



*Progressing Towards A Globally Competitive
R&D-Oriented Pharmaceutical Company*

Dainippon Sumitomo Pharma **(“DSP”)**

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President and CEO

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Disclaimer Regarding Forward-looking Statements

The statements made in this presentation material are forward-looking statements based on management's assumptions and beliefs in light of information available up to the day of announcement, and involve both known and unknown risks and uncertainties.

Actual financial results may differ materially from those presented in this document, being dependent on a number of factors.

Information concerning pharmaceuticals (including compounds under development) contained within this material is not intended as advertising or medical advice.

Agenda

- 1. Company Overview**
- 2. North America Business & LATUDA**
- 3. Japanese Business**
- 4. Product Pipeline**

Agenda

1. Company Overview

2. North America Business & LATUDA

3. Japanese Business

4. Product Pipeline

1-1. Profile of DSP

- Created from merger of Dainippon Pharmaceutical and Sumitomo Pharmaceuticals in Oct 2005
- No. of employees: 8,026 (consolidated, as of Sep 30, 2011)
- Headquartered in Osaka, Japan
- Major Subsidiaries in U.S. (Sunovion Pharmaceuticals Inc.) and China

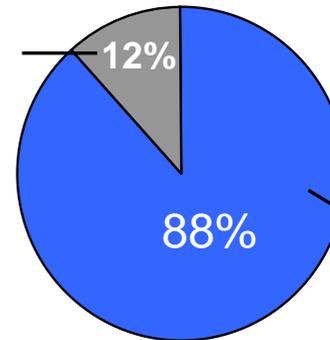


Head Office (Osaka)



Total Revenue : **US\$ Bil. 4.3**
(Consolidated : Mar 31, 2010)

Non-
Pharmaceuticals *



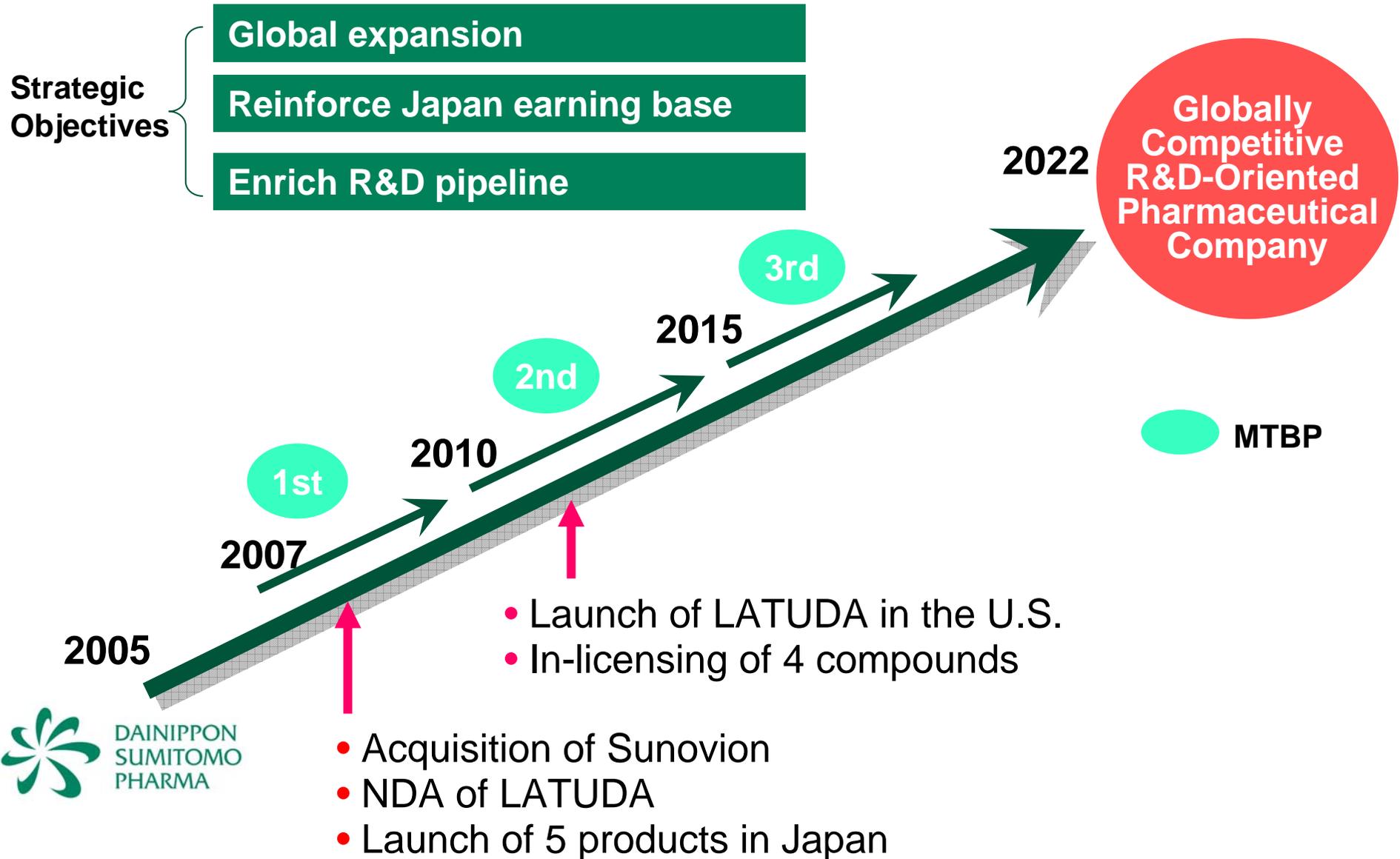
Exchange Rate:

FY2010: ¥87.8 per 1US\$

Pharmaceuticals

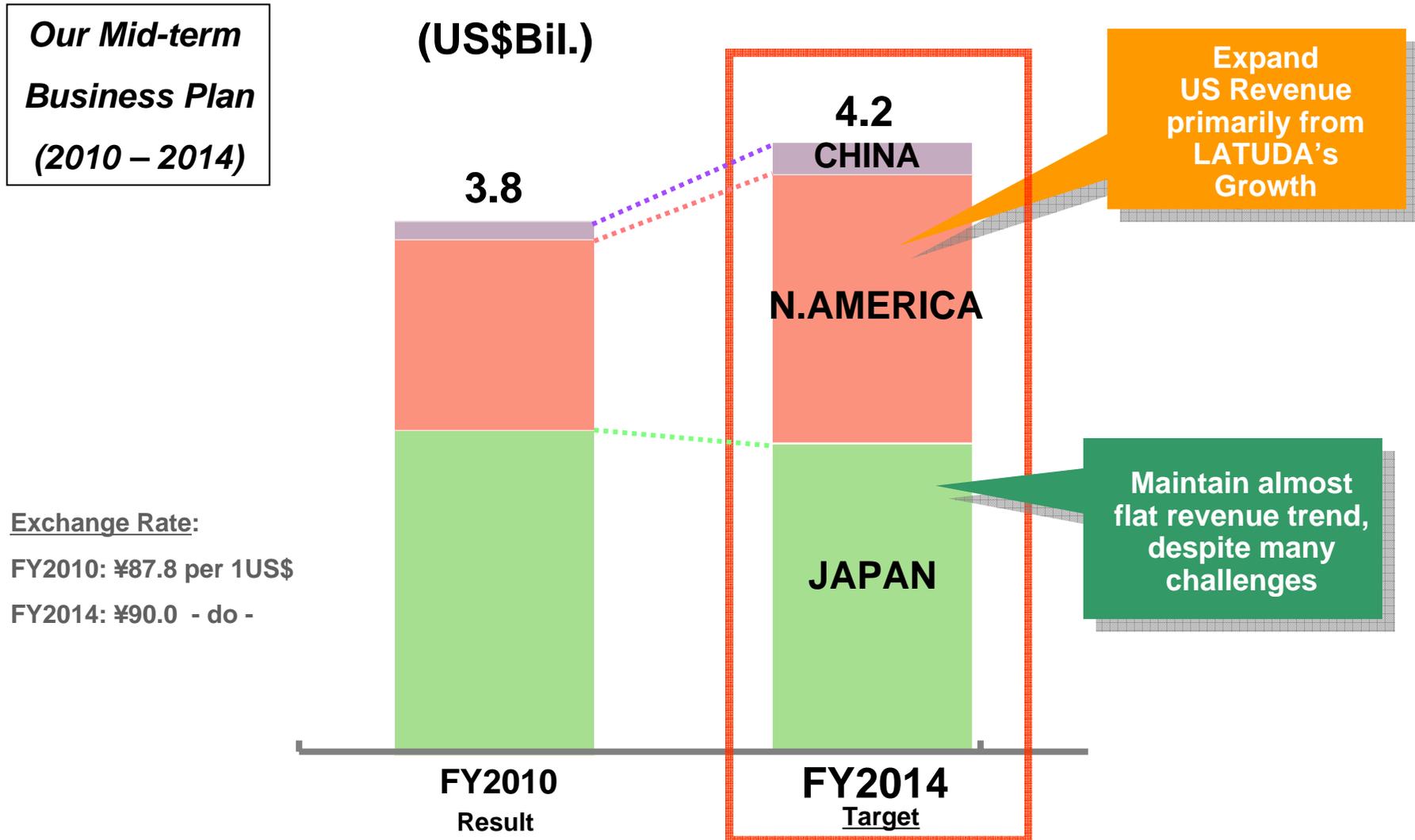
*: Animal Health Care, Food additives, etc

