



**Overview of Consolidated Financial Results  
for the First Nine Months of Fiscal Year 2005 (Unaudited)  
(Fiscal Year 2005: April.1, 2005 to March.31, 2006)**

February 6, 2006

Company Name: DAINIPPON SUMITOMO PHARMA CO., LTD.  
 Head Office: 6-8, Doshomachi, 2-chome, Chuo-ku, Osaka, 541-0045  
 Stock Exchange Listings: Tokyo, Osaka, Nagoya  
 Security Code number: 4506 (URL: <http://www.ds-pharma.co.jp>)

The accompanying consolidated financial statements are prepared in accordance with Japanese GAAP. Certain accounting principles and practices generally accepted in Japan are different from International Financial Reporting Standards. The translation of consolidated financial statements into English from Japanese is solely for the convenience of readers outside Japan.

**1 . Basis of Preparing the Consolidated Financial Statements**

Adoption of simplified method : Yes

“Income taxes” in the consolidated statements of income for the quarterly period were calculated using a simplified method.

Change of the accounting principles from the previous year : Yes

Changes in scope of consolidation and application of the equity method : Yes

**2. Consolidated Financial Results for the First Nine Months of the Fiscal Year 2005**

Dainippon Pharmaceutical Co., Ltd. and Sumitomo Pharmaceuticals Co., Ltd. merged on October 1, 2005 and became Dainippon Sumitomo Pharma Co., Ltd.

Numerical value of Sumitomo Pharmaceuticals Co., Ltd. before the merger date is not included in the followings.

**( 1 ) Results of operations**

Note : All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Recurring income	
	Yen Million	% change	Yen Million	% change	Yen million	% change
Apr.1,2005 to Dec.31, 2005	173,536	33.1	24,444	170.0	23,401	156.5
Apr.1,2004 to Dec.31, 2004	130,408	0.5	9,053	-	9,122	-
Apr.1,2004 to Mar.31, 2005	173,899		10,396		11,187	

	Net income		Earnings per share	Earnings per share (diluted)
	Yen Million	% change		
Apr.1,2005 to Dec.31, 2005	12,328	124.7	¥ 50.77	-
Apr.1,2004 to Dec.31, 2004	5,487	-	¥ 33.23	-
Apr.1,2004 to Mar.31, 2005	6,924		¥ 41.76	-

Note: The rates of increase or decrease from the corresponding period of the previous fiscal year have not been available because the quarterly financial results (except for sales) were started to be disclosed from the previous fiscal year.

The percentages shown under Net sales in the above table represent those of changes from the figures for the corresponding period of the previous fiscal year.

## ( 2 ) Financial Position

(millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
Dec.31, 2005	390,062	283,156	72.6%	¥712.11
Dec.31, 2004	198,443	132,511	66.8%	¥802.78
Mar.31, 2005	201,431	134,649	66.8%	¥815.76

## ( 3 ) Cash flows

(millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash Equivalents
Dec.31, 2005	4,035	(2,611)	(4,912)	76,479
Dec.31, 2004	15,688	(3,045)	(1,704)	34,421
Mar.31, 2005	15,522	982	(1,805)	38,182

### 3. Consolidated Financial Forecast for Fiscal Year 2005 (April 1, 2005 to March 31, 2006)

(millions of yen)

	Net sales	Recurring income	Net income
Fiscal 2005	246,000	26,000	14,000

Reference : Estimated net income per share for Fiscal 2005 : ¥49.69

Net income per share is calculated based on estimated average number of outstanding shares (280,994,885 shares) .

(Information for Consolidated Financial Forecast for Fiscal 2005)

We revise the forecast that we announced on November 8, 2005 as above because it is anticipated that selling, general and administrative expenses such as research and development expenses and sale promotion costs will be less than previously expected.

Sales amount will be steady.

Note : The foregoing are forward-looking statements based on management's assumptions and beliefs in light of the information currently available, and involve risks and uncertainties. Actual financial results may differ materially depending on a number of factors, including economic conditions and currency exchange rate fluctuations.

