | 1.3 |
| LUNESTA® | 142 | 136 | - 6 | 11.3 | 13.4 | 2.2 | 2.6 |
| XOPENEX® | 101 | 36 | - 65 | 8.0 | 3.5 | - 4.5 | 0.7 |
| BROVANA® | 39 | 41 | 2 | 3.1 | 4.0 | 0.9 | 0.8 |
| Ciclesonide | 9 | 23 | 14 | 0.7 | 2.2 | 1.5 | 0.3 |
| Industrial property revenues | 28 | 10 | - 18 | 2.2 | 0.9 | - 1.3 | 0.2 |
| Others | 7 | 9 | 2 | 0.6 | 0.9 | 0.3 | 0.2 |
| Total | 366 | 323 | - 43 | 29.0 | 31.9 | 2.8 | 6.2 |
| China | (Million RMB) | | | (Billion yen) | | | |
| MEROPEN® | 103 | 114 | 12 | 1.3 | 1.8 | 0.5 | 0.4 |
| Others | 30 | 35 | 5 | 0.4 | 0.6 | 0.2 | 0.1 |
| Total | 132 | 149 | 17 | 1.7 | 2.4 | 0.7 | 0.5 |

| FY2013 2Q | | |
|--------------------------|---------------|-----------------|
| Forecast as of May 9* | | Progress (%) |
| (Million \$) | (Billion yen) | |
| 134 | 13.4 | 50.4 |
| 236 | 23.6 | 57.0 |
| 40 | 4.0 | 88.3 |
| 96 | 9.6 | 41.9 |
| 65 | 6.5 | 34.6 |
| 13 | 1.3 | 72.8 |
| 23 | 2.3 | 39.8 |
| 607 | 60.7 | 52.5 |
| (Million RMB) | (Billion yen) | |
| 293 | 4.4 | 41.7 |
| 73 | 1.1 | 50.7 |
| 367 | 5.5 | 43.5 |

Note: FY2012 1Q figures are for sales of Jan to Mar 2012

* New sales forecast as of July 31 for LATUDA® and Ciclesonide is;

LATUDA®:(FY2013 2Q) \$150M , (FY2013) \$350M , Ciclesonide: (FY2013 2Q) \$49M , (FY2013) \$100M

Exchange Rate:

FY2012 1Q

FY2013 1Q

FY2013 Forecast

: 1US\$ = ¥ 79.4, 1RMB = ¥12.6

: 1US\$ = ¥ 98.8, 1RMB = ¥16.1

: 1US\$ = ¥100.0, 1RMB = ¥15.0

1Q Segment Breakdown for North America

< Excluding amortization of patent rights and goodwill, etc. >

| | FY2012 1Q | FY2013 1Q | Change | FY2012 1Q | FY2013 1Q | Exchange Rate Impact |
|--------------------------|--------------|------------------|--------|---------------|------------------|----------------------|
| | (Million \$) | | | (Billion yen) | | |
| Net sales | 366 | 323 | - 43 | 29.0 | 31.9 | 6.2 |
| Cost of sales | 36 | 39 | 3 | 2.9 | 3.9 | 0.8 |
| Gross profit | 329 | 283 | - 46 | 26.1 | 28.0 | 5.4 |
| SG&A expenses | 173 | 174 | 1 | 13.7 | 17.2 | 3.4 |
| Income (loss) of segment | 156 | 110 | - 47 | 12.4 | 10.8 | 2.0 |

< Amortization of patent rights and goodwill, etc. >

| | FY2012 1Q | FY2013 1Q | Change | FY2012 1Q | FY2013 1Q | Exchange Rate Impact |
|--------------------------|--------------|------------------|--------|---------------|------------------|----------------------|
| | (Million \$) | | | (Billion yen) | | |
| SG&A expenses | 101 | 53 | - 48 | 8.0 | 5.2 | 0.9 |
| Income (loss) of segment | - 101 | - 53 | 48 | - 8.0 | - 5.2 | - 0.9 |



