

Supplementary Data of Financial Results for the Year Ended— March 31, 2007

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May 10, 2007

Dainippon Sumitomo Pharma Co., Ltd.

- Forecasts provided in this document are based on the management's assumptions and beliefs, made in light of information available up to the day of announcement. Actual financial results may differ materially from those presented in this document, being dependent upon a number of factors.
- All values are rounded. Therefore totals may not be consistent with aggregated figures.
- For figures shown as "simple totals", the simple totals of the former Sumitomo Pharmaceutical figures for the September 2005 period were used for the March 2006 period.

I. Consolidated Financial Highlights

1. Highlights of the Statements of Income

(Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/07 | | Year ending 3/31/08 | | Six months ending 9/30/07 | |
|---|-----------------------|--------------------|---------------|---------------------|---------------|---------------------------|---------------|
| | | | Change (%) | (Forecast) | Change (%) | (Forecast) | Change (%) |
| Net sales | 245.8 | 261.2 | 6.3 | 273.0 | 4.5 | 133.0 | 4.8 |
| Cost of sales | 130.4 | 99.3 | (23.8) | 102.0 | 2.7 | | |
| Selling, general and administrative expenses | 86.5 | 116.3 | 34.5 | 125.0 | 7.5 | | |
| [R&D expenditures] | [29.6] | [40.9] | [37.9] | [48.0] | [17.4] | | |
| Operating income | 28.9 | 45.6 | 57.7 | 46.0 | 1.0 | 22.0 | 7.5 |
| Recurring income | 27.2 | 43.2 | 58.5 | 44.0 | 1.9 | 21.0 | 7.3 |
| Net income | 15.4 | 22.6 | 47.0 | 26.0 | 15.0 | 12.4 | 30.8 |

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

| | | | |
|--------------------------|-------|-------|-------|
| Earnings per share (yen) | 54.57 | 56.86 | 65.41 |
| Return on equity (ROE) | 7.3% | 7.6% | 8.3% |
| Payout ratio | 22.0% | 24.6% | 27.5% |

(Reference) Comparison of simple totals (Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/07 | |
|---|-----------------------|--------------------|---------------|
| | | | Change (%) |
| Net sales | 318.2 | 261.2 | (17.9) |
| Cost of Sales | 152.1 | 99.3 | (34.7) |
| Selling, general and administrative expenses | 121.4 | 116.3 | (4.2) |
| [R&D expenditures] | [41.8] | [40.9] | [(2.3)] |
| Operating income | 44.7 | 45.6 | 2.0 |
| Recurring income | 42.2 | 43.2 | 2.3 |
| Net income | 25.3 | 22.6 | (10.5) |

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

2. Highlights of the Balance Sheet (Billions of Yen)

| | As of 3/31/06 (A) | As of 3/31/07 (B) | (B) - (A) |
|----------------------|-------------------------|-------------------------|-----------|
| Total assets | 393.0 | 382.5 | (10.4) |
| Net assets | 288.6 | 306.0 | 17.4 |
| Shareholders' equity | 287.8 | 305.1 | 17.3 |

Shareholders' equity ratio 73.2% 79.8%

Note: Past year's results have been rearranged in the current period display section.

3. Capital Expenditures and Depreciation

(Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/07 | Change | Year ending 3/31/08 (Forecast) | Change |
|---|-----------------------|-----------------------|--------|---|--------|
| Capital expenditures (including intangible fixed assets) | 6.6 | 9.5 | 2.9 | 17.5 | 8.0 |
| Depreciation and amortization | 8.6 | 11.3 | 2.7 | 11.7 | 0.4 |

- Major capital expenditure projects for the year ending March 31, 2008

Construction of a new solid preparation building at the Suzuka Plant:

¥10.0 billion (total budget: ¥10.0 billion completed in October 2007)

Renovation of Experimental animal facility of Central Research Laboratories:

¥0.55 billion (total budget: ¥0.55 billion completed in January 2008)

4. Highlights of the Statements of Cash Flows

(Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/07 | Change |
|---|-----------------------|-----------------------|--------|
| Cash flows from operating activities | 9.1 | 37.9 | 28.8 |
| Cash flows from investing activities | (10.4) | (19.7) | (9.2) |
| Cash flows from financing activities | (7.3) | (7.8) | (0.5) |
| Cash and cash equivalents at end of period | 71.3 | 81.7 | 10.4 |