## Financial Information

### (1) Consolidated Balance Sheets

ASSETS		(Millions of yen)				
	As of December 31, 2005		As of December 31, 2004		As of March 31, 2005	
		%		%		%
Current assets:	255,421	65.5	127,870	64.4	131,176	65.1
Cash and time deposits	73,479		31,429		35,190	
Notes and accounts receivable	116,177		62,186		67,405	
Marketable securities	5,504		6,929		4,510	
Inventories	43,932		19,837		16,217	
Deferred tax assets	9,987		4,001		5,081	
Others	6,421		3,570		2,848	
Allowance for doubtful accounts	(82)		(84)		(77)	
Fixed assets:	134,640	34.5	70,572	35.6	70,255	34.9
Property, plant and equipment	68,688	17.6	34,068	17.2	32,610	16.2
Buildings and structures	37,489		20,551		20,141	
Machinery, equipment and carriers	15,364		6,114		5,905	
Land	9,988		5,081		4,499	
Construction in progress	854		278		81	
Others	4,992		2,041		1,983	
Intangible fixed assets	6,213	1.6	3,225	1.6	2,977	1.5
Investments and other assets	59,739	15.3	33,278	16.8	34,667	17.2
Investment securities	45,312		28,942		29,486	
Deferred tax assets	2,001		115		53	
Others	12,908		4,572		5,474	
Allowance for doubtful accounts	(482)		(350)		(348)	
<b>Total assets</b>	<b>390,062</b>	<b>100.0</b>	<b>198,443</b>	<b>100.0</b>	<b>201,431</b>	<b>100.0</b>

LIABILITIES, MINORITY INTERESTS  
AND SHAREHOLDERS' EQUITY

(Millions of yen)

	As of December 31, 2005		As of December 31, 2004		As of March 31, 2005	
		%		%		%
Total liabilities	106,060	27.2	65,171	32.8	65,997	32.8
Current liabilities:	79,629	20.4	49,335	24.8	49,975	24.8
Notes and accounts payable	42,882		35,843		32,172	
Income taxes payable	6,236		2,024		4,018	
Reserve for bonuses	3,705		1,891		4,126	
Reserve for sales returns	112		57		65	
Reserve for sales rebate	1,677		1,016		1,056	
Others	25,016		8,502		8,536	
Long-term liabilities:	26,430	6.8	15,836	8.0	16,021	8.0
Long-term debt	7,193		7,000		7,000	
Long-term accouts payable	—		1,327		1,326	
Deferred tax liabilities	—		859		1,313	
Reserve for retirement benefits	14,237		6,113		5,832	
Reserve for directors' retirement benefits	56		535		549	
Others	4,943		—		—	
Minority interests	845	0.2	760	0.4	783	0.4
Shareholders' equity	283,156	72.6	132,511	66.8	134,649	66.8
Common stock	22,400	5.7	13,444	6.8	13,444	6.7
Capital surplus	15,860	4.1	15,860	8.0	15,860	7.9
Retained earnings	229,436	58.8	99,385	50.1	100,821	50.0
Unrealized gains on securities	15,763	4.0	7,289	3.7	8,031	4.0
Treasury stock	(304)	(0.0)	(3,467)	(1.8)	(3,508)	(1.8)
Total liabilities, minority interests and shareholders' equity	390,062	100.0	198,443	100.0	201,431	100.0

(2) Consolidated Statements of Income

(Millions of yen)

	First nine months of fiscal 2005 (April 1, 2005-December 31, 2005)		First nine months of fiscal 2004 (April 1, 2004-December 31, 2004)		Fiscal 2004 (April 1, 2004-March 31, 2005)	
		%		%		%
Net sales	173,536	100.0	130,408	100.0	173,899	100.0
Cost of sales	94,119	54.2	83,026	63.7	111,087	63.9
Gross profit	79,417	45.8	47,382	36.3	62,811	36.1
Reversal for sales returns	9	0.0	(2)	(0.0)	(10)	(0.0)
Net gross profit	79,426	45.8	47,379	36.3	62,800	36.1
Selling, general and administrative expenses	54,981	31.7	38,326	29.4	52,404	30.1
Operating income	24,444	14.1	9,053	6.9	10,396	6.0
Non-operating income:	903	0.5	1,137	0.9	2,358	1.3
Non-operating expense:	1,946	1.1	1,068	0.8	1,567	0.9
Recurring income	23,401	13.5	9,122	7.0	11,187	6.4
Extraordinary income:	2,568	1.5	820	0.6	2,934	1.7
Gains on sales of property, plant and equipment	1,786		—		262	
Gains on return of substitutional portion of employees' welfare pension fund plans	781		—		—	
Gains on sales of investment securities	—		820		2,672	
Extraordinary expense:	4,809	2.8	581	0.4	2,436	1.4
Expense related to business combination	4,633		—		487	
Loss on enterprise restructuring	176		—		831	
Loss on discontinued development of new compound	—		581		581	
Losses on disposal of inventories	—		—		536	
Income before income taxes and minority interests	21,160	12.2	9,360	7.2	11,686	6.7
Income taxes	8,783	5.1	3,802	2.9	4,673	2.6
Minority interests	49	0.0	70	0.1	88	0.1
Net income	12,328	7.1	5,487	4.2	6,924	4.0