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1Q Segment Information

Billions of yen

| | | Pharmaceuticals Business | | | | | Subtotal | Other Business | Total | |
|-------------------|---------------------------------|--------------------------|-----------------------------|----------------------------|-------|---------------|----------|----------------|-------|-------|
| | | Japan | North America ^{※1} | Amortization ^{※2} | China | Other Regions | | | | |
| FY2013 1Q Results | Net sales (Sales to customers) | 42.4 | 31.9 | — | 2.4 | 2.5 | 79.2 | 10.4 | 89.6 | |
| | Cost of sales | 11.4 | 3.9 | — | 0.6 | 1.3 | 17.2 | 8.0 | 25.3 | |
| | Gross profit | 31.0 | 28.0 | — | 1.8 | 1.2 | 62.0 | 2.3 | 64.4 | |
| | SG&A expenses less R&D costs | 15.2 | 17.2 | 5.2 | 1.4 | 0.2 | 39.2 | 1.5 | 40.6 | |
| | Income (loss) of segment | 15.9 | 10.8 | - 5.2 | 0.4 | 1.0 | 22.9 | 0.9 | 23.7 | |
| | R&D costs | | | | | | | 14.5 | 0.2 | 14.7 |
| | Operating income | | | | | | | 8.4 | 0.6 | 9.0 |
| FY2012 1Q Results | Net sales (Sales to customers) | 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 | 17.6 | 12.4 | - 8.0 | 0.6 | 1.4 | 24.0 | 1.0 | 24.9 | |
| | R&D costs | | | | | | | 13.9 | 0.2 | 14.1 |
| | Operating income | | | | | | | 10.1 | 0.8 | 10.9 |
| Change | Net sales (Sales to customers) | - 2.2 | 2.8 | — | 0.7 | - 0.6 | 0.8 | - 0.2 | 0.5 | |
| | Income (loss) of segment | - 1.7 | - 1.6 | 2.8 | - 0.2 | - 0.4 | - 1.1 | - 0.1 | - 1.2 | |
| | R&D costs | | | | | | | 0.6 | 0.0 | 0.6 |
| | Operating income | | | | | | | - 1.7 | - 0.1 | - 1.9 |

※ 1. Excluding amortization of patent rights and goodwill, etc.

※ 2. Amortization of patent rights and goodwill, etc.

Exchange Rate:

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1Q Ordinary income & Net income

Billions of yen

| | FY2012 1Q | FY2013 1Q | Change | |
|---|-----------|------------|--------|------------|
| | | | Value | Percentage |
| Operating income | 10.9 | 9.0 | - 1.9 | - 17.1% |
| Non-operating income and expenses | 0.6 | 0.5 | - 0.1 | |
| Ordinary income | 11.5 | 9.5 | - 2.0 | - 17.4% |
| Extraordinary loss | 1.5 | 1.0 | - 0.5 | |
| Business structure improvement expenses | 1.1 | 0.6 | | |
| Impairment loss | 0.4 | 0.4 | | |
| Income taxes | 4.3 | 3.7 | - 0.6 | |
| Net income | 5.7 | 4.8 | - 0.9 | - 15.6% |

【 Business structure improvement expenses 】 Restructuring costs in the U.S. subsidiary
 【 Impairment loss 】 Impairment loss for production facility in the U.S.

Clinical Development Status

Development Pipeline ① (as of July 31, 2013)

Psychiatry & Neurology Field

| Brand name/ Product code | Generic name | Proposed indication | Development location | Phase | | | |
|-----------------------------|--------------------------|--|----------------------|-------|----|-----|-----------|
| | | | | I | II | III | Submitted |
| LATUDA® (SM-13496) | lurasidone hydrochloride | (New indication) Bipolar I depression | U.S. | | | | |
| | | Schizophrenia | Europe* | | | | |
| | | Schizophrenia | Australia | | | | |
| | | (New indication) Bipolar I depression | Canada | | | | |
| | | Schizophrenia | Japan | | | | |
| | | (New indication) Bipolar maintenance | U.S./Europe, etc. | | | | |
| | | (New indication) MDD with mixed features | U.S./Europe, etc. | | | | |
| SEP-0002093 | eslicarbazepine acetate | Epilepsy- Adjunctive therapy | U.S. | | | | |
| | | Epilepsy- Monotherapy | U.S. | | | | |
| LONASEN® | blonanserin | Schizophrenia | China | | | | |
| | | (Addition of pediatric usage) Schizophrenia | Japan | | | | |
| | | (New formulation: Transdermal patch) Schizophrenia | Japan | | | | |
| SEP-225289 | TBD | Attention-deficit hyperactivity disorder (ADHD) | U.S. | | | | |
| DSP-8658 | TBD | Alzheimer's disease | U.S. | | | | |
| DSP-1053 | TBD | Major depressive disorder | U.S. | | | | |
| DSP-2230 | TBD | Neuropathic pain | U.K. | | | | |
| SEP-363856 | TBD | Schizophrenia | U.S. | | | | |

*Lurasidone (SM-13496) : Co-development with Takeda Pharmaceutical in Europe
 Revisions since the previous announcement are in red.