II. Consolidated Statements of Income

1. Statements of Income

(Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/06 (simple totals) | Year ended 3/31/07 | Change |
|---|-----------------------|--|-----------------------|---------|
| Net sales | 245.8 | 318.2 | 261.2 | (57.0) |
| Cost of Sales | 130.4 | 152.1 | 99.3 | (52.8) |
| Gross profit | 115.3 | 166.1 | 161.9 | (4.2) |
| Selling, general and administrative expenses | 86.5 | 121.4 | 116.3 | (5.1) |
| [R&D expenditures] | [29.6] | [41.8] | [40.9] | [(1.0)] |
| Operating income | 28.9 | 44.7 | 45.6 | 0.9 |
| Non-operating income | 1.7 | 2.0 | 1.9 | (0.2) |
| Non-operating expenses | 3.4 | 4.5 | 4.3 | (0.3) |
| Recurring income | 27.2 | 42.2 | 43.2 | 1.0 |
| Extraordinary income | 4.4 | 8.9 | — | (8.9) |
| Gains on sale of investment securities | 1.9 | 1.9 | — | — |
| Gains on sale of property, plant and equipment | 1.8 | 1.8 | — | — |
| Gains on transfer of the substitutional portion of the government pension program | 0.8 | 0.8 | — | — |
| Gains on business transfers | — | 4.5 | — | — |
| Extraordinary expenses | 6.0 | 9.8 | 4.8 | (5.1) |
| Additional retirement expenses for employees | — | 0.6 | 2.9 | 2.9 |
| Expenses related to litigation | — | — | 1.0 | 1.0 |
| Loss on reform of retirement benefits plan | — | — | 0.6 | 0.6 |
| Loss on impairment of fixed assets | — | — | 0.2 | 0.2 |
| Expenses related to merger | 5.8 | 8.2 | — | — |
| Loss on business restructuring | 0.2 | 1.0 | — | — |
| Income before income taxes and minority interests | 25.7 | 41.3 | 38.4 | (2.9) |
| Income taxes: Current | 10.4 | 16.2 | 12.0 | (4.1) |
| Income taxes: Deferred | (0.1) | (0.2) | 3.7 | 3.9 |
| Minority interests | 0.1 | 0.1 | 0.1 | (0.0) |
| Net income | 15.4 | 25.3 | 22.6 | (2.7) |

- Dissolving partnerships
(Abbott Japan, etc.)
- Decrease in industrial
property revenues
- NHI drug price revision
- Sales growth of 4
strategic products and
others

- Improvement of Cost-to-
sales ratio due to change
of product mix, etc.
- Cost-to-sales ratio:
47.8% → 38.0%

- Decrease in industrial
property revenues
- NHI drug price revision
- Sales growth of priority
products

- Reduced labor costs
- Reduced promotional
costs and transport costs,
etc.

- Expenses related to
litigation of license
agreement on new-
quinolone compound

- Loss on impairment of
idle fixed assets in Suzuka
and Ibaraki Plants

Note: Cost of Sales includes provision for (reversal of) reserve for sales returns.
Change is based on comparison with Year ended 3/31/06 (simple totals).

2. Segment Information

(Billions of Yen)

| | Year ended 3/31/06 | | | Year ended 3/31/07 | | | Year ending 3/31/08 (Forecast) | | | Six months ending 9/30/07 (Forecast) | | |
|---------------------|-----------------------|-------------------|-------|-----------------------|-------------------|-------|-----------------------------------|-------------------|-------|---|-------------------|-------|
| | Pharma- ceuticals | Other Products | Total | Pharma- ceuticals | Other Products | Total | Pharma- ceuticals | Other Products | Total | Pharma- ceuticals | Other Products | Total |
| Net sales | 192.6 | 53.2 | 245.8 | 206.3 | 55.0 | 261.2 | 217.0 | 56.0 | 273.0 | 106.5 | 26.5 | 133.0 |
| Operating income | 27.7 | 1.1 | 28.9 | 44.4 | 1.2 | 45.6 | | | | | | |

