



## Summary of Consolidated Financial Results for the Year Ended March 31, 2009 (Unaudited)

May 11, 2009

Company Name: DAINIPPON SUMITOMO PHARMA CO., LTD.  
 Head Office: 6-8, Doshomachi, 2-chome, Chuo-ku, Osaka, 541-0045  
 Stock Exchange Listings: Tokyo, Osaka  
 Security Code number: 4506 (URL: <http://www.ds-pharma.co.jp>)  
 Date of Annual Shareholders' Meeting: June 26, 2009  
 Starting date of dividend payments: June 29, 2009  
 Filing date of Financial Report: June 26, 2009

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.

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

### 1. Consolidated Financial Results for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

#### (1) Results of Operations

(% represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Yen million	%	Yen million	%	Yen million	%	Yen million	%
Year ended March 31, 2009	264,037	0.0	31,166	(21.7)	31,395	(16.6)	19,987	(21.9)
Year ended March 31, 2008	263,992	1.1	39,813	(12.6)	37,657	(12.8)	25,591	13.2

	Earnings per share	Earnings per share (diluted)	Net income / Shareholders' equity (ROE)	Ordinary income / Total assets	Operating income / Net sales
Year ended March 31, 2009	¥50.30	—	6.2%	7.9%	11.8%
Year ended March 31, 2008	¥64.39	—	8.2%	9.6%	15.1%

Reference: Equity in earnings of unconsolidated subsidiaries and affiliates

Year ended March 31, 2009 : —

Year ended March 31, 2008 : —

## (2) Financial Position

(millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share (yen)
As of March 31, 2009	391,294	324,495	82.9%	¥816.49
As of March 31, 2008	399,790	318,277	79.6%	¥800.63

Reference: Shareholders' Equity (millions of yen)

As of March 31, 2009 : 324,408

As of March 31, 2008 : 318,194

## (3) Cash Flows

(millions of yen)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of period
Year ended March 31, 2009	26,295	(21,266)	(11,844)	49,481
Year ended March 31, 2008	32,509	(50,955)	(6,947)	56,259

## 2. Dividends

	Dividends per share					Dividends paid for the year (million)	Payout ratio	Dividends to net assets ratio
	1st quarter	2nd quarter	3rd quarter	Year-End	Annual			
Year ended March 31, 2008	—	¥9.00	—	¥9.00	¥18.00	¥7,153	28.0%	2.3%
Year ended March 31, 2009	—	¥9.00	—	¥9.00	¥18.00	¥7,152	35.8%	2.2%
Year ending March 31, 2010 (Forecast)	—	¥9.00	—	¥9.00	¥18.00		47.7%	

## 3. Consolidated Financial Forecast for the Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(% represent changes from the corresponding period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Yen million	%	Yen million	%	Yen million	%	Yen million	%	
Six months ending September 30, 2009	130,600	(2.8)	12,800	(29.6)	12,400	(31.9)	7,800	(28.2)	¥19.63
Year ending March 31, 2010	264,000	(0.0)	25,000	(19.8)	24,000	(23.6)	15,000	(25.0)	¥37.75

#### **4. Other**

(1) *Shift of significant subsidiaries during the period (shift of specified subsidiaries accompanied by changes in scope of consolidation) : None*

(2) *Changes in accounting principles, procedures, disclosure methods for preparing consolidated financial statements*

① *Changes due to adoption of new accounting standards: Yes*

② *Other changes: None*

(3) *Number of shares outstanding (Common stock) at the end of period*

① *Number of shares outstanding (Including treasury stock)*

*March 31, 2009 : 397,900,154 shares*

*March 31, 2008 : 397,900,154 shares*

② *Number of treasury stock*

*March 31, 2009 : 580,814 shares*

*March 31, 2008 : 472,642 shares*

*Notes: This document contains 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.*

