

October 30, 2013
Dainippon Sumitomo Pharma Co., Ltd.

Dainippon Sumitomo Pharma Announces Variances between Its Financial Forecasts and the Actual Results for the Half-Year Ended September 30, 2013 and Revisions to Its Financial Forecasts for the Full Fiscal Year

Osaka, Japan, October 30, 2013 ----- Dainippon Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; President: Masayo Tada; Securities Codes: 4506, First Section of TSE) announces today that variances occurred, as summarized below, between the Company's financial results for the half-year ended September 30, 2013 and the forecasts it announced on May 9, 2013. The Company also announces that it has revised its financial forecasts for the full fiscal year 2013 as summarized below, in light of recent performance trends and other factors.

1. Variances from the Previous Forecasts of Consolidated Financial Results for the Half-year Ended September 30, 2013 (April 1, 2013 to September 30, 2013)

(Amounts in Japanese yen million, unless otherwise specified)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
Previous Forecasts (A)	178,000	10,000	10,000	5,000	¥12.58
Results (B)	181,396	17,435	17,408	8,697	¥21.89
Variance in amount (B) – (A)	3,396	7,435	7,408	3,697	
Variance in percent (%)	1.9	74.4	74.1	74.0	
[Reference] Same period a year ago (Half-year ended September 30, 2012)	178,748	19,978	19,925	10,951	¥27.56

2. Revisions to the Forecasts of Consolidated Financial Results for the Full Fiscal Year 2013 (April 1, 2013 to March 31, 2014)

(Amounts in Japanese yen million, unless otherwise specified)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
Previous Forecasts (A)	369,000	26,000	25,000	13,000	¥32.72
Revised Forecasts (B)	381,000	35,000	34,000	17,000	¥42.79
Variance in amount (B) – (A)	12,000	9,000	9,000	4,000	
Variance in percent (%)	3.3	34.6	36.0	30.8	
[Reference] Previous year (Year ended March 30, 2013)	347,724	25,043	24,505	10,043	¥25.28

3. Reasons for the variances and the revisions

(1) The half-year ended September 30, 2013

Net sales exceeded the previously-announced forecast mainly on account of solid sales of LATUDA®, LUNESTA® and other major products in the “North America” segment. SG&A expenses were below the expected level because of the streamlining of sales organization for some of the products in the “North America” segment and for other reasons.

Consequently, net sales in the six months ended September 30, 2013 increased 3.4 billion yen to 181.4 billion yen from the previous forecast, operating income increased 7.4 billion yen to 17.4 billion yen, and ordinary income increased 7.4 billion yen to 17.4 billion yen.

Net income for the half-year period increased 3.7 billion yen to 8.7 billion yen, because gains on the sale of investment securities were posted as extraordinary income while business structure improvement expenses and impairment loss were posted as extraordinary loss.

(2) The full fiscal year 2013

Net sales for the full fiscal year 2013 is expected to exceed the previous forecast dated May 9, 2013 because continued healthy sales growth in the “North America” segment is expected and for other reasons. Cost of sales is expected to be lower than the forecast as a result of improvement in product mix and other factors.

SG&A expenses are expected to be larger than the forecast. The reasons include: intensified marketing efforts for LATUDA®, the most strategically important product in the “North America” segment, increased expenditures associated with the progress of R&D projects, and increased investment in regenerative and cellular medicine field, etc.

Consequently, the Company now forecasts that net sales for the full fiscal year 2013 will increase 12 billion yen to 381.0 billion yen, operating income will increase 9.0 billion yen to 35.0 billion yen, ordinary income will increase 9.0 billion yen to 34.0 billion yen and net income will increase 4.0 billion yen to 17.0 billion yen, all from the previously-announced respective forecasts.

Cautionary statement:

Forecasts shown above are 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.

Contact:

Corporate Communications

Dainippon Sumitomo Pharma

TEL: +81-6-6203-1407 (Osaka)

+81-3-5159-3300 (Tokyo)