3. Sales of Major Products

Domestic Sales

(Billions of Yen)

| Brand name (Generic name) Therapeutic indication | Year ended 3/31/06 | Year ended 3/31/07 | Year ending 3/31/08 (Forecast) |
|---|-----------------------|-----------------------|--------------------------------------|
| AMLODIN [®] (amlodipine) Therapeutic agent for hypertension and angina pectoris | 56.8 | 59.2 | 66.0 |
| GASMOTIN [®] (mosapride citrate) Gastroprokinetic | 16.3 | 18.5 | 21.0 |
| MEROPEN [®] (meropenem) Carbapenem antibiotic | 14.1 | 14.3 | 15.5 |
| PRORENAL [®] (limaprost alfadex) Vasodilator | 12.6 | 13.8 | 16.0 |
| EBASTEL [®] (ebastine) Antiallergic | 11.3 | 11.4 | 11.0 |
| SUMIFERON [®] (interferon- α NAMALWA) Natural alpha interferon | 6.0 | 6.4 | 6.9 |
| QVAR [™] (beclomethasone dipropionate) Bronchial asthma | 4.2 | 4.8 | 5.6 |
| GROWJECT [®] (somatropin) Growth hormone | 4.9 | 4.8 | 5.2 |
| DOPS [®] (droxidopa) Norepinephrine-activating neural function ameliorant | 4.7 | 4.5 | 4.1 |
| GLIMICRON [®] (gliclazide) Oral hypoglycemic | 4.7 | 4.4 | 4.3 |
| TAGAMET [®] (cimetidine) H ₂ -receptor antagonist | 4.6 | 3.9 | 3.6 |
| EXCEGRAN [®] (zonisamide) Antiepileptic | 3.6 | 3.6 | 3.5 |
| ALMARL [®] (arotinolol) Therapeutic agent for hypertension, angina pectoris and arrhythmia | 3.7 | 3.5 | 3.0 |
| LULLAN [®] (perospirone) Antipsychotic | 3.0 | 3.1 | 3.4 |
| SEDIEL [®] (tandospirone) Serotonin-agonist antianxiety drug | 3.1 | 3.0 | 2.9 |
| KLARICID [®] (clarithromycin) Macrolide antibiotic | 19.0 | — | — |
| ENSURE LIQUID [®] Enteral nutrition | 13.8 | — | — |
| SYNAGIS [®] (palivizumab) Monoclonal antibody | 12.0 | — | — |

| Brand name (Generic name) Therapeutic indication | Year ended 3/31/06 | Year ended 3/31/07 | Year ending 3/31/08 (Forecast) |
|---|-----------------------|-----------------------|--------------------------------------|
| SEVOFRANE [®] (sevoflurane) Anesthetic | 4.4 | — | — |
| LOPEMIN [®] (loperamide hydrochloride) Antidiarrheal | 3.1 | — | — |

Exports

(Billions of Yen)

| Brand name (Generic name) Therapeutic indication | Year ended 3/31/06 | Year ended 3/31/07 | Year ending 3/31/08 (Forecast) |
|--|-----------------------|-----------------------|--------------------------------------|
| MEROPENEM (meropenem trihydrate) Carbapenem antibiotic | 12.9 | 16.1 | 15.9 |
| MOSAPRIDE (mosapride citrate) Gastroprokinetic | 0.9 | 1.4 | 1.6 |
| ZONISAMIDE (zonisamide) Antiepileptic | 2.4 | 0.8 | 0.2 |
| Others | 0.6 | 0.8 | 0.7 |
| Export total | (simple totals) 16.8 | 19.1 | 18.4 |

Industrial Property Revenues

(Billions of Yen)

| | Year ended 3/31/06 | Year ended 3/31/07 | Year ending 3/31/08 (Forecast) |
|------------------------------|-----------------------|-----------------------|--------------------------------------|
| Industrial property revenues | (simple totals) 8.5 | 3.9 | 2.3 |

Overseas sales (% of net sales): 8.4%

Note: Overseas sales include exports and a part of industrial property revenues.