(3) Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of yen)

	First nine months of fiscal 2005 (April 1, 2005-December 31, 2005)	First nine months of fiscal 2004 (April 1, 2005-December 31, 2004)	Fiscal 2004 (April 1, 2004-March 31, 2005)
<b>(Capital Surplus)</b>			
Balance at beginning of year	15,860	15,860	15,860
Increases	—	—	—
Deductions	—	—	—
Balance at end of period	15,860	15,860	15,860
<b>(Retained Earnings)</b>			
Balance at beginning of year	100,821	95,579	95,579
Increases	135,076	5,487	6,924
Net income	12,328	5,487	6,924
Increase due to merger	122,747	—	—
Deductions	6,461	1,681	1,681
Cash dividends paid	1,649	1,651	1,651
Bonuses to directors and corporate auditors	28	28	28
( Including bonuses to corporate auditors )	(8)	(8)	(8)
Payments to shareholders of Sumitomo's shares in lieu of dividends	2,886	—	—
Decrease due to the change in scope of consolidation	278	—	—
Loss on trades of treasury stock	1,617	0	1
Balance at end of period	229,436	99,385	100,821

*(4) Consolidated Statements of Cash Flows*

(Millions of yen)

	First nine months of fiscal 2005 (April 1, 2005-December 31, 2005)	First nine months of fiscal 2004 (April 1, 2004-December 31, 2004)	Fiscal 2004 (April 1, 2004-March 31, 2005)
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	21,160	9,360	11,686
Depreciation and amortization	5,551	3,892	5,232
Provision for liability for retirement benefits, less payments	(546)	107	(173)
Interest and dividend income	(499)	(569)	(603)
Interest expense	59	47	62
Loss on devaluation of investment securities	—	(820)	(2,672)
Decrease (increase) in notes and accounts receivable	(5,892)	2,221	(2,996)
Decrease (increase) in inventories	(3,016)	1,970	5,591
Increase in notes and accounts payable	3,898	4,275	641
Other, net	(4,533)	(211)	3,278
Subtotal	16,181	20,274	20,045
Interest and dividend received	508	570	605
Interest paid	(35)	(33)	(62)
Income taxes paid	(12,619)	(5,122)	(5,065)
<b>Net cash provided by operating activities</b>	<b>4,035</b>	<b>15,688</b>	<b>15,522</b>
<b>Cash flows from investing activities:</b>			
Increase in time deposits etc.	—	(1,015)	(2,019)
Proceeds from sales of marketable securities	500	707	3,676
Purchases of property, plant and equipment	(3,797)	(2,734)	(3,639)
Proceeds from sales of property, plant and equipment	2,381	—	1,133
Purchases of investment securities	(571)	(669)	(673)
Proceeds from sales of investment securities	985	725	3,241
Net increase in short-term loan	(1,131)	—	—
Other, net	(978)	(58)	(736)
<b>Net cash used in investing activities</b>	<b>(2,611)</b>	<b>(3,045)</b>	<b>982</b>
<b>Cash flows from financing activities:</b>			
Net decrease in short-term borrowings	(250)	—	—
Increase in treasury stock	(129)	(106)	(147)
Dividends paid	(1,639)	(1,590)	(1,651)
Dividends paid to minority interest	(7)	(7)	(7)
Payments to shareholders of Sumitomo's shares in lieu of dividends	(2,886)	—	—
<b>Net cash used in financing activities</b>	<b>(4,912)</b>	<b>(1,704)</b>	<b>(1,805)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,488)</b>	<b>10,938</b>	<b>14,699</b>
Cash and cash equivalents at beginning of year	38,182	23,482	23,482
Net increase in cash and cash equivalents accompanied by merger	42,235	—	—
Net decrease in cash and cash equivalents due to change in scope of consolidation	(449)	—	—
<b>Cash and cash equivalents at end of period</b>	<b>76,479</b>	<b>34,421</b>	<b>38,182</b>

