

Supplementary Financial Data  
for the Second Quarter of the Year Ending March 31, 2014

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October 30, 2013

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.

## I. Consolidated Financial Highlights

### 1. Consolidated Statements of Income

(Billions of yen)

	FY2012	FY2013	Change (%)	FY2012	Change (%)	FY2013	Change (%)
	Apr.- Sep.	Apr.- Sep.				(Forecasts)	
Net sales	178.7	181.4	1.5	347.7	(0.8)	381.0	9.6
Cost of sales	50.0	50.4	0.8	101.7	2.9	104.0	2.3
SG&A expenses	108.7	113.5	4.4	221.0	(4.4)	242.0	9.5
SG&A expenses less R&D costs	80.9	82.0	1.4	161.2	(7.5)	169.0	4.9
R&D costs	27.8	31.5	13.3	59.8	5.2	73.0	22.0
Operating income	20.0	17.4	(12.7)	25.0	22.8	35.0	39.8
Ordinary income	19.9	17.4	(12.6)	24.5	29.8	34.0	38.7
Net income	11.0	8.7	(20.6)	10.0	16.4	17.0	69.3

Notes 1: Cost of sales includes provision for (reversal of) reserve for sales returns.

2: Change (%) represent ratio of changes from the corresponding period of the previous year.

3: Changed the period of FY2013 as Apr.-Mar. for Sunovion Pharmaceuticals Inc. and Sumitomo Pharmaceuticals (Suzhou) Co., Ltd. (The period for the previous year was Jan.-Dec. 2012)

4: The forecasts released on May 9, 2013 have been revised.

EBITDA (Billions of yen)	40.8	31.8	60.3	61.0
Earnings per share (yen)	27.56	21.89	25.28	42.79
Return on equity (ROE)	3.4%	2.4%	3.0%	—
Payout ratio	32.7%	41.1%	71.2%	42.1%

### 2. Consolidated Statements of Cash Flows

(Billions of yen)

	FY2012	FY2013	
	Apr.- Sep.	Apr.- Sep.	
Net cash provided by operating activities	28.4	22.3	
Net cash used in investing activities	(46.8)	(5.4)	
Net cash used in financing activities	(8.6)	(8.6)	
Cash and cash equivalents at the end of period	65.8	82.4	<ul style="list-style-type: none"> <li>• DSP 20.5</li> <li>• Sunovion 51.8</li> </ul>

### 3. Currency Exchange Rates

(Billions of yen)

	FY2012	FY2013	FY2013	FY2013	Forex sensitivity	
	Jan.- Jun.	Apr.- Sep.	End of Sep.	Assumed rate	FY2013	
	Average rate	Average rate			(Impact of yen strength by 1yen/\$)	
Yen / USD	79.8	98.9	97.7	99.4	Net Sales	(1.5)
Yen / RMB	12.7	16.1	16.0	15.6	Operating Income	0.0

Note: Net sales and Operating income in FY2013 Apr. - Sep. were increased by 13.8 billion yen and 0.4 billion yen respectively, compared to the corresponding period of the previous year due to exchange rate fluctuation.

### 4. Capital Expenditures and Depreciation

(Billions of yen)

	FY2012	FY2013	Change	FY2013	
	Apr.- Sep.	Apr.- Sep.		Forecast	Change
Capital expenditures	5.4	7.5	2.1	15.0	4.6
Depreciation and amortization	4.0	4.3	0.3	9.0	1.1

Note: The amount of capital expenditures, depreciation and amortization for tangible fixed assets and software.

• Major capital expenditure projects completed in FY2013  
 Construction of the New Chemistry Research Building in Osaka Research Center:  
 (Total expenditures 5.8 billion yen, completed in Jun. 2013)

(Reference)

Financial Results for DSP

(Billions of yen)

	FY2012 Apr.- Sep.	FY2013 Apr.- Sep.	Change (%)	Group-to- parent ratio
Net sales	97.8	93.6	(4.3)	1.94
Cost of sales	29.3	28.0	(4.7)	
SG&A expenses	53.2	54.8	3.0	
SG&A expenses less R&D costs	31.5	31.7	0.6	
R&D costs	21.7	23.1	6.5	
Operating income	15.3	10.8	(29.1)	1.61
Ordinary income	15.7	11.8	(25.2)	1.48
Extraordinary income	—	2.8		
Extraordinary loss	—	1.3		
Net income	10.2	9.4	(7.5)	0.93

Earnings per share (yen) 25.56 23.63

Financial Results for Sunovion

(Millions of dollars)

	FY2012 Jan.- Jun.	FY2013 Apr.- Sep.	Change (%)	
Net sales	774	693	(10.4)	
Cost of sales	99	84	(15.6)	
SG&A expenses	684	536	(21.6)	
SG&A expenses less R&D costs	558	448	(19.7)	
[amortization of patent rights and goodwill, etc]	[200]	[98]	(50.9)	
R&D costs	125	88	(30.1)	
Operating income	(9)	74	—	
Ordinary income	(8)	75	—	
Extraordinary income	—	11		
Extraordinary loss	19	51		
Net income	(26)	17	—	

Note: Including amortization of patent rights and goodwill.