4. Selling, General and Administrative Expenses

(Billions of Yen)

| | Year ended | | Year ended | | Year ending | |
|--|------------|----------------|------------|----------------|--------------------|----------------|
| | 3/31/06 | % of net sales | 3/31/07 | % of net sales | 3/31/08 (Forecast) | % of net sales |
| Net sales | 245.8 | 100.0 | 261.2 | 100.0 | 273.0 | 100.0 |
| Labor costs | 25.7 | — | 32.1 | — | | |
| Advertising and promotion costs | 3.4 | — | 5.0 | — | | |
| Sales promotion costs | 6.7 | — | 9.5 | — | | |
| Others | 21.0 | — | 28.9 | — | | |
| Selling, general and administrative expenses less R&D expenditures | 56.8 | 23.1 | 75.4 | 29.0 | 77.0 | 28.2 |
| R&D expenditures | 29.6 | 12.1 | 40.9 | 15.6 | 48.0 | 17.6 |
| Total | 86.5 | 35.2 | 116.3 | 44.6 | 125.0 | 45.8 |

(Reference) Simple Totals

(Billions of Yen)

| | Year ended | | Year ended | |
|--|------------|----------------|------------|----------------|
| | 3/31/06 | % of net sales | 3/31/07 | % of net sales |
| Net sales | 318.2 | 100.0 | 261.2 | 100.0 |
| Selling, general and administrative expenses less R&D expenditures | 79.6 | 25.0 | 75.4 | 29.0 |
| R&D expenditures | 41.8 | 13.1 | 40.9 | 15.6 |
| Total | 121.4 | 38.2 | 116.3 | 44.6 |

III. Consolidated Balance Sheets

ASSETS

(Billions of Yen)

| | As of 3/31/06 (A) | As of 3/31/07 (B) | (B) - (A) |
|---------------------------------------|-------------------------|-------------------------|-----------|
| [Assets] | 393.0 | 382.5 | (10.4) |
| Current assets: | 249.7 | 234.3 | (15.4) |
| Cash and time deposits | 60.3 | 55.8 | (4.6) |
| Notes and accounts receivable | 114.5 | 88.8 | (25.7) |
| Marketable securities | 14.0 | 28.0 | 14.0 |
| Inventories | 44.1 | 45.0 | 0.8 |
| Deferred tax assets | 11.1 | 10.4 | (0.7) |
| Others | 5.8 | 6.6 | 0.9 |
| Allowance for doubtful receivables | (0.1) | (0.2) | (0.1) |
| Fixed assets: | 143.2 | 148.2 | 5.0 |
| Property, plant and equipment | 68.3 | 65.2 | (3.1) |
| Buildings and structures | 37.7 | 37.4 | (0.3) |
| Machinery, equipment and carriers | 14.1 | 11.3 | (2.8) |
| Land | 10.0 | 10.0 | (0.0) |
| Construction in progress | 1.6 | 1.9 | 0.3 |
| Others | 4.9 | 4.6 | (0.3) |
| Intangible fixed assets | 6.0 | 6.7 | 0.8 |
| Investments and other assets | 68.9 | 76.3 | 7.3 |
| Investment securities | 48.9 | 52.0 | 3.1 |
| Deferred tax assets | 0.4 | 0.0 | (0.4) |
| Others | 20.1 | 24.6 | 4.5 |
| Allowance for doubtful receivables | (0.4) | (0.4) | 0.1 |
| Total assets | 393.0 | 382.5 | (10.4) |

- Effects of dissolving
partnerships with Abbott Japan,
etc. and shorter payback period

- Diversifying investments:
Transferred to CPs ,bonds and
long-term deposits

| | Year ended 3/31/06 | Year ended 3/31/07 |
|--|--------------------|--------------------|
| Accounts receivable turnover period (in months) | 4.27 | 4.08 |