(5) Segment Information

**Segment information by business segment**

First nine months of Fiscal 2005 (April 1,2005 - December 31, 2005)

(Millions of yen)

	Pharmaceuticals	Other Products	Total	Eliminations and Corporate	Consolidated
Sales and operating income					
Sales to customers	133,108	40,428	173,536	—	173,536
Inter-segment sales / transfers	—	521	521	(521)	—
Total	133,108	40,950	174,058	(521)	173,536
Operating expenses	109,660	39,953	149,614	(521)	149,092
Operating income	23,447	997	24,444	—	24,444

First nine months of Fiscal 2004 (April 1,2004 - December 31, 2004)

(Millions of yen)

	Pharmaceuticals	Other Products	Total	Eliminations and Corporate	Consolidated
Sales and operating income					
Sales to customers	90,682	39,725	130,408	—	130,408
Inter-segment sales / transfers	—	820	820	(820)	—
Total	90,682	40,546	131,229	(820)	130,408
Operating expenses	83,615	38,560	122,176	(820)	121,355
Operating income	7,067	1,986	9,053	—	9,053

Fiscal 2004 (April 1,2004 - March 31, 2005)

(Millions of yen)

	Pharmaceuticals	Other Products	Total	Eliminations and Corporate	Consolidated
Sales and operating income					
Sales to customers	122,628	51,270	173,899	—	173,899
Inter-segment sales / transfers	—	1,099	1,099	(1,099)	—
Total	122,628	52,370	174,999	(1,099)	173,899
Operating expenses	114,581	50,021	164,602	(1,099)	163,503
Operating income	8,047	2,348	10,396	—	10,396

( Notes )

1. Business segments are divided into "Pharmaceuticals" and "Other products" based on natures of products and businesses.



2. The principal products in each of the business segment are as follows:

Current business segment		Previous business segment	
Business segment	Major products	Business segment	Major products
Pharmaceuticals	Cardiovascular system drugs Antibacterial and antibiotic agents Central nervous system and antiallergic drugs Nutrients, hormones and vitamins	Pharmaceuticals	Cardiovascular system drugs Antibacterial and antibiotic agents Central nervous system and antiallergic drugs Nutrients, hormones and vitamins Diagnostics
Other products	Animal health products Feeds and feed additives Food additives Diagnostics Other products	Animal health products	Animal health products Feeds and feed additives
		Other products	Food additives Other products

We established two business segments instead of the previous three business segments shown above because "Animal health products" has become a much smaller segment after the merger with Sumitomo Pharmaceuticals Co., Ltd.

We also changed allocation method of operating expenses so that all operating expenses are born by the two segments.

Business segment information for fiscal 2004 and the first nine months of fiscal 2004 have been modified accordingly.

3. Geographical segment information and overseas sales information are not disclosed, because none of consolidated subsidiaries are located outside Japan, and the overseas sales of our group for the first nine months of fiscal 2005 and 2004, and for fiscal 2004 were less than 10% of consolidated net sales.

## Reference Data

- The forecasts in this statement are based on information available at the date of the announcement. Actual results may vary significantly depending on various future factors.
- The data in this statement are on a consolidated basis and figures are rounded off. Accordingly, there may be differences in their totals.
- The figures for the period ended March 31, 2005 are for the former Dainippon Pharmaceutical and those for the period ending March 31, 2006 are for Dainippon Sumitomo Pharma (Dainippon Pharmaceutical only for the first half).
- The figures shown as simple totals are the business results of the former Dainippon Pharmaceutical and former Sumitomo Pharmaceuticals for the period ended March 31, 2005 and of Dainippon Sumitomo Pharma and the former Dainippon Pharmaceutical (first half only) for the period ending March 31, 2006.