 Approved

Development Pipeline ② (as of July 31, 2013)

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 (Monotherapy) | U.S./Canada | | | | |
| | | Colorectal cancer (Combination therapy) | U.S./Canada | | | | |
| | | Solid cancer (Combination therapy with paclitaxel) | U.S./Canada | | | ※1 | |
| | | Solid cancer (Monotherapy) | Japan | | | | |
| WT4869 | TBD | Myelodysplastic syndromes | Japan | | ※2 | | |
| | | Solid cancer | Japan | | | | |
| WT2725 | TBD | Solid cancer, Hematologic cancer | U.S. | | | | |
| BBI503 | TBD | Solid cancer (Monotherapy) | U.S./Canada | | | | |

※1 on Phase II of Phase I/II study

※2 on Phase I of Phase I/II study

Respiratory Field

| Brand name/ Product code | Generic name | Proposed indication | Development location | Phase I | Phase II | Phase III | Submitted |
|-----------------------------|------------------------|--|----------------------|---------|----------|-----------|-----------|
| SUN-101 | glycopyrrolate bromide | Chronic obstructive pulmonary disease (COPD) | U.S. | | | | |
| DSP-3025 | TBD | Bronchial asthma/Allergic rhinitis | Japan | | | | |

Revisions since the previous announcement are in red.

Development Pipeline ③ (as of July 31, 2013)

Cardiovascular/ Diabetes Field

Domestic Overseas

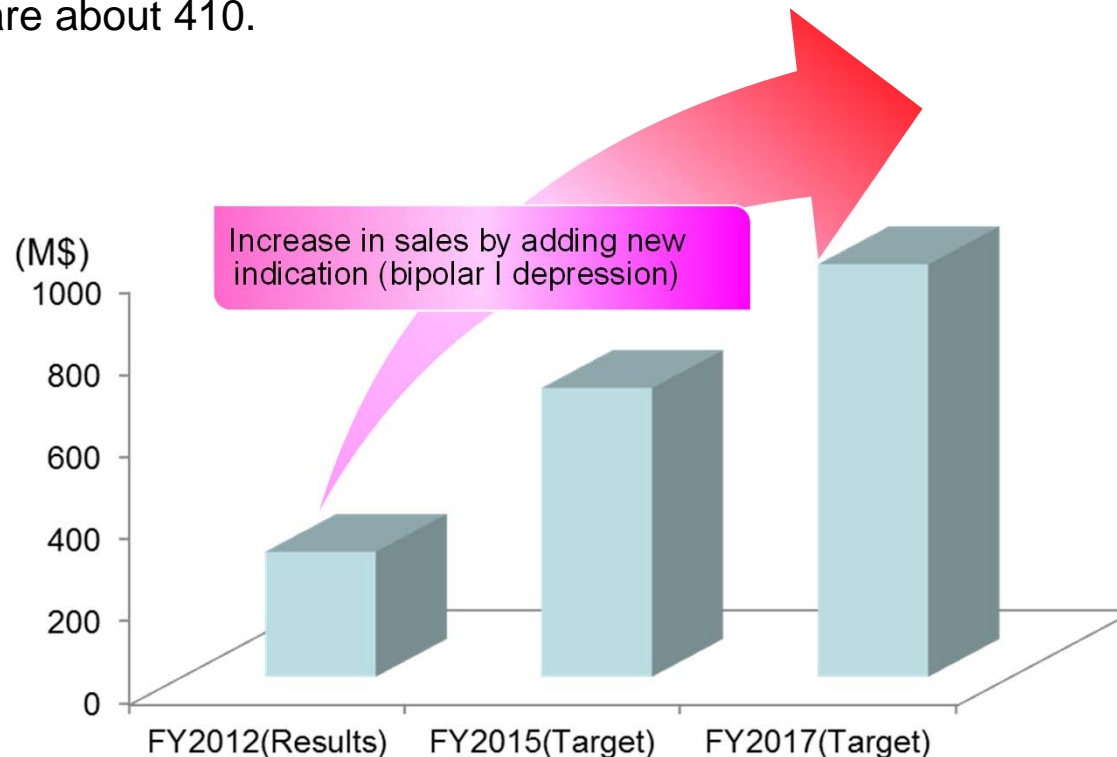
| Brand name/ Product code | Generic name | Proposed indication | Development location | Phase I | Phase II | Phase III | Submitted |
|-----------------------------|-------------------------|---|----------------------|----------|----------|-----------|-----------|
| SUREPOST® | repaglinide | (New indication) 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 | U.S. | Overseas | | | |