LIABILITIES AND NET ASSETS

(Billions of Yen)

| | As of 3/31/06 (A) | As of 3/31/07 (B) | (B) - (A) | |
|---|-------------------------|-------------------------|-----------|--|
| Total liabilities | 104.3 | 76.5 | (27.8) | |
| Current liabilities: | 80.1 | 56.0 | (24.0) | |
| Notes and accounts payable | 38.7 | 18.0 | (20.7) | ← - Effects of dissolving partnerships with Abbott Japan, etc. |
| Income taxes payable | 8.4 | 8.2 | (0.2) | |
| Reserve for bonuses | 8.1 | 8.0 | (0.0) | |
| Reserve for sales returns | 0.1 | 0.1 | 0.0 | |
| Reserve for sales rebates | 0.6 | 0.5 | (0.1) | |
| Reserve for expenses related to litigation | — | 1.0 | 1.0 | |
| Others | 24.2 | 20.1 | (4.1) | ← - Repayment of borrowings, etc. |
| Long-term liabilities: | 24.3 | 20.5 | (3.8) | |
| Long-term debt | 5.3 | 4.6 | (0.7) | |
| Deferred tax liabilities | — | 2.1 | 2.1 | |
| Reserve for retirement benefits | 14.1 | 8.2 | (5.9) | ← - Effects of pension plan integration, etc. |
| Reserve for directors' retirement benefits | 0.1 | 0.1 | (0.0) | |
| Others | 4.8 | 5.6 | 0.8 | |
| Net assets | 288.6 | 306.0 | 17.4 | |
| Shareholders' equity | 270.4 | 287.3 | 16.8 | |
| Common stock | 22.4 | 22.4 | — | |
| Capital surplus | 15.9 | 15.9 | 0.0 | |
| Retained earnings | 232.5 | 249.5 | 17.0 | |
| Treasury stock | (0.3) | (0.5) | (0.1) | |
| Valuation, transaction adjustments and others | 17.3 | 17.8 | 0.5 | |
| Unrealized gains on available-for-sale securities | 17.3 | 17.8 | 0.5 | |
| Minority interests | 0.9 | 0.9 | 0.1 | |
| Total liabilities and net assets | 393.0 | 382.5 | (10.4) | |

Note: Past year's results have been rearranged in the current period display section.

IV. Group-to-Parent Ratios, Consolidated Subsidiary, Number of Employees and MRs

1. Group-to-parent ratios for the year ended 3/31/07

(Billions of Yen)

| | Consolidated | Non-consolidated | Variance | Group-to-parent ratio |
|------------------|--------------|------------------|----------|-----------------------|
| Net sales | 261.2 | 247.8 | 13.4 | 1.05 |
| Operating income | 45.6 | 45.3 | 0.3 | 1.01 |
| Recurring income | 43.2 | 42.9 | 0.3 | 1.01 |
| Net income | 22.6 | 22.5 | 0.1 | 1.00 |

2. Consolidated subsidiary (as of 3/31/07)

| | Establishment date | Paid-in capital | Ownership ratio |
|-------------------------|--------------------|-----------------|-----------------|
| Gokyo Trading Co., Ltd. | October 1947 | ¥100 million | 52.48% |

3. Number of employees (as of 3/31/07): 4,913 (consolidated); 4,834 (non-consolidated)

4. Number of MRs (as of 3/31/07): 1,470 (excluding managers); 1,700 (including managers)

V. Non-Consolidated Financial Highlights

1. Highlights of the Statements of Income

(Billions of Yen)

| | Year ended 3/31/06 | Year ended | | Year ending 3/31/08 | | Six months ending 9/30/07 | |
|---|-----------------------|------------|---------------|---------------------|---------------|---------------------------|---------------|
| | | 3/31/07 | Change (%) | (Forecast) | Change (%) | (Forecast) | Change (%) |
| Net sales | 232.6 | 247.8 | 6.6 | 259.0 | 4.5 | 126.0 | 4.7 |
| Cost of sales | 119.0 | 87.6 | (26.3) | 90.0 | 2.7 | | |
| Selling, general and administrative expenses | 85.0 | 114.9 | 35.2 | 123.4 | 7.4 | | |
| [R&D expenditures] | [29.7] | [40.9] | [37.8] | [48.0] | [17.4] | | |
| Operating income | 28.6 | 45.3 | 58.2 | 45.6 | 0.8 | 21.8 | 7.2 |
| Recurring income | 27.0 | 42.9 | 58.7 | 43.6 | 1.6 | 20.8 | 7.0 |
| Net income | 15.4 | 22.5 | 46.5 | 25.9 | 14.9 | 12.4 | 30.7 |

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

Earnings per share (yen) 54.63 56.72 65.16

2. Highlights of the Balance Sheet

(Billions of Yen)

| | As of 3/31/06 (A) | As of 3/31/07 (B) | (B) - (A) |
|--------------|-------------------------|-------------------------|-----------|
| Total assets | 387.4 | 376.4 | (11.1) |
| Net assets | 286.9 | 304.1 | 17.3 |

Shareholders' equity ratio 74.0% 80.8%

Note: Past year's results have been rearranged in the current period display section.