## II. Consolidated Statements of (Comprehensive) Income

### 1. Consolidated Statements of Income

(Billions of yen)

	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)			
			(B)-(A)	Change (%)	
Net sales	178.7	181.4	2.6	1.5	<ul style="list-style-type: none"> <li>•Japan Segment -3.7</li> <li>•North America Segment +7.0</li> </ul>
Overseas sales	70.2	76.3	6.2	8.8	
[% of net sales]	39.3%	42.1%			
Cost of sales	50.0	50.4	0.4	0.8	
[% of net sales]	28.0%	27.8%			
Gross profit	128.7	131.0	2.2	1.7	
SG&A expenses	108.7	113.5	4.8	4.4	
Labor costs	33.7	32.7	(1.0)	(3.0)	
Advertising and promotion costs	7.1	7.2	0.2	2.6	
Sales promotion costs	4.7	6.9	2.2	45.6	<ul style="list-style-type: none"> <li>•Increase in overseas subsidiaries</li> </ul>
Other costs	35.4	35.2	(0.2)	(0.7)	
SG&A expenses less R&D costs	80.9	82.0	1.1	1.4	
R&D costs	27.8	31.5	3.7	13.3	<ul style="list-style-type: none"> <li>•Increase in BBI</li> </ul>
[% of net sales]	15.6%	17.4%			
Operating income	20.0	17.4	(2.5)	(12.7)	
Non-operating income	1.5	1.2	(0.2)	(16.3)	
Non-operating expenses	1.5	1.3	(0.3)	(17.4)	
Ordinary income	19.9	17.4	(2.5)	(12.6)	
Extraordinary income	—	3.8	3.8		<ul style="list-style-type: none"> <li>•FY2012: Impairment loss for in-process R&amp;D</li> <li>•FY2013: Impairment loss for production facility in the U.S. Impairment loss for in-process R&amp;D</li> </ul>
Gain on sales of investment securities	—	2.8	2.8		
Fair value adjustment of contingent consideration	—	1.1	1.1		
Extraordinary loss	1.5	6.3	4.8		
Impairment loss	0.4	4.6	4.2		
Business structure improvement expenses	1.1	1.7	0.6		<ul style="list-style-type: none"> <li>•FY2012: Restructuring costs in the U.S. subsidiary</li> <li>•FY2013: Restructuring costs in the U.S. subsidiary Retirement payments in Japan</li> </ul>
Income before income taxes and minority interests	18.4	15.0	(3.5)	(18.8)	
Income taxes	7.5	6.3	(1.2)		
Income before minority interests	11.0	8.7	(2.3)	(20.6)	
Net income	11.0	8.7	(2.3)	(20.6)	

Notes 1: Cost of sales includes provision for (reversal of) reserve for sales returns.

2: Overseas sales includes exports of non-Pharmaceutical products.

### 2. Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2012 Apr.- Sep.	FY2013 Apr.- Sep.	
Income before minority interests	11.0	8.7	
Other comprehensive income	2.0	9.8	
Unrealized gains (losses) on available-for-sale securities, net of tax	(0.8)	0.0	<ul style="list-style-type: none"> <li>Currency exchange rates : yen/\$</li> <li>12/2011 06/2012 03/2013 09/2013</li> <li>77.7 → 79.3 94.0 → 97.7</li> <li>+1.5 +3.7</li> </ul>
Foreign currency translation adjustments	2.8	9.8	
Comprehensive income	12.9	18.5	

## 3. Segment Information (FY2013 Apr.- Sep.)

(Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	84.7	66.5	—	5.5	4.3	161.0	20.4	181.4
Sales to customers	84.7	66.5	—	5.5	4.3	160.9	20.5	181.4
Intersegment	0.1	—	—	—	—	0.1	(0.1)	—
Cost of sales	23.3	7.6	—	1.2	2.3	34.5	16.0	50.4
Gross profit	61.4	58.9	—	4.3	1.9	126.5	4.5	131.0
SG&A expenses less R&D costs	30.9	34.9	9.8	3.0	0.4	79.0	3.0	82.0
Income (loss) of segment	30.5	24.0	(9.8)	1.3	1.5	47.5	1.4	48.9
R&D costs*3						31.1	0.4	31.5
Operating income						16.4	1.0	17.4

## Segment Information (FY2012 Apr.- Sep.)

(Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	88.5	59.5	—	3.9	6.7	158.5	20.2	178.7
Sales to customers	88.4	59.5	—	3.9	6.7	158.5	20.3	178.7
Intersegment	0.1	—	—	—	—	0.1	(0.1)	—
Cost of sales	23.8	6.1	—	0.9	3.6	34.4	15.7	50.0
Gross profit	64.7	53.4	—	3.0	3.1	124.2	4.5	128.7
SG&A expenses less R&D costs	31.0	29.2	16.0	1.6	0.2	78.0	2.9	80.9
Income (loss) of segment	33.7	24.1	(16.0)	1.4	2.9	46.2	1.6	47.8
R&D costs*3						27.4	0.4	27.8
Operating income						18.8	1.2	20.0

## Segment Information (FY2013 Forecasts ) \*4

(Billions of yen)

	Pharmaceuticals Business						Other Business *2	Total
	Japan	North America*1	Amortization etc.	China	Other Regions	Subtotal		
Net sales	174.2	137.1	—	11.0	16.5	338.8	42.2	381.0
Sales to customers	174.0	137.1	—	11.0	16.5	338.6	42.4	381.0
Intersegment	0.2	—	—	—	—	0.2	(0.2)	—
Cost of sales	49.7	14.7	—	2.5	4.2	71.1	32.9	104.0
Gross profit	124.5	122.4	—	8.5	12.3	267.7	9.3	277.0
SG&A expenses less R&D costs	62.9	74.4	18.0	6.0	1.1	162.4	6.6	169.0
Income (loss) of segment	61.6	48.0	(18.0)	2.5	11.2	105.3	2.7	108.0
R&D costs*3						72.0	1.0	73.0
Operating income						33.3	1.7	35.0

Notes \*1: Excluding amortization of patent rights and goodwill, etc.

\*2: Including the elimination of intersegment transaction.

\*3: R&amp;D costs are controlled globally and not allocated to each segment.

\*4: The forecasts released on May 9, 2013 have been revised.