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2008	As of March 31, 2009
<b>Assets</b>		
Current assets:		
Cash and time deposits	28,168	21,990
Notes and accounts receivable	86,363	79,759
Marketable securities	30,086	34,500
Inventories	48,523	—
Merchandise and finished goods	—	39,674
Work-in-process	—	2,934
Raw materials and supplies	—	11,901
Deferred tax assets	13,356	17,129
Short-term loans	40,000	50,000
Others	4,864	6,044
Allowance for doubtful receivables	(301)	(394)
Total current assets	251,063	263,539
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	83,139	83,820
Accumulated depreciation and impairment loss	(43,363)	(44,329)
Buildings and structures, net	39,776	39,490
Machinery, equipment and carriers	67,929	70,438
Accumulated depreciation and impairment loss	(57,876)	(59,390)
Machinery, equipment and carriers, net	10,052	11,048
Land	9,975	9,975
Construction in progress	6,170	4,024
Others	23,018	24,586
Accumulated depreciation and impairment loss	(18,713)	(20,021)
Others, net	4,304	4,565
Total property, plant and equipment	70,279	69,104
Intangible assets	5,849	6,407
Investments and other assets:		
Investment securities	44,340	33,982
Deferred tax assets	1,623	3,744
Others	26,943	14,617
Allowance for doubtful receivables	(309)	(102)
Total investments and other assets	72,598	52,242
Fixed assets	148,727	127,754
Total assets	399,790	391,294

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable	16,499	18,523
Current portion of long-term debt	4,600	—
Income taxes payable	10,862	6,298
Reserve for bonuses	8,214	8,120
Reserve for sales returns	120	96
Reserve for sales rebates	458	412
Reserve for loss on litigation	1,054	—
Other accounts payable	22,840	16,941
Others	3,264	2,956
Total current liabilities	67,914	53,349
Long-term liabilities:		
Liability for retirement benefits	8,797	9,253
Liability for directors' retirement benefits	34	42
Others	4,766	4,153
Total long-term liabilities	13,598	13,449
Total liabilities	81,513	66,799
<b>Net assets</b>		
Shareholders' equity:		
Common stock	22,400	22,400
Capital surplus	15,860	15,860
Retained earnings	268,800	281,628
Treasury stock	(557)	(643)
Total shareholders' equity	306,503	319,245
Valuation, translation adjustments and others:		
Unrealized gains on available-for-sale securities, net of tax	11,690	5,162
Total valuation, translation adjustments and others	11,690	5,162
Minority interests	83	87
Total net assets	318,277	324,495
Total liabilities and net assets	399,790	391,294

## (2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	263,992	264,037
Cost of sales	99,386	103,765
Gross profit	164,606	160,271
Reversal of reserve for sales returns	1	23
Gross profit-net	164,607	160,295
Selling, general and administrative expenses		
Provision for allowance for doubtful receivables	76	95
Salaries	16,228	16,581
Provision for reserve for bonuses	5,253	5,143
Provision for liability for directors' retirement benefits	10	10
Research and development costs	47,266	52,818
Others	55,958	54,479
Total selling, general and administrative expenses	124,794	129,129
Operating income	39,813	31,166
Non-operating income		
Interest income	853	974
Dividend income	675	736
Others	1,562	1,259
Total non-operating income	3,091	2,970
Non-operating expenses		
Interest expense	127	93
Contribution	1,784	1,836
Loss on disposal of fixed assets	—	446
Loss on disposal of inventories	978	—
Loss on valuation of inventories	1,098	—
Others	1,260	364
Total non-operating expenses	5,247	2,741
Ordinary income	37,657	31,395
Extraordinary income		
Reversal of reserve for loss on litigation	—	1,054
Gain on sales of investment securities	3,799	—
Total extraordinary income	3,799	1,054
Extraordinary loss		
Loss on valuation of investment securities	—	281
Total extraordinary loss	—	281
Income before income taxes and minority interests	41,457	32,168
Income taxes-current	18,243	14,090
Income taxes-deferred	(2,453)	(1,921)
Total income taxes	15,789	12,169
Minority interests in net income	75	11
Net income	25,591	19,987