VI. Shareholder Position (As of March 31, 2007)

1. Total number of authorized shares: 1,500,000,000
2. Total number of shares outstanding: 397,900,154 (Number of treasury stock 398,980)
3. Number of shareholders: 16,048

4. Major shareholders:

| Shareholders | Status of Ownership | |
|---|---------------------|------------------|
| | Shares owned | Investment ratio |
| | 000 shares | % |
| Sumitomo Chemical Co., Ltd. | 199,434 | 50.12 |
| Inabata & Co., Ltd. | 33,282 | 8.36 |
| The Master Trust Bank of Japan, Ltd (Trust account) | 14,312 | 3.60 |
| Nippon Life Insurance Company | 10,530 | 2.65 |
| Japan Trustee Services Bank, Ltd. (Trust account) | 9,931 | 2.50 |
| Japan Trustee Services Bank, Ltd. (Trust account for Sumitomo Mitsui Banking Corporation's retirement benefits) | 7,000 | 1.76 |
| Sumitomo Life Insurance Company | 5,776 | 1.45 |
| Nissay Dowa General Insurance Co., Ltd. | 4,928 | 1.24 |
| BNY for GCM Client Accounts (E)ISG | 4,192 | 1.05 |
| The Dai-ichi Mutual Life Insurance Company | 3,248 | 0.82 |

VII. Development Pipeline

Major Products under Development in Japan by DSP

| Stage in JPN | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|----------------------------------|--|------------------------------|--|---|
| NDA filed | AD-5423 Oral | blonanserin | Schizophrenia | Developed in-house |
| | Oral | irbesartan | Hypertension | Originated by sanofi-aventis and sublicensed from Bristol-Myers K.K. for the Japanese market. Co-development with Shionogi for the Japanese market. |
| NDA filed New Indication | AD-810N Oral | zonisamide | Parkinson's disease | Developed in-house Approved indication: epilepsy (Trade name: EXCEGRAN®) |
| | SUMIFERON Injection | interferon-alfa (NAMALWA) | Compensated cirrhosis associated with chronic hepatitis C | In-licensed from GlaxoSmithKline Approved indications: chronic hepatitis C, renal cancer, etc. |
| NDA filed New Admin. Route | EPHEDRINE NAGAI Injection | ephedrine hydrochloride | Developed for <i>i.v.</i> injection Hypotension during anesthesia | Approved administration route: subcutaneous dose Co-developed with 2 other companies |

| Stage in JPN | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|-----------------------------|--|-------------------------|-------------------------|---|
| Phase III New Indication | MEROPEN (SM-7338) Injection | meropenem trihydrate | Febrile neutropenia | Developed in-house Approved indications: moderate to severe bacterial infections |

| Stage in JPN | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|----------------------------|---|----------------------------|--------------------------------|--|
| Phase II | AS-3201 Oral | ranirestat | Diabetic neuropathy | Developed in-house Co-developed with Kyorin Pharmaceutical in JPN |
| | SM-11355 Injection | miriplatin hydrate | Hepatocellular carcinoma | Developed in-house |
| | SM-13496 Oral | lurasidone | Schizophrenia | Developed in-house |
| | SMP-114 Oral | rimacalib | Rheumatoid arthritis | Developed in-house |
| | SMP-508 Oral | repaglinide | Diabetes | In-licensed from Novo Nordisk |
| | SMP-862 Oral | metformin hydrochloride | Diabetes | In-licensed from Merck Sante |
| | AC-3933 Oral | radequinil | Dementia | Developed in-house |
| Phase II New Indication | PRORENAL Oral | limaprost alfadex | Cervical spondylosis | Co-developed with Ono Pharmaceutical in JPN Approved indications: symptoms associated with thromboangitis obliterans and acquired lumbar spinal canal stenosis |

[Main revisions since the announcement of February 2007]