### 1. Status of Consolidated Subsidiary

	Establishment	Capitalization	Shareholder's ratio
Gokyo Sangyo Co., Ltd.	October, 1947	100 million Yen	52.48%

### 2. Depreciation

(Billions of Yen)

First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
3.82	5.13	<b>5.37</b>	8.4
(simple totals) 7.58	10.8	<b>8.25</b>	11.3

### 3. Capital Investments (incl. intangible fixed assets)

(Billions of Yen)

First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
2.64	3.06	<b>3.89</b>	7.0
(simple totals) 5.93	7.66	<b>14.33</b>	17.4

### 4. Overseas Sales (Ratio to net sales)

(Billions of Yen)

First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
3.21 (2.5%)	3.82 (2.2%)	<b>4.66</b> <b>(2.7%)</b>	9.6 (3.9%)
(simple totals) 10.01 (4.2%)	14.58 (4.6%)	<b>12.74</b> <b>(5.2%)</b>	17.7 (5.6%)

## 5. Selling, general and administrative expenses

(Billions of Yen)

	First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
Selling, general and administrative expenses	38.3	52.4	<b>55.0</b>	88.5
(Ratio to net sales)	(29.4%)	(30.1%)	<b>(31.7%)</b>	(36.0%)
R&D expenditure	12.1	17.4	<b>17.7</b>	29.0
(Ratio to net sales)	(9.2%)	(10.0%)	<b>(10.2%)</b>	(11.8%)

(Simple totals)

	First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
Selling, general and administrative expenses	90.4	121.9	<b>89.9</b>	123.5
(Ratio to net sales)	(38.4%)	(38.5%)	<b>(36.6%)</b>	(38.8%)
R&D Expenditure	31.1	42.7	<b>29.9</b>	41.2
(Ratio to net sales)	(13.2%)	(13.5%)	<b>(12.2%)</b>	(12.9%)

## 6. Segment information by business segment

(Billions of Yen)

	First nine months of fiscal 2004	Fiscal 2004	First nine months of fiscal 2005	Forecast for fiscal 2005
Pharmaceuticals	90.7	122.6	<b>133.1</b>	193.0
Other products	39.7	51.3	<b>40.4</b>	53.0
Total	130.4	173.9	<b>173.5</b>	246.0

(Simple totals)

Pharmaceuticals	194.7	262.1	<b>204.5</b>	264.4
Other products	40.9	54.2	<b>41.5</b>	54.1
Total	235.6	316.2	<b>246.0</b>	318.4

## 7. Comparison of simple totals

(Billions of Yen)

	Fiscal 2004 (A)	First six months of fiscal 2005 (B)	Forecast for last six months of 2005 (revised forecast)	Forecast for fiscal 2005 (C)	Difference (C)-(A)
Net sales	316.2	157.2	<b>161.3</b>	318.4	+22
Operating income	38.4	24.8	<b>18.5</b>	43.3	+49
Ordinary income	37.8	23.4	<b>17.5</b>	41.0	+32
Net income	22.6	13.9	<b>10.0</b>	23.9	+12

	First nine months of fiscal 2004 (simple totals)	<b>First nine months of fiscal 2005 (simple totals)</b>
Net sales	235.6	<b>246.0</b>
Operating income	31.1	<b>40.2</b>
Ordinary income	30.1	<b>38.4</b>
Net income	17.9	<b>22.2</b>

	Forecast for last six months of fiscal 2005 (previous forecast)	<b>Forecast for last six months of 2005 (revised forecast)</b>	Difference
Net sales	160.3	<b>161.3</b>	+10
Operating income	13.3	<b>18.5</b>	+52
Ordinary income	12.5	<b>17.5</b>	+50
Net income	7.0	<b>10.0</b>	+30

February 6, 2006

Dainippon Sumitomo Pharma Co., Ltd.

**Sales of Major Products**

(all values provided are expressed in billions of yen)