1-2. DSP's Path Toward Our Vision



1-3. Our Revenue Goal in FY2014

(by Regions, Pharma Business)



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2-1. Profile of Sunovion

- Established in Jan 1984 as Sepracor Inc., and acquired by DSP in Oct 2009
- No. of Employees: 2,592

Sales Reps : 1,530 (As of Sep 30, 2011)

- Headquartered in Marlborough, MA

- Net Sales :

US\$Mil. 1,348 (FY2011 Forecast)

US\$Mil. 1,340 (FY2010)

- Main Products:

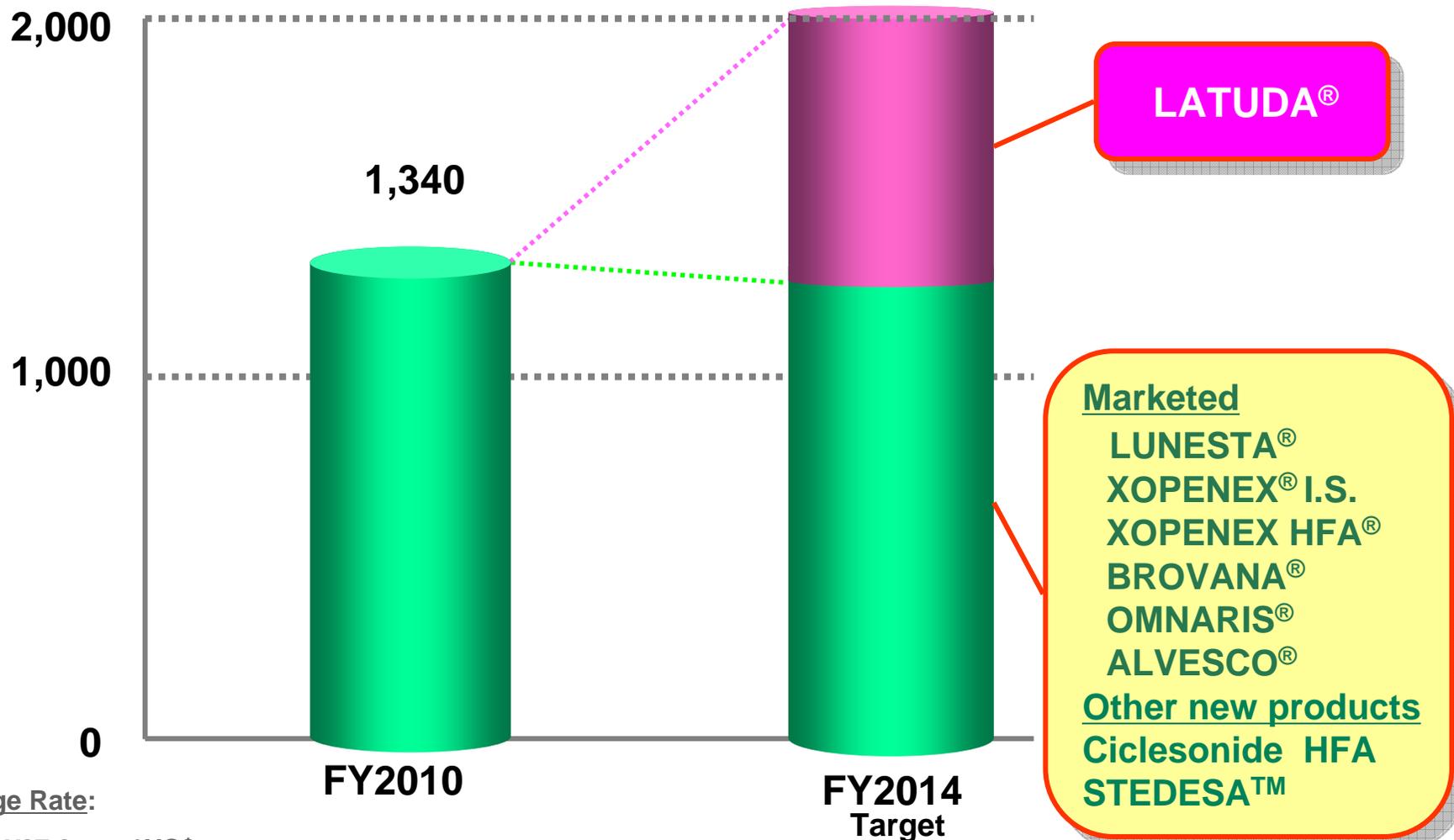
Lunesta® (Insomnia), Xopenex® I.S., Xopenex HFA® (Asthma), Brovana® (COPD), Omnaris® (Allergic Rhinitis), Alvesco® (Asthma), **Latuda® (Schizophrenia)**



2-2. Expand North America Business

with LATUDA[®], Our Growth Driver

Revenues
(US\$ Mil.)