4. Sales of Pharmaceuticals Business (Sales to customers)

(Billions of yen)

	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
Japan	88.4	84.7	(3.7)	(4.2)	86.0	174.5	89.3	[173.7] 174.0
North America	59.5	66.5	7.0	11.8	56.4	115.8	70.6	[125.8] 137.1
China	3.9	5.5	1.6	39.3	3.7	7.6	5.5	[10.5] 11.0
Other Regions	6.7	4.3	(2.4)	(35.5)	2.6	9.3	12.2	[15.6] 16.5

5. Sales of Major Products

Japan(Strategic Products)

(Sales figures before reduction of rebates, Billions of yen)

Brand name (Generic name) Therapeutic indication	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
AIMIX <sup>®</sup> (irbesartan/amlopidine) Therapeutic agent for hypertension (Launch: Dec. 2012)	—	2.4	2.4	—	2.0	2.0	3.7	[5.5] 6.1
AVAPRO <sup>®</sup> (irbesartan) Therapeutic agent for hypertension	5.8	6.0	0.2	3.5	5.9	11.7	6.1	12.1
LONASEN <sup>®</sup> (blonanserin) Atypical antipsychotic	5.4	6.2	0.8	14.6	5.3	10.7	6.8	13.0
TRERIEF <sup>®</sup> (zonisamide) Parkinson's disease drug	3.4	4.1	0.7	20.5	3.6	7.0	5.1	9.2

Japan(New Products)

METGLUCO <sup>®</sup> (metformin) Biguanide oral hypoglycemic (Launch: May 2010)	5.7	7.3	1.6	27.4	6.3	12.0	7.9	15.2
SUREPOST <sup>®</sup> (repaglinide) Rapid-acting insulin secretagogue (Launch: May 2011)	0.3	0.7	0.4	170.9	0.4	0.7	1.2	[2.5] 1.9

Japan(Specialty Products)

AmBisome <sup>®</sup> (amphotericin B) Therapeutic agent for systemic fungal infection	2.2	2.4	0.1	6.7	2.4	4.6	2.6	5.0
MIRIPLA <sup>®</sup> (miriplatin hydrate) Therapeutic agent for hepatocellular Carcinoma	0.6	0.6	0.0	2.1	0.5	1.1	0.7	1.3
REPLAGAL <sup>®</sup> (agalsidase alfa) Anderson-Fabry disease drug	5.1	5.0	(0.0)	(1.0)	4.9	9.9	5.5	10.5

Japan(Others)

AMLODIN <sup>®</sup> (amlodipine) Therapeutic agent for hypertension and angina pectoris	14.9	13.9	(1.0)	(6.6)	14.3	29.2	13.0	[25.4] 26.9
GASMOTIN <sup>®</sup> (mosapride citrate) Gastroprokinetic	10.1	7.8	(2.3)	(22.6)	9.4	19.5	7.3	[16.3] 15.1
PRORENAL <sup>®</sup> (limaprost alfadex) Vasodilator	7.3	7.0	(0.2)	(3.2)	7.0	14.2	6.3	13.3
MEROPEN <sup>®</sup> (meropenem) Carbapenem antibiotic	5.2	5.0	(0.2)	(4.5)	5.1	10.3	4.6	9.6
EBASTEL <sup>®</sup> (ebastine) Antiallergic	2.3	1.9	(0.4)	(16.9)	3.5	5.8	3.7	5.6
EXCEGRAN <sup>®</sup> (zonisamide) Antiepileptic	1.6	1.6	(0.1)	(3.9)	1.5	3.1	1.6	3.2
DOPS <sup>®</sup> (droxidopa) Noradrenergic neural function	1.6	1.6	(0.0)	(1.8)	1.5	3.1	1.4	3.0

Note: Figures in parentheses [ ] are previously disclosed forecasts.

North America

(Billions of yen)

Brand name (Generic name) Therapeutic indication	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
LUNESTA® (eszopiclone) Sedative hypnotic	22.2	26.9	4.8	21.4	22.6	44.8	28.3	[46.5] 55.2
LATUDA® (lurasidone) Atypical antipsychotic (Launch: Feb. 2011)	6.4	16.0	9.6	149.9	9.7	16.1	20.2	[35.0] 36.2
BROVANA® (arformoterol tartrate) Long-acting beta-agonist	6.1	7.9	1.8	29.4	6.6	12.7	9.7	[19.8] 17.6
XOPENEX® (levalbuterol HCl) Short-acting beta-agonist	14.9	6.7	(8.1)	(54.7)	10.5	25.3	5.0	[7.4] 11.7
ALVESCO® (ciclesonide) Inhaled corticosteroid	1.5	2.2	0.7	43.2	1.5	3.1	1.9	[5.3] 4.1
OMNARIS® (ciclesonide) Corticosteroid nasal spray	0.3	1.1	0.8	286.0	1.6	1.9	1.4	[2.2] 2.5
ZETONNA® (ciclesonide) Corticosteroid nasal spray (Launch: Jul. 2012)	—	0.9	0.9	—	0.4	0.4	1.3	[2.5] 2.2
Industrial property revenues	6.0	2.1	(4.0)	(65.8)	1.8	7.8	1.6	[2.7] 3.7

China

(Billions of yen)

Brand name (Generic name)	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
MEROPEN® (meropenem)	3.3	4.5	1.2	38.0	3.0	6.3	4.3	[8.4] 8.8

Other Regions

(Billions of yen)

Brand name (Generic name)	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
MEROPEN® (meropenem) (Export)	5.1	3.0	(2.1)	(41.2)	1.1	6.2	2.0	[4.4] 5.0
EXCEGRAN® (zonisamide) (Export)	0.9	0.7	(0.2)	(26.3)	0.9	1.8	0.6	[1.2] 1.3
GASMOTIN® (mosapride citrate) (Export)	0.4	0.3	(0.1)	(35.6)	0.4	0.8	0.4	0.7
Industrial property revenues	0.2	0.1	(0.0)	(22.8)	0.1	0.3	9.1	[8.8] 9.2

(Reference) Sales of Products in the North America Segment (based on local currency)

(Millions of dollars)