<b>Brand name (Generic name)</b>	<b>Category</b>	<b>First nine months of fiscal 2004</b>	<b>Fiscal 2004</b>	<b>First nine months of fiscal 2005</b>	<b>Forecast for fiscal 2005</b>
AMLODIN <sup>®</sup> (amlodipine)	Therapeutic agent for hypertension and angina pectoris	41.5	52.8	44.7	56.7
MEROPEN <sup>®</sup> (meropenem)	Carbapenem antibiotic	16.1* (6.6)**	23.4* (10.6)**	20.5* (9.5)**	28.2* (13.9)**
KLARICID <sup>®</sup> (clarithromycin)	Macrolide antibiotic	13.7	19.1	14.3	18.9
GASMOTIN <sup>®</sup> (mosapride citrate)	Gastroprokinetic	11.8 (0.4)**	15.6* (0.5)**	13.5* (0.7)**	17.5* (0.9)**
ENSURE LIQUID <sup>®</sup>	Enteral nutrition	10.9	13.9	10.9	13.8
PRORENAL <sup>®</sup> (limaprost alfadex)	Vasodilator	7.6	10.0	9.7	12.9
EBASTEL <sup>®</sup> (ebastine)	Antiallergic	5.7	10.3	7.7	11.3
SYNAGIS <sup>®</sup> (palivizumab)	Monoclonal antibody	4.1	7.5	6.5	10.5
EXCEGRAN <sup>®</sup> (zonisamide)	Antiepileptic	5.3* (2.5)**	6.3* (2.8)**	5.0* (2.1)**	6.0* (2.4)**
SUMIFERON <sup>®</sup> (interferon- $\alpha$ (NAMALWA))	Natural alpha interferon	5.3	6.6	4.7	6.0
GROWJECT <sup>®</sup> (somatropin)	Growth hormone	4.2	5.6	3.8	5.0
GLIMICRON <sup>®</sup> (gliclazide)	Oral hypoglycemic	3.9	5.0	3.8	4.9
DOPS <sup>®</sup> (droxidopa)	Norepinephrine- activating neural function ameliorant	4.0	5.0	3.8	4.8
TAGAMET <sup>®</sup> (cimetidine)	H <sub>2</sub> -receptor antagonist	4.3	5.4	3.7	4.6
SEVOFRANE <sup>®</sup> (sevoflurane)	Anesthetic	3.3	4.3	3.4	4.3
QVAR <sup>™</sup> (beclomethasone dipropionate)	Bronchial asthma	2.2	3.0	3.2	4.3

<b>Brand name (Generic name)</b>	<b>Category</b>	<b>First nine months of fiscal 2004</b>	<b>Fiscal 2004</b>	<b>First nine months of fiscal 2005</b>	<b>Forecast for fiscal 2005</b>
ALMARL <sup>®</sup> (arotinolol)	Therapeutic agent for hypertension, angina pectoris and arrhythmia	3.2	4.0	3.0	3.8
SEDIEL <sup>®</sup> (tandospirone)	Serotonin-agonist antianxiety drug	2.6	3.3	2.5	3.1
LULLAN <sup>®</sup> (perospirone)	Antipsychotic	2.2	2.8	2.4	3.1
LOPEMIN <sup>®</sup> (loperamide hydrochloride)	Antidiarrheal	2.4	3.3	2.4	3.1
ZYRTEC <sup>®</sup> (cetirizine)	Antiallergic agent	6.3	11.4	2.4	2.4

(Note) \* total \*\* export

February 6, 2006

Dainippon Sumitomo Pharma Co., Ltd.

**New Drugs in the R&D Pipeline (under development by DSP)**

Stage in JPN	Brand name (Product code)	Generic name	Formulation	Therapeutic indications	Remarks
NDA filed	SMP-536	agalsidase alfa	Injection	Fabry's disease	Licensed from Transkaryotic Therapies Inc. (presently known as Shire Pharmaceuticals Group plc)
	SM-26000	amphotericin B (active ingredient)	Liposome for Injection	Systemic fungal infection	Licensed from Gilead Sciences, Inc.
	AD-5423	blonanserin	Tablet Powder	Schizophrenia	Developed in-house
NDA filed New Indication	AD-810N	zonisamide	Tablet	Parkinson's disease	Developed in-house (EXCEGRAN <sup>®</sup> for Epilepsy)
	CALSED (SM-5887)	amrubicin hydrochloride	Injection	Non-Hodgkin's lymphoma	Developed in-house Approved indications: non-small-cell lung cancer, small-cell lung cancer
NDA filed New Admin. Route	EPHEDRINE NAGAI (Intravenous injection)	ephedrine hydrochloride	Injection	Hypotension during anesthesia	Co-developed with 2 other companies