Other Fields

| Brand name/ Product code | Generic name | Proposed indication | Development location | Phase I | Phase II | Phase III | Submitted |
|-----------------------------|---------------------|--|----------------------|----------|----------|-----------|-----------|
| MEROPEN® | meropenem hydrate | (Change of dose) Purulent meningitis: 6g daily | Japan | Domestic | Domestic | Domestic | |
| DSP-1747 | obeticholic acid | Nonalcoholic steatohepatitis (NASH) | Japan | Domestic | Domestic | | |
| DSP-6952 | TBD | IBS with constipation, Chronic idiopathic constipation | Japan | Domestic | Domestic | | |
| DSP-5990 | ceftaroline fosamil | MRSA infection | Japan | Domestic | | | |

LATUDA® (Lurasidone)-Bipolar I depression

- LATUDA® is the first atypical antipsychotic to be approved for two indications as 1) monotherapy and 2) adjunctive therapy with lithium or valproate for the treatment of bipolar I depression by the U.S. FDA (Approved in June 2013).
 - ✓ Dose range: 20 mg/day to 120 mg/day for bipolar I depression (40 mg/day to 160 mg/day for schizophrenia)
- Promotion started in late July 2013.
 - ✓ Promotion planned to start using branded sales materials in late September 2013.
 - ✓ DTC campaign planned to start in Q1 2014.
- Sales reps are about 410.



LATUDA® (Lurasidone) – Clinical development status

U.S. (Schizophrenia)

Key Current (or Ongoing) Studies in Schizophrenia

- Schizophrenia Maintenance Study: initiated in 3Q 2011, in progress
- Pediatric (6-17 yrs) PK Study: initiated in 2Q 2012, in progress
- **Low-dose Schizophrenia Study with 20mg/day: initiated in 2Q 2013, in progress**
- **Pediatric (6-17 yrs) Efficacy Study: initiated in 3Q 2013, in progress**

Planned Studies in Schizophrenia

- Japan: Schizophrenia/ Phase III study in progress (Initiated in 2Q 2012)
- Canada: Bipolar I depression/ NDA submitted in August 2012
- China: Schizophrenia/ IND submitted in 3Q 2011
- Europe: Schizophrenia/ MAA submitted by Takeda
 - Switzerland : MAA submitted in 1Q 2012
 - Europe: MAA submitted by the centralized authorization procedure in 3Q 2012Bipolar disorder/ Co-development with Takeda in Europe (in Phase III stage)
DSP plans to commercialize Lurasidone independently in the U.K.
- Australia: Schizophrenia/ MAA submitted in 1Q 2013

U.S. (Bipolar disorder, others)


- **Bipolar I depression**
 - NDA submitted for bipolar I depression in Canada in August 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



BBI608 and BBI503 - Clinical development status

BBI608


■ U.S., Canada

- Colorectal cancer (Monotherapy) Phase III in progress (initiated in 1Q 2013) 

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| Launch Goal FY2015 |
|-----------------------|

 - ✓ Dose-escalation study results from Phase I/II were presented at the American Society of Clinical Oncology (ASCO) Annual Meeting in June 2013 (already disclosed by the news release on June 4, 2013)
- Colorectal cancer (Combination) Phase II in progress (initiated in 1Q 2012)
- Solid cancer (Combination with paclitaxel) Phase II of Phase I / II in progress (initiated in 2Q 2013)


■ Japan

- Solid cancer (Monotherapy) Phase I in progress (initiated in 1Q 2013) 

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| Launch Goal FY2016 |
|-----------------------|

BBI503

■ U.S., Canada

- Solid cancer (Monotherapy) Phase I in progress (initiated in 1Q 2012) 

| |
|-----------------------|
| Launch Goal FY2017 |
|-----------------------|



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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