Brand name (Generic name) Therapeutic indication	FY2012 Apr.- Sep. (A)	FY2013 Apr.- Sep. (B)	(B)-(A)	Change (%)	FY2012		FY2013 (Forecasts)	
					2nd Half	Full Year	2nd Half	Full Year
LUNESTA® (eszopiclone)	278	272	(6)	(2.0)	283	561	283	[465] 555
LATUDA® (lurasidone)	80	162	82	101.7	122	202	202	[350] 364
BROVANA® (arformoterol tartrate)	77	80	3	4.4	83	160	97	[198] 177
XOPENEX® (levalbuterol HCl)	186	68	(118)	(63.5)	131	317	49	[74] 117
ALVESCO® (ciclesonide)	19	22	3	15.5	19	38	19	[53] 41
OMNARIS® (ciclesonide)	4	11	7	211.5	20	24	14	[22] 25
ZETONNA® (ciclesonide)	—	10	10	—	5	5	12	[25] 22
Industrial property revenues	76	21	(55)	(72.4)	22	98	16	[27] 37

Note: Figures in parentheses [ ] are previously disclosed forecasts.

### III. Consolidated Balance Sheets

#### ASSETS

(Billions of yen)

	As of Mar. 31, 2013 (A)	As of Sep. 30, 2013 (B)	(B)-(A)
[ Assets ]	607.2	634.6	27.3
Current assets:	333.4	347.6	14.1
Cash and time deposits	18.8	27.0	8.3
Notes and accounts receivable	97.2	100.7	3.5
Marketable securities	86.5	86.0	(0.5)
Inventories	62.7	62.6	(0.1)
Deferred tax assets	30.1	31.0	0.9
Short-term loans receivable	34.4	34.8	0.4
Others	4.0	5.6	1.7
Allowance for doubtful receivables	(0.1)	(0.1)	0.0
Fixed assets:	273.8	287.0	13.2
Property, plant and equipment:	69.9	74.5	4.6
Buildings and structures	39.9	45.7	5.8
Machinery, equipment and carriers	9.4	9.9	0.5
Land	10.3	10.3	0.0
Construction in progress	5.8	2.1	(3.7)
Others	4.4	6.4	1.9
Intangible assets:	146.3	148.3	2.0
Goodwill	71.3	79.0	7.8
Patent rights	17.4	9.8	(7.6)
In-process Research & Development	50.7	52.8	2.1
Others	7.0	6.7	(0.2)
Investments and other assets:	57.6	64.2	6.6
Investment securities	40.8	41.8	1.0
Deferred tax assets	7.6	12.8	5.2
Others	9.2	9.6	0.3
Allowance for doubtful receivables	(0.0)	(0.0)	0.0
<b>Total assets</b>	<b>607.2</b>	<b>634.6</b>	<b>27.3</b>

New Chemistry Research Building in Osaka Research Center	
Buildings	+4.5
Construction in progress	-2.2
Others	+1.1

Increase	+2.4
Amortization	-3.7
Currency	+9.0

Transfer	+0.5
Amortization	-10.2
Currency	+2.1

Transfer	-0.5
Impairment	-4.2
Currency	+6.8

Accounts receivable turnover period  
(in months)

3.35      3.33



## LIABILITIES AND NET ASSETS

(Billions of yen)

	As of Mar. 31, 2013 (A)	As of Sep. 30, 2013 (B)	(B)-(A)	
[ Liabilities ]	258.0	257.1	(0.8)	
Current liabilities:	124.8	127.6	2.7	
Notes and accounts payable	14.3	12.1	(2.1)	
Current portion of bonds payable	10.0	10.0	—	Total interest-bearing debt 115.0→110.0(-5.0)
Current portion of long-term loans payable	10.0	10.0	—	
Income taxes payable	2.1	5.7	3.6	
Reserve for bonuses	7.6	7.4	(0.2)	
Reserve for sales returns	5.7	7.4	1.8	
Reserve for sales rebates	19.2	29.3	10.2	
Accounts payable-other	34.8	25.3	(9.5)	← Payment of the license value, etc.
Others	21.3	20.3	(1.0)	
Long-term liabilities:	133.1	129.6	(3.6)	
Bonds payable	60.0	60.0	—	
Long-term loans payable	35.0	30.0	(5.0)	
Deferred tax liabilities	14.5	15.0	0.5	
Liability for retirement benefits	11.0	11.1	0.0	
Others	12.6	13.5	0.8	
[ Net assets ]	349.2	377.4	28.2	
Shareholders' equity:	346.2	348.7	2.5	
Common stock	22.4	22.4	—	
Capital surplus	15.9	15.9	0.0	
Retained earnings	308.6	311.1	2.5	← Net income +8.7 Payment of the dividend -3.6 Influence of fiscal year change -2.6 (North America -2.9, China +0.3)
Treasury stock	(0.7)	(0.7)	(0.0)	
Accumulated other comprehensive income (loss):	3.1	28.7	25.7	
Unrealized gains on available-for- sale securities, net of tax	14.1	14.4	0.3	
Foreign currency translation adjustments	(11.0)	14.3	25.4	← Currency exchange rates: yen/\$ 12/2012 09/2013 86.6 → 97.7
Total liabilities and net assets	607.2	634.6	27.3	

#### IV. Quarterly Business Results

(Billions of yen)

	FY2012				FY2013	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	89.1	89.7	90.5	78.5	89.6	91.8
Cost of sales	25.2	24.8	26.3	25.3	25.3	25.2
SG&A expenses	53.0	55.7	51.4	60.8	55.3	58.2
SG&A expenses less R&D costs	38.9	42.0	39.3	40.9	40.6	41.4
R&D costs	14.1	13.7	12.1	19.9	14.7	16.8
Operating income (loss)	10.9	9.1	12.7	(7.7)	9.0	8.4
Non-operating income	1.1	0.3	0.8	0.8	0.9	0.3
Non-operating expenses	0.5	1.0	0.7	1.4	0.5	0.8
Ordinary income (loss)	11.5	8.4	12.8	(8.2)	9.5	7.9
Extraordinary income	—	—	—	—	—	3.8
Extraordinary loss	1.5	—	2.9	2.0	1.0	5.3
Income (Loss) before income taxes and minority interests	10.0	8.4	10.0	(10.2)	8.5	6.5
Net income (loss)	5.7	5.3	5.9	(6.8)	4.8	3.9

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

#### V. Major consolidated subsidiaries (As of September 30, 2013)

Domestic	DSP Gokyo Food & Chemical Co., Ltd.	DS Pharma Animal Health Co., Ltd.	DS Pharma Biomedical Co., Ltd.
Establishment	October 1947	July 2010	June 1998
Ownership	100%	100%	100%
Number of employees	149	104	64
Businesses	Manufacturing and sales of food ingredients, food additives, chemical product materials, etc.	Manufacturing, and sales of veterinary medicines, etc.	Manufacturing and sales of diagnostics, etc.