Stage in JPN	Brand name (Product code)	Generic name	Formulation	Therapeutic indications	Remarks
Phase III New Indication	SUMIFERON	interferon-alfa (NAMALWA)	Injection	Compensated cirrhosis and Type-C chronic hepatitis treatment with concomitant use of ribavirin	Licensed from GlaxoSmithKline (Approved indications: Type-C chronic hepatitis, renal cancer, etc.)
Phase III New Indication under preparation	MEROPEN (SM-7338)	meropenem trihydrate	Injection	Febrile neutropenia	Developed in-house (Approved indications: moderate to severe bacterial infections)
Phase II	AS-3201	ranirestat	Tablet	Diabetic neuropathy (Aldose reductase inhibitor)	Developed in-house Co-developed with Kyorin Pharmaceutical in JPN
	SM-11355	miriplatin hydrate	Injection	Hepatocellular carcinoma	Developed in-house
	SM-13496	lurasidone	Tablet	Schizophrenia	Developed in-house
	SMP-114	Not determined	Tablet	Rheumatoid arthritis	Developed in-house
	SMP-508	repaglinide	Tablet	Diabetes	Licensed from Novo Nordisk
	SMP-862	metformin hydrochloride	Tablet	Diabetes	Licensed from Merck Sante
	AC-5216	Not determined	Tablet	Anxiety & Depression	Developed in-house
Phase II New Indication	GASMOTIN	mosapride citrate	Tablet	Post-gastrectomy syndrome	Developed in-house
	PRORENAL	limaprost alfadex	Tablet	Cervical spondylosis	Developed in-house Co-developed with Ono Pharmaceutical in JPN



Stage in JPN	Brand name (Product code)	Generic name	Formulation	Therapeutic indications	Remarks
Phase I	AC-3933	Not determined	Tablet	Dementia	Developed in-house
	SMP-797	Not determined	Tablet	Hypercholesterolemia	Developed in-house

[Main revisions since the announcement of November 2005]

MEROPEN: Phase III trial is under preparation.

AC-5216: Phase II trial was initiated.

PRORENAL: Phase II trial for the treatment of cervical spondylosis was initiated. (Co-developed with Ono Pharmaceutical)

### Major Products under Development in Foreign Markets by DSP

Generic / Product code (Brand name in Japan)	Therapeutic indications	Status of Development
ranirestat/AS-3201	Diabetic neuropathy (Aldose reductase inhibitor)	Phase III trials in the U.S. and Canada
SMP-114	Rheumatoid arthritis	Phase IIb in Europe
blonanserin/AD-5423	Schizophrenia	Phase II in Europe and the U.S.
AC-3933	Dementia	Phase IIa trials in Europe (completed) Phase IIa trials in the U.S.
SMP-797	Hypercholesterolemia	Phase IIa in Europe
SMP-986	Over-active bladder syndrome	Phase I in Europe

### Major Products under Development in Foreign Markets by Licensees

Generic / Product code	Therapeutic indications	Status of Development
AC-5216	Anxiety & Depression	Out-licensed to Novartis Pharma AG for the worldwide territory, excluding Japan, South Korea, Taiwan and China in February 2002 Phase IIa conducted in the U.S. and Canada by Novartis
AG-7352	Cancer	Out-licensed to Sunesis Pharmaceuticals Inc. for the worldwide territory in October 2003 Phase II trials conducted by Sunesis
SMP-601	Life-threatening infection	Out-licensed to Protez Pharmaceuticals for the world-wide territory in May 2005 Protez Pharmaceuticals is now preparing for clinical studies in the U.S.
SMP-13496	Schizophrenia	Out-licensed to Merck for the worldwide territory, excluding Japan, Korea, Taiwan and China in June 2005 Merck is conducting clinical studies in the U.S.
amrubicin hydrochloride/SM-5887	Cancer	Out-licensed to Conforma for the European and US territories in June 2005. Phase II conducted in the U.S. by Conforma Conforma is now preparing for Phase II trials in Europe
raniestat/AS-3201	Diabetic neuropathy (Aldose reductase inhibitor)	Out-licensed to Eisai for the worldwide territory, excluding Japan in September 2005. Phase III conducted in the U.S. and Canada by DSP. Eisai will proceed with subsequent trials.

[Main revisions since the announcement of November 2005]

AG-7352: Phase II trial was initiated.

SM-5887: Phase II trial was initiated in the U.S. and Phase II trial is being prepared in Europe.