SMP-536: Deleted because launched

Major Products under Development in Foreign Markets by DSP

| Stage | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|--------------|---|---------------------|--------------------------------|---|
| Phase III | AS-3201 Oral | ranirestat | Diabetic neuropathy | Developed in-house Phase III in the U.S. and Canada |

| Stage | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|--------------|---|---------------------|--------------------------------|---|
| Phase II | SM-13496 Oral | lurasidone | Schizophrenia | Developed in-house Under preparation for Phase III in the U.S. and Europe, etc. |
| | SMP-114 Oral | rimacalib | Rheumatoid arthritis | Developed in-house Phase IIb in Europe |
| | AD-5423 Oral | blonanserin | Schizophrenia | Developed in-house Phase II in the U.S. and Europe |
| | AC-3933 Oral | radequinil | Dementia | Developed in-house Phase IIa in the U.S. and Europe |
| | SMP-986 Oral | Not determined | Overactive bladder syndrome | Developed in-house Phase II in the U.S. and Europe |

| Stage | Brand name/ Product code Formulation | Generic name | Therapeutic indications | Remarks |
|--------------|---|---------------------|--------------------------------|--|
| Phase I | SMP-028 Oral | Not determined | Bronchial asthma | Developed in-house Phase I in the U.S. |

[Main revisions since the announcement of February 2007]

SM-13496 (lurasidone): Changed from consideration for Phase III to preparation for Phase III in the U.S. and Europe, etc.

Major Products under Development in Foreign Markets by Licensees

| Generic / Product code (Brand name in JPN) | Therapeutic indications | Status of development |
|---|--|---|
| AG-7352 | Cancer | Out-licensed to Sunesis Pharmaceuticals Inc. for the worldwide territory in October 2003 Phase II trials conducted by Sunesis (Sunesis' product code: SNS-595) |
| SMP-601 | Life-threatening infection | Out-licensed to Protez Pharmaceuticals for the worldwide territory in May 2005 Protez Pharmaceuticals has started Phase I in Switzerland. |
| amrubicin hydrochloride SM-5887 (CALSED) | Cancer | Out-licensed to Pharmion (transferred from Cabrellis) for the European and U.S. territories in June 2005 Phase II conducted in the U.S. and Europe by Pharmion |
| ranirestat 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 February 2007]

None

VIII. Profile of Major Products under Development

AD-5423 (blonanserin) Schizophrenia

- Developed in-house
- This drug blocks dopamine-2 receptors and serotonin-2 receptors. In clinical studies, this drug showed efficacy on not only positive symptoms of schizophrenia (such as hallucinations or delusions), but also negative symptoms (such as flat affect or hypobulia). The incidence of adverse reactions such as extrapyramidal symptoms or weight gain in the clinical studies was lower than the incidence reported for other drugs in this therapeutic area.
- Development stage: NDA filed in Japan. Phase II in the U.S. and Europe

Irbesartan Hypertension

- Originated by sanofi-aventis and sublicensed from Bristol-Myers K.K. for the Japanese market. Co-development with Shionogi for the Japanese market.
- The 6th ARB (Angiotensin II receptor blocker)
- Long-lasting stable anti-hypertension effect with renal and cardiac protection effect. Abundant data for efficacy and safety available.
- Development stage: NDA filed in Japan

AD-810N (zonisamide) Parkinson's disease (Additional therapeutic indication)

- Developed in-house
- Launched in June 1989 as an anti-epileptic drug (EXCEGRAN[®]), this drug has since been found to be useful in alleviating the symptoms of Parkinson's disease. This drug is believed to have a unique mechanism of action that is different from the mechanism of conventional anti-Parkinson's disease agents, most of which are dopamine receptor agonists.
- Development stage: NDA filed in Japan

AS-3201 (ranirestat) Diabetic neuropathy

- Developed in-house
- AS-3201 alleviates the symptoms of diabetic neuropathy, a complication of diabetes, by inhibiting aldose reductase and thereby inhibiting the accumulation of intracellular sorbitol that causes diabetic neuropathy. The inhibitory effect of this drug is stronger and longer acting than other drugs in this therapeutic area. In Phase IIa trials conducted overseas, AS-3201 showed good penetration into nerve tissue, resulting in dose-dependent inhibition of intraneural accumulation of sorbitol and fructose. Phase III trials are currently under way in North America to further investigate the utility of this drug in treating diabetic neuropathy. AS-3201 was out-licensed to Eisai for the overseas territory in September 2005.
- Development stage: Phase III in the U.S. and Canada. Phase II in Japan (co-developed with Kyorin Pharmaceutical)