Overseas	Sunovion Pharmaceuticals Inc.	Boston Biomedical, Inc.	Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.
Establishment	January 1984	November 2006	December 2003
Ownership	100%	100%	100%
Number of employees	1,446	55	748
Businesses	Manufacturing and sales of pharmaceuticals	R&D in the oncology area	Manufacturing and sales of pharmaceuticals

#### (Reference) Number of employees and MRs

		As of Mar. 31, 2013	As of Sep. 30, 2013
consolidated		7,218	6,996
non-consolidated		4,457	4,430
MRs Japan	(excluding managers)	1,410	1,410
	(including managers)	1,610	1,610
MRs U.S.	(excluding managers)	830	600
	(including managers)	940	680
MRs China	(excluding managers)	350	390
	(including managers)	470	500

VI. Shareholder Positioning (As of September 30, 2013)

1. Total number of authorized shares: 1,500,000,000
2. Total number of shares outstanding: 397,900,154 (Including number of treasury stock 592,003)
3. Number of shareholders: 31,383

4. Major shareholders:

Shareholders	Status of ownership	
	Number of shares held (Thousand shares)	Percentage of shareholding(%)
Sumitomo Chemical Co., Ltd.	199,434	50.20
Inabata & Co., Ltd.	27,282	6.87
The Master Trust Bank of Japan, Ltd. (Trust account)	16,992	4.28
Japan Trustee Services Bank, Ltd. (Trust account)	9,425	2.37
Nippon Life Insurance Company	8,529	2.15
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
Aioi Nissay Dowa Insurance Co., Ltd.	4,435	1.12
Dainippon Sumitomo Pharma Employee shareholders' association	4,148	1.04
The Hyakujushi Bank, Ltd.	2,316	0.58

Notes: \*1: Percentage of shareholding is calculated excluding treasury stock (592,003 stocks).

\*2: The numbers of shares held are rounded down to the nearest thousand shares.

VII. Development Pipeline (As of October 30, 2013)

Major Products under Development in Japan

Stage in JPN	Brand name/ Product code Formulation	Generic name	Proposed Indication	Origin	Remarks
Submitted	MEROPEN® Injection	meropenem hydrate	(Change of maximum dose) Purulent meningitis: 6g daily	In-house	Submitted in Jan. 2013 Approved maximum recommended dose: 3g daily for severe or refractory cases of infectious diseases
	METGLUCO® Oral	metformin hydrochloride	(Addition of pediatric usage ) Type 2 diabetes	Merck Santé	
Phase III	AS-3201 Oral	ranirestat	Diabetic neuropathy	In-house	
	SM-13496 Oral	lurasidone hydrochloride	Schizophrenia	In-house	Approved in the U.S., Canada and Switzerland
			Bipolar I depression		Approved in the U.S.
			Bipolar maintenance		
	BB1608 Oral	TBD	Colorectal cancer (Monotherapy)	In-house (BBI)	Global clinical study
	SUREPOST® Oral	repaglinide	(New indication) Type 2 diabetes All combination therapies including DPP4 inhibitors	Novo Nordisk	Approved indication: The reduction of postprandial blood glucose in patients with type 2 diabetes (Monotherapy, Combination with α-GI, BG and TZD)
LONASEN® Oral	blonanserin	(Addition of pediatric usage ) Schizophrenia	In-house		
Phase II/III	EPI-743 Oral	TBD	Leigh syndrome	Edison Pharmaceutical	

Stage in JPN	Brand name/ Product code Formulation	Generic name	Proposed Indication	Origin	Remarks
Phase II	DSP-1747 Oral	obeticholic acid	Nonalcoholic steatohepatitis (NASH)	Intercept Pharmaceuticals	
	DSP-6952 Oral	TBD	IBS with constipation, Chronic idiopathic constipation	In-house	
	LONASEN® Transdermal Patch	blonanserin	(New formulation – Transdermal patch) Schizophrenia	In-house	Co-development with Nitto Denko Approved dose: Oral
	TRERIEF® Oral	zonisamide	(New indication) Parkinsonism of Dementia with Lewy Bodies (DLB)	In-house	
Phase I/II	WT4869 Injection	TBD	Myelodysplastic syndromes	Joint research with Chugai Pharmaceutical	Independent development after April 2013
Phase I	DSP-3025 Collunarium	TBD	Bronchial asthma, Allergic rhinitis	In-house	
	WT4869 Injection	TBD	Solid cancer	Joint research with Chugai Pharmaceutical	Independent development after April 2013
	DSP-5990 Injection	ceftaroline fosamil	MRSA infection	Takeda Pharmaceutical	
	WT2725 Injection	TBD	Solid cancer	Joint research with Chugai	Independent development after April 2013

[Main revisions since the 1Q announcement of July 2013]

METGLUCO® (Addition of pediatric usage)

Change from Phase III to Submitted (Submitted in October 2013)

Lurasidone hydrochloride (SM-13496)

Newly added in Phase III for bipolar I depression and Bipolar maintenance

BBI608

Change from Phase I to Phase III (Join to Phase III global clinical study)