(3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
<b>Shareholders' equity</b>		
Common stock		
Balance at the end of previous period	22,400	22,400
Changes in items during the period		
Total changes in items during the period	—	—
Balance at the end of current period	22,400	22,400
Capital surplus		
Balance at the end of previous period	15,860	15,860
Changes in items during the period		
Sales of treasury stock	(0)	—
Total changes in items during the period	(0)	—
Balance at the end of current period	15,860	15,860
Retained earnings		
Balance at the end of previous period	249,481	268,800
Changes in items during the period		
Cash dividends	(6,359)	(7,153)
Net income	25,591	19,987
Sales of treasury stock	(4)	(6)
Changes in scope of consolidation	90	—
Total changes in items during the period	19,318	12,828
Balance at the end of current period	268,800	281,628
Treasury stock		
Balance at the end of previous period	(479)	(557)
Changes in items during the period		
Purchases of treasury stock	(103)	(108)
Sales of treasury stock	25	22
Total changes in items during the period	(77)	(85)
Balance at the end of current period	(557)	(643)
Total shareholders' equity		
Balance at the end of previous period	287,262	306,503
Changes in items during the period		
Cash dividends	(6,359)	(7,153)
Net income	25,591	19,987
Purchases of treasury stock	(103)	(108)
Sales of treasury stock	20	16
Changes in scope of consolidation	90	—
Total changes in items during the period	19,240	12,742
Balance at the end of current period	306,503	319,245

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Valuation, translation adjustments and others		
Unrealized gains on available-for-sale securities		
Balance at the end of previous period	17,827	11,690
Changes in items during the period		
Net changes in items other than shareholders' equity	(6,136)	(6,528)
Total changes in items during the period	(6,136)	(6,528)
Balance at the end of current period	11,690	5,162
Total valuation, translation adjustments and others		
Balance at the end of previous period	17,827	11,690
Changes in items during the period		
Net changes in items other than shareholders' equity	(6,136)	(6,528)
Total changes in items during the period	(6,136)	(6,528)
Balance at the end of current period	11,690	5,162
Minority interests		
Balance at the end of previous period	921	83
Changes in items during the period		
Net changes in items other than shareholders' equity	(838)	4
Total changes in items during the period	(838)	4
Balance at the end of current period	83	87
Total net assets		
Balance at the end of previous period	306,012	318,277
Changes in items during the period		
Cash dividends	(6,359)	(7,153)
Net income	25,591	19,987
Purchases of treasury stock	(103)	(108)
Sales of treasury stock	20	16
Changes in scope of consolidation	90	—
Net changes in items other than shareholders' equity	(6,974)	(6,524)
Total changes in items during the period	12,265	6,217
Balance at the end of current period	318,277	324,495