SM-13496 (lurasidone) Schizophrenia

- Developed in-house
- SM-13496 is a potent dopamine-2 antagonist and antagonist against serotonin-2, -7 and 1A receptors. This drug is expected to have long-acting efficacy on schizophrenia with superior safety profile due to a reduced incidence of extrapyramidal reactions, cardiac reactions and weight gain.
- Development stage: Preparation for Phase III in the U.S. and Europe, etc. Phase II in Japan

SM-11355 (miriplatin hydrate) Hepatocellular carcinoma

- Developed in-house
- This drug is a lipid-soluble platinum complex that is suspended in Lipiodol and the suspension injected via a hepatic artery into the liver. By having it suspended in Lipiodol, the active substance of this drug is localized around the tumor and gradually released for a long time. This mechanism of action is expected to give this drug a high anti-tumor effect with reduced systemic adverse reactions.
- Development stage: Phase II in Japan

SMP-114 (rimacalib) Rheumatoid arthritis

- Developed in-house
- A new type of disease-modifying anti-rheumatic drug (DMARD) for oral administration, SMP-114 is expected to inhibit progression of rheumatoid arthritis, such as chronic inflammation and the destruction or deformation of joints.
- Development stage: Phase II in Europe. Phase II in Japan

SMP-508 (repaglinide) Diabetes

- In-licensed from Novo Nordisk
- SMP-508 stimulates pancreatic beta cells to release insulin. This drug is one of the rapid insulin secretion enhancing agents that act faster than conventional SU anti-diabetes drugs. By boosting insulin secretion to normal levels in type II diabetes patients whose insulin levels shortly after meals tend to be lower than normal, this drug is expected to suppress the postprandial elevation of blood glucose levels, resulting in lower blood glucose levels and HbA1c in fasting state.
- Development stage: Phase II in Japan

SMP-862 (metformin hydrochloride) Diabetes

- In-licensed from Merck Sante
- SMP-862 (metformin hydrochloride) is an anti-diabetic agent that lowers blood glucose levels by improving insulin resistance without enhancing insulin secretion. An oral formulation of metformin hydrochloride was first developed and launched as Melbin[®] in Japan by our company in 1961. Following the elucidation of the mechanism of action of metformin and with the accumulated findings from the large-scale clinical trials on this drug conducted in the U.S. and Europe, we believe that further information about the effect of this drug on Japanese patients should be collected to meet with the recent trend for evidence-based medicine. We are conducting clinical studies on Japanese patients so as to meet with the current regulatory requirement to approve a new indication with new dosage regimen for metformin.
- Development stage: Phase II in Japan

AC-3933 (radequinil) Dementia

- Developed in-house
- AC-3933 is a partial inverse agonist at benzodiazepine receptors, a mechanism of action markedly different from that of acetylcholinesterase inhibitors. This drug not only activates cholinergic neurons by enhancing the release of acetylcholine, but it also stimulates glutaminergic neurons. This drug is expected to improve memory impairment, a core symptom of dementia.
- Development stage: Phase II in the U.S. and Europe. Phase II in Japan

SMP-986 Overactive bladder syndrome

- Developed in-house

- Besides antagonism of muscarinic receptors, SMP-986 also suppresses neural signals sent from the bladder to the central nervous system in cases of overactive bladder. The drug is expected to increase volume of micturition per visit, which in turn eases urinary urgency and reduces the frequency of both urination and incontinence. This drug is expected to have lower incidence of side effects, such as dry mouth, caused by the antagonism of muscarinic-3 receptors.
- Development stage: Phase II in the U.S. and Europe

SMP-028 Bronchial asthma

- Developed in-house
- SMP-028 suppresses a variety of inflammation-related leukocytes that are involved in the pathology of bronchial asthma. It is expected to become a treatment for asthma with a novel anti-inflammatory mechanism of action.
- Development stage: Phase I in the U.S.