EPI-743

Newly added in Phase II / III

TRERIEF® (New indication)

Newly added in Phase II

WT2725

Newly added in Phase I

**Major Products under Development in Foreign Markets**

Stage	Brand name/ Product code Formulation	Generic name	Proposed Indication	Origin	Country/ Area	Remarks
Submitted	SEP-0002093 Oral	eslicarbazepine acetate	Epilepsy (Adjunctive therapy)	BIAL	U.S., Canada	NDA submitted in the U.S. in March 2009 Re-submitted in the U.S. in February 2013 Submitted in Canada in June 2013 (Formerly proposed trade name: STEDESA®)
	Amrubicin hydrochloride Injection	amrubicin hydrochloride	Small cell lung cancer	In-house	China	Submitted in August 2013 Brand name in Japan: CALSED®
	SM-13496 Oral	lurasidone hydrochloride	Schizophrenia	In-house	Australia	Submitted in March 2013 Approved in the U.S., Canada and Switzerland
	Blonanserin Oral	blonanserin	Schizophrenia	In-house	China	Submitted in September 2013 Brand name in Japan: LONASEN®
	LATUDA® Oral	lurasidone hydrochloride	(New indication) Bipolar I depression	In-house	Canada	Submitted in August 2012 Approved in the U.S.
Phase III	BBI608 Oral	TBD	Colorectal cancer (Monotherapy)	In-house (BBI)	U.S., Canada, etc.	Global clinical study
	SM-13496 Oral	lurasidone hydrochloride	Schizophrenia	In-house	China	Approved in the U.S., Canada and Switzerland
	LATUDA® Oral		(New indication) Bipolar maintenance		U.S., Europe, etc.	
		(New indication) MDD with mixed features				
SEP-0002093 Oral	eslicarbazepine acetate	Epilepsy (Monotherapy)	BIAL	U.S.	(Formerly proposed trade name: STEDESA®)	

Stage	Brand name/ Product code Formulation	Generic name	Proposed Indication	Origin	Country/ Area	Remarks
Phase II	BBI608 Oral	TBD	Colorectal cancer (Combination therapy)	In-house (BBI)	U.S., Canada	
	SUN-101 Inhalant	glycopyrrolate bromide	Chronic obstructive pulmonary disease (COPD)	In-house (Sunovion)	U.S.	From the former Elevation Pharmaceuticals
	SEP-225289 Oral	TBD	Attention-defici t hyperactivity disorder (ADHD)	In-house (Sunovion)	U.S.	
Phase I/II	BBI608 Oral	TBD	Solid cancer Combination therapy with paclitaxel	In-house (BBI)	U.S., Canada	
Phase I	DSP-1053 Oral	TBD	Major depressive disorder (MDD)	In-house	U.S.	
	DSP-2230 Oral	TBD	Neuropathic pain	In-house	U.K., U.S.	
	WT2725 Injection	TBD	Solid cancer, Hematologic cancer	Joint research with Chugai	U.S.	Independent development after April 2013
	BBI503 Oral	TBD	Solid cancer (Monotherapy)	In-house (BBI)	U.S., Canada	
	SEP-363856 Oral	TBD	Schizophrenia	In-house (Sunovion)	U.S.	

[Main revisions since the 1Q announcement of July 2013]

Eslicarbazepine acetate (SEP-0002093)  
Blonanserin  
Lurasidone hydrochloride(SM-13496)  
DSP-8658

Submitted in Canada (June 2013)  
Submitted in China (September 2013)  
Newly added in Phase III in China  
Deleted due to discontinued development

### Major Products under Development by Licensees

Generic / Product code (Brand name in JPN)	Proposed Indication	Status of development
AG-7352	Cancer	Out-licensed to Sunesis Pharmaceuticals Inc. for the worldwide territory in October 2003. Phase III study ongoing in North America by Sunesis (Sunesis' product code: SNS-595).
amrubicin hydrochloride (CALSED®)	Small cell lung cancer	Out-licensed to Celgene (former Pharmion) for the U.S. and European territories in June 2005. Phase III study completed in the U.S. and Europe by Celgene.
ranirestat AS-3201	Diabetic neuropathy	Out-licensed to Eisai for the worldwide territory, excluding Japan, in September 2005. Phase II / III study ongoing in the U.S., Canada and Europe by Eisai.
droxidopa (DOPS®)	Neurogenic orthostatic hypotension, Intradialytic hypotension, Fibromyalgia	Out-licensed to Chelsea Therapeutics for the worldwide territory, excluding Japan, China, Korea and Taiwan in May 2006. NDA submitted in the U.S. by Chelsea for neurogenic orthostatic hypotension in September 2011. Complete Response Letter received from FDA in March 2012. Chelsea resubmitted to FDA in July 2013. Phase II study of fibromyalgia and phase II study of intradialytic hypotension completed by Chelsea.
DSP-3025	Bronchial asthma, Allergic rhinitis	Entered into a development and marketing agreement in March 2005. AstraZeneca has the right for the worldwide territory, excluding Japan, China, Korea and Taiwan. Phase II study as a collunarium was completed in Europe, while a Phase I study as an inhalant was started in the U.K. by AstraZeneca. (AstraZeneca's product code: AZD8848).
lurasidone hydrochloride (SM-13496)	Schizophrenia Bipolar disorder	Entered into a license agreement with Takeda Pharmaceutical for co-development and exclusive commercialization for the European territory, excluding the U.K. in March 2011. Takeda submitted an MAA in Switzerland for schizophrenia in March 2012. Takeda submitted an MAA in Europe for schizophrenia by the centralised authorisation procedure in September 2012. Takeda obtained the approval for schizophrenia in Switzerland in August 2013. Out-licensed to Standard Chem. & Pharm. for Taiwan in August 2013, and submitted for schizophrenia in Taiwan in October 2013.
SMP-986	Nocturia	Out-licensed to Nippon Shinyaku Co., Ltd. for rights in Japan to develop and commercialize in March 2013.