Exchange Rate:

FY2010: ¥87.8 per 1US\$

FY2014: ¥90.0 - do -

2-3. Profile of LATUDA®

**Launched in Feb. 2011 in U.S.
for Schizophrenia**



 **Latuda**®
(lurasidone HCl) tablets

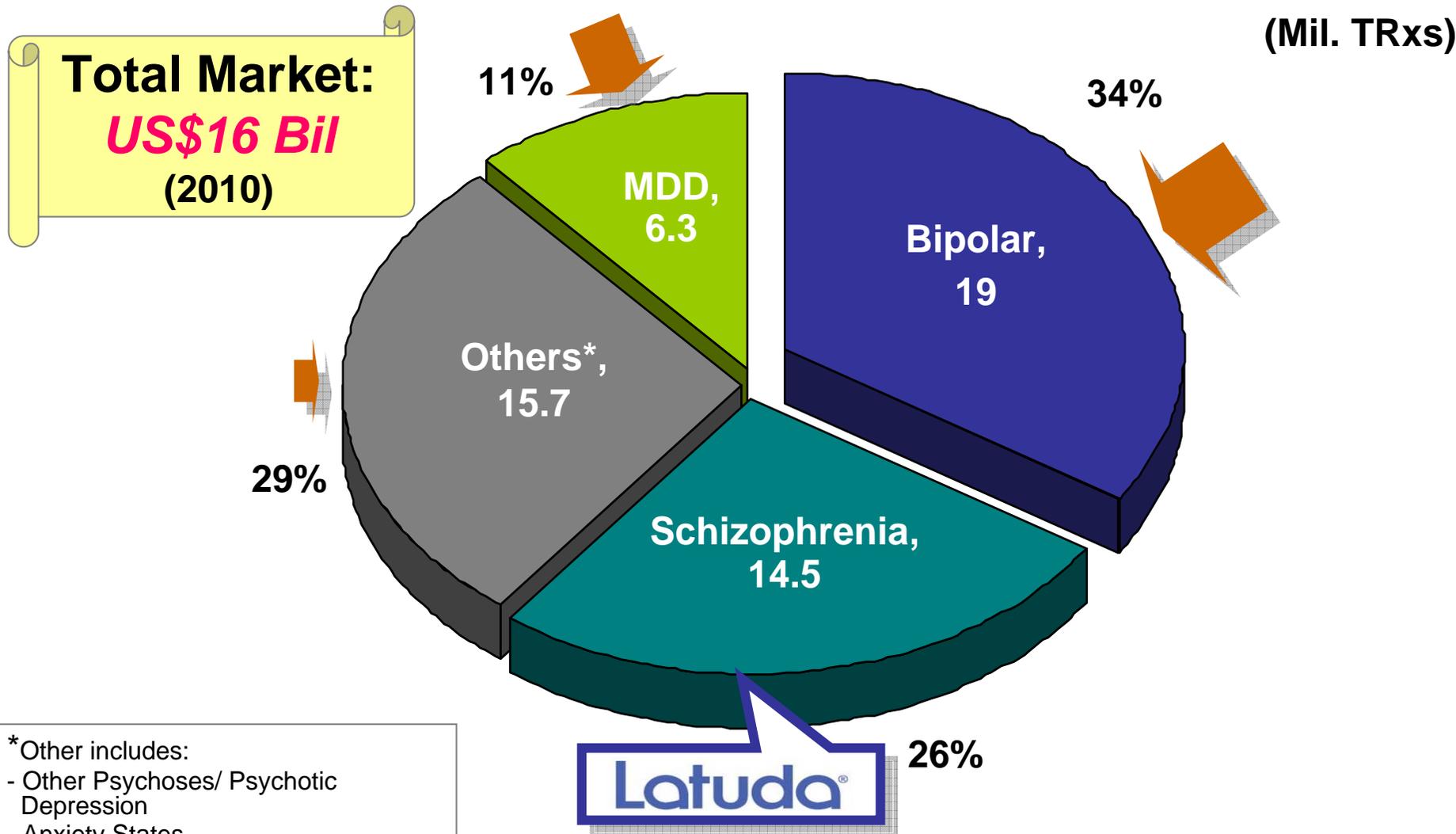
1st atypical antipsychotic to receive a first-cycle US FDA approval

- Clinical studies to date demonstrate LATUDA's significantly higher efficacy for Schizophrenia vs. placebo
- Favorable weight gain and metabolic profile
- No QTc warning on label

2-4. Atypical Antipsychotic Market (by Indications)

& Future Opportunity of LATUDA®

(Mil. TRxs)



Source: IMS, IMS NDTI 2010, and WK PHAST weekly report-rolling 52 weeks

2-5. Future Prospective for LATUDA®

Bipolar disorder (depression)