#### (4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Net cash provided by operating activities:		
Income before income taxes and minority interests	41,457	32,168
Depreciation and amortization	11,870	11,455
Provision for liability for retirement benefits, less payments	(1,208)	323
Reversal of reserve for loss on litigation	—	(1,054)
Provision for other liabilities	93	(269)
Interest and dividend income	(1,529)	(1,711)
Interest expense	127	93
Loss (gain) on valuation of investment securities	—	281
Loss (gain) on sales of investment securities	(3,799)	—
Loss on disposal of property, plant and equipment	—	256
Decrease (increase) in notes and accounts receivable	2,398	6,604
Decrease (increase) in inventories	(2,102)	(5,986)
Increase (decrease) in notes and accounts payable	(732)	2,024
Other—net	284	(843)
Subtotal	46,857	43,341
Interest and dividend received	1,359	1,617
Interest paid	(64)	(69)
Income taxes paid	(15,642)	(18,594)
Net cash provided by operating activities	32,509	26,295
Net cash used in investing activities:		
Increase in time deposits	(6,000)	(1,000)
Decrease in time deposits	5,000	12,000
Purchases of marketable securities	—	(1,501)
Proceeds from sales of marketable securities	2,000	2,000
Purchases of property, plant and equipment	(7,112)	(13,625)
Purchases of intangible assets	(2,532)	(3,211)
Purchases of investment securities	(6,509)	(3,956)
Proceeds from sales of investment securities	3,954	—
Proceeds from redemption of investment securities	1,000	—
Purchase of investments in subsidiaries	(839)	—
Payments for investments in capital of subsidiaries	—	(2,009)
Net decrease (increase) in short-term loans	(40,000)	(10,000)
Other—net	84	38
Net cash used in investing activities	(50,955)	(21,266)
Net cash used in financing activities:		
Net increase (decrease) in short-term bank loans	(500)	—
Repayment of long-term debt	—	(4,600)
Net decrease (increase) in treasury stock	(82)	(92)
Dividends paid	(6,357)	(7,150)
Dividends paid to minority shareholders	(7)	(0)
Net cash used in financing activities	(6,947)	(11,844)
Effect of exchange rate changes on cash and cash equivalents	(140)	37
Net increase (decrease) in cash and cash equivalents	(25,534)	(6,777)
Cash and cash equivalents at the beginning of period	81,722	56,259
Increase in cash and cash equivalents related to change in scope of consolidation	70	—
Cash and cash equivalents at the end of period	56,259	49,481

(5) Notes on premise of going concern

Not applicable.

(6) Segment Information

**Business segment information**

Year ended March 31, 2008

(Millions of yen)

	Pharmaceuticals	Other products	Total	Eliminations / Corporate	Consolidated
I Sales and operating income					
Sales to customers	208,665	55,327	263,992	—	263,992
Intersegment sales and transfers	—	—	—	—	—
Total	208,665	55,327	263,992	—	263,992
Operating expenses	169,932	54,246	224,179	—	224,179
Operating income	38,733	1,080	39,813	—	39,813
II Identifiable assets, depreciation and capital expenditures					
Identifiable assets	223,165	21,207	244,373	155,417	399,790
Depreciation	10,860	263	11,123	—	11,123
Capital expenditures	15,114	375	15,490	—	15,490

Year ended March 31, 2009

(Millions of yen)

	Pharmaceuticals	Other products	Total	Eliminations / Corporate	Consolidated
I Sales and operating income					
Sales to customers	206,816	57,221	264,037	—	264,037
Intersegment sales and transfers	—	—	—	—	—
Total	206,816	57,221	264,037	—	264,037
Operating expenses	176,981	55,889	232,871	—	232,871
Operating income	29,834	1,331	31,166	—	31,166
II Identifiable assets, depreciation and capital expenditures					
Identifiable assets	217,660	21,025	238,686	152,608	391,294
Depreciation	10,542	181	10,724	—	10,724
Capital expenditures	10,386	182	10,568	—	10,568

(Notes)

1. Business segments are divided into "Pharmaceuticals" and "Other products" based on natures of products and businesses.
2. The major products in each of the business segment are as follows:

Business segment	Major products
Pharmaceuticals	Cardiovascular system drugs Antibacterial and antibiotic agents Central nervous system and antiallergic drugs Gastrointestinal drugs
Other products	Animal health products Feeds and feed additives Food additives Diagnostics Other products

**Geographical segment information**

Years ended March 31, 2008 and 2009

Geographical segment information are not disclosed because none of consolidated subsidiaries are located outside Japan.

**Overseas sales**

Year ended March 31, 2008 (Millions of yen)

Overseas sales	24,520
Consolidated net sales	263,992
Overseas sales as a percentage of consolidated net sales	9.3%

Year ended March 31, 2009 (Millions of yen)

Overseas sales	22,051
Consolidated net sales	264,037
Overseas sales as a percentage of consolidated net sales	8.4%