[Main revisions since the 1Q announcement of July 2013]

Lurasidone hydrochloride (SM-13496)

Takeda Pharmaceutical obtained the approval for schizophrenia in Switzerland in August 2013. Out-licensed to Standard Chem. & Pharm., and submitted for schizophrenia in Taiwan



## VIII. Profile of Major Products under Development (As of October 30, 2013)

### **eslicarbazepine acetate (SEP-0002093)      Epilepsy**

- In-licensed from BIAL Portela & C<sup>a</sup>, S.A
- A novel voltage-gated sodium channel blocker. The compound has been studied in Phase III, multi-center, randomized, placebo-controlled studies, which involved patients from 23 countries. Patients involved in the studies were required to have at least four partial-onset seizures per month despite treatment with one to three concomitant antiepileptic drugs. After a two-week titration period, patients were assessed over a 12-week maintenance period with continued follow-up over a one-year, open-label period. The target indication for this drug is for adjunctive use in adult patients with partial onset seizures. This drug is expected to be safe and tolerable, have clear dose-response correlation and marked and sustained seizure reduction.
- Development stage:
  - Epilepsy (adjunctive therapy): NDA submitted in March 2009 in the U.S.
    - Resubmitted NDA in the U.S. in February 2013
    - Submitted in Canada in June 2013
  - Epilepsy (monotherapy): Phase III in the U.S.

### **LATUDA<sup>®</sup> (lurasidone hydrochloride)      Schizophrenia, Bipolar disorder**

- Developed in-house
- LATUDA<sup>®</sup> (lurasidone hydrochloride) is an atypical antipsychotic agent which is believed to have an affinity for dopamine D<sub>2</sub>, serotonin 5-HT<sub>2A</sub> and serotonin 5-HT<sub>7</sub> receptors where it has antagonist effects. In addition, LATUDA is a partial agonist at the serotonin 5-HT<sub>1A</sub> receptor and has no appreciable affinity for histamine or muscarinic receptors. In the clinical trials supporting the U.S. FDA approval, the efficacy of LATUDA for the treatment of schizophrenia was established in four, short-term (6-week), placebo-controlled clinical studies in adult patients. In these studies, LATUDA demonstrated significantly greater improvement versus placebo. A total of five short-term placebo controlled clinical trials contributed to the understanding of the tolerability and safety profile of LATUDA. LATUDA was approved for the treatment of schizophrenia by the U.S. FDA in October 2010, and launched by Sunovion in February 2011 in the U.S. Launched in Canada for the treatment of schizophrenia in September 2012. LATUDA was approved as the first atypical antipsychotic indicated for the treatment of bipolar I depression as a monotherapy and as an adjunctive therapy to lithium or valproate by the U.S. FDA in June 2013.
- Development stage:
  - Schizophrenia:
    - Submitted in Europe by Takeda Pharmaceutical and in Taiwan by Standard Chem. & Pharm.
    - Submitted in Australia
    - Phase III in Japan and China
    - In addition, Phase III study in the U.S., Europe, etc. to test the hypothesis that LATUDA is effective in the long term maintenance treatment of schizophrenia completed and data analysis in progress.
  - Bipolar I depression:
    - Submitted in Canada
    - Phase III in Japan
    - In addition, plans to submit an MAA in Europe by Takeda Pharmaceutical. (Phase III in Europe)
  - Bipolar maintenance: Phase III in the U.S., Europe and Japan, etc.
  - MDD with mixed features: Phase III in the U.S. and Europe, etc.

**ranirestat (AS-3201)                      Diabetic neuropathy**

- Developed in-house
- AS-3201 is expected to alleviate diabetic neuropathy, a complication of diabetes, by inhibiting aldose reductase and thereby inhibiting the accumulation of intracellular sorbitol that causes diabetic neuropathy. This compound has a stronger inhibitory effect and is longer-acting compared to other drugs in this therapeutic area. Clinical studies have shown AS-3201 to have good penetration into nerve tissues, resulting in dose-dependent inhibition of intraneural accumulation of sorbitol and fructose. Based on the results of clinical studies, AS-3201 is expected to show improvement of neuronal function and symptoms related to diabetic neuropathy.
- AS-3201 was out-licensed to Eisai for the overseas territory in September 2005. Eisai is conducting Phase II / III studies in the U.S., Canada and Europe.
- Development stage: Phase III in Japan

**BBI608                      Colorectal cancer, Solid cancer**

- Developed in-house (BBI)
- First-in class Molecular Targeted Drug (small molecular compound, oral agent). BBI608 is expected to have excellent efficacy in monotherapy and combination therapy with chemotherapy by inhibiting both growth of tumor cells and maintenance of cancer stem cells. Highly safe, easy-to-use with existing chemotherapy. No particular hematologic toxicity observed.
- Development stage:  
Colorectal cancer (monotherapy): Phase III in the U.S., Canada and Japan, etc.  
Colorectal cancer (combination therapy): Phase II in the U.S. and Canada  
Solid cancer (combination therapy with paclitaxel): Phase I/II in the U.S. and Canada

**DSP-1747                      Primary biliary cirrhosis (PBC), Nonalcoholic steatohepatitis (NASH)**

- In-licensed from Intercept Pharmaceuticals Inc. (Intercept's product code: INT-747)
- DSP-1747 is an agonist to farnesoid X receptor (FXR) whose ligand is the primary human bile acid chenodeoxycholic acid, the natural endogenous FXR agonist. The compound is expected to be effective for hepatic dysfunction and hepatic fibrosis associated with an increase of bile acid in the liver.
- Development stage: Phase II in Japan for NASH. Phase II for PBC is under consideration.

**DSP-6952                      IBS with constipation, Chronic idiopathic constipation**

- Developed in-house
- DSP-6952 is a high affinity serotonin-4 receptor partial agonist with enterokinetic effect. DSP-6952 is expected to be effective for IBS with constipation and chronic idiopathic constipation by increasing complete spontaneous bowel movement.
- Development stage: Phase II in Japan

**glycopyrrolate bromide(SUN-101)                      Chronic obstructive pulmonary disease (COPD)**

- Developed in-house (Sunovion)
- SUN-101 is a proprietary solution formulation of glycopyrrolate bromide, delivered by a customized eFlow<sup>®</sup> Nebulizer System (originated by and licensed from PARI Pharma GmbH), which was developed to optimize medication delivery and allow ease of use. Including products on the market and in development in this therapeutic area, SUN-101 is currently the only LAMA (long-acting muscarinic antagonist) in nebulized form.
- Development stage: Phase II in the U.S.

**SEP-225289      Attention-deficit hyperactivity disorder (ADHD)**

- Developed in-house
- SEP-225289 is a DNRI that inhibits the reuptake of dopamine and norepinephrine. SEP225289 is being developed as a once daily long-acting treatment that will be effective throughout the day. Because of its ability to maintain a stable concentration in blood levels all day, it is expected to be effective over the course of the day.
- Development stage: Phase II in the U.S.

**WT4869      Myelodysplastic syndromes (MDS), Solid cancer**

- Developed in house (Joint-research with Chugai Pharmaceutical)
- WT4869 is a therapeutic cancer vaccine candidate using a peptide derived from Wilms' tumor gene 1 (WT1) protein. WT4869 is expected to treat patients with various types of hematologic and solid cancers that overexpress WT1, by the induction of WT1-specific cytotoxic T-lymphocytes.
- Development stage:  
Myelodysplastic syndromes (MDS):      Phase I/II in Japan  
Solid cancer:                                      Phase I in Japan

**DSP-3025      Bronchial asthma, Allergic rhinitis**

- Developed in-house
- DSP-3025 is an immune response modifier with agonistic activity against Toll-like receptor 7 (TLR7). It is expected to become a therapeutic agent providing long-term disease remission in bronchial asthma and allergic rhinitis.
- A series of promising compounds was identified from drug discovery research for a therapeutic agent with a novel mechanism of action against allergic disorders. With this as a turning point, we started a research collaboration with AstraZeneca in 2004 and discovered a drug candidate as an outcome based on this research collaboration.
- We entered into a development and marketing agreement with AstraZeneca in March 2005. Under the agreement, we will retain development and commercialization rights in Japan, China, Korea and Taiwan and AstraZeneca will retain development and commercialization rights worldwide excluding the four countries. AstraZeneca has completed a Phase II study in Europe as a collunarium and started a Phase I study in the U.K. as an inhalant. (AstraZeneca's code name: AZD8848)
- Development stage: Phase I in Japan

**DSP-5990      MRSA infection**

- In-licensed from Takeda Pharmaceutical (Takeda's product code: TAK-599)
- DSP-5990 is a cephem antibiotic, and has strong activities against gram-positive bacteria including MRSA and multiply-resistant *Streptococcus pneumonia* and also gram-negative bacteria.
- In October 2010, approved in the U.S. by Forest Laboratories. In August 2012, approved in Europe by AstraZeneca .
- Development stage: Phase I in Japan

**DSP-1053      Major depressive disorder (MDD)**

- Developed in-house
- DSP-1053 is a new antidepressant drug candidate that shows an inhibitory effect on serotonin transporter and modulatory effects on monoamine receptors. By these mechanisms, DSP-1053 has the potential to show early onset of action and efficacy for depression and anxiety.
- Development stage: Phase I in the U.S.

**DSP-2230            Neuropathic pain**

- Developed in-house
- DSP-2230 is a novel compound that selectively inhibits voltage-gated sodium channels Nav1.7 and Nav1.8 with higher potencies than those against the other sodium channel subtypes studied. In addition, DSP-2230 has demonstrated antiallodynic effects in animal models of neuropathic pain that have been shown to be predictive of efficacy in humans. Due to its novel mechanism, DSP-2230 is expected not to produce CV or CNS side effects, which are present with the current drugs, such as non-selective sodium channel blockers and anti-epilepsy medicines.
- Development stage: Phase I in the U.K. and the U.S.

**WT2725            Solid cancer, Hematologic cancer**

- Developed in-house (Joint-research with Chugai Pharmaceutical)
- WT2725 is a therapeutic cancer vaccine candidate using a peptide derived from Wilms' tumor gene 1 (WT1) protein. WT2725 is expected to treat patients with various types of hematologic and solid cancers that overexpress WT1, by the induction of WT1-specific cytotoxic T-lymphocytes.
- Development stage:  
Hematologic and Solid cancers :            Phase I in the U.S.  
Solid cancer :                                    Phase I in Japan

**BBI503            Solid cancer**

- Developed in-house (BBI)
- First-in class Molecular Targeted Drug (small molecular compound, oral agent). BBI503 is expected to have excellent efficacy in monotherapy and combination therapy with chemotherapy by inhibiting both growth of tumor cells and maintenance of cancer stem cells by a different mechanism to BBI608. Easy-to-use with existing chemotherapy, expected to be highly safe.
- Development stage: Phase I in the U.S. and Canada

**SEP-363856        Schizophrenia**

- Developed in-house (Sunovion)
- SEP-363856 is an antipsychotic with a novel mechanism of action. Compared to existing antipsychotics that are effective for positive symptoms of schizophrenia, this also shows efficacy for the negative symptoms. Even in combination treatment with atypical antipsychotics, extrapyramidal side effects were not observed. High efficacy and improved QOL are expected for the treatment for schizophrenia.
- Development stage: Phase I in the U.S.

**EPI-743 Leigh syndrome**

- In-licensed from Edison Pharmaceutical
- EPI-743 is to synchronize energy generation in the mitochondria with the counterbalancing of redox stress. It is expected to be a world first treatment for mitochondrial diseases beginning with Leigh syndrome.
- Development stage: Phase II/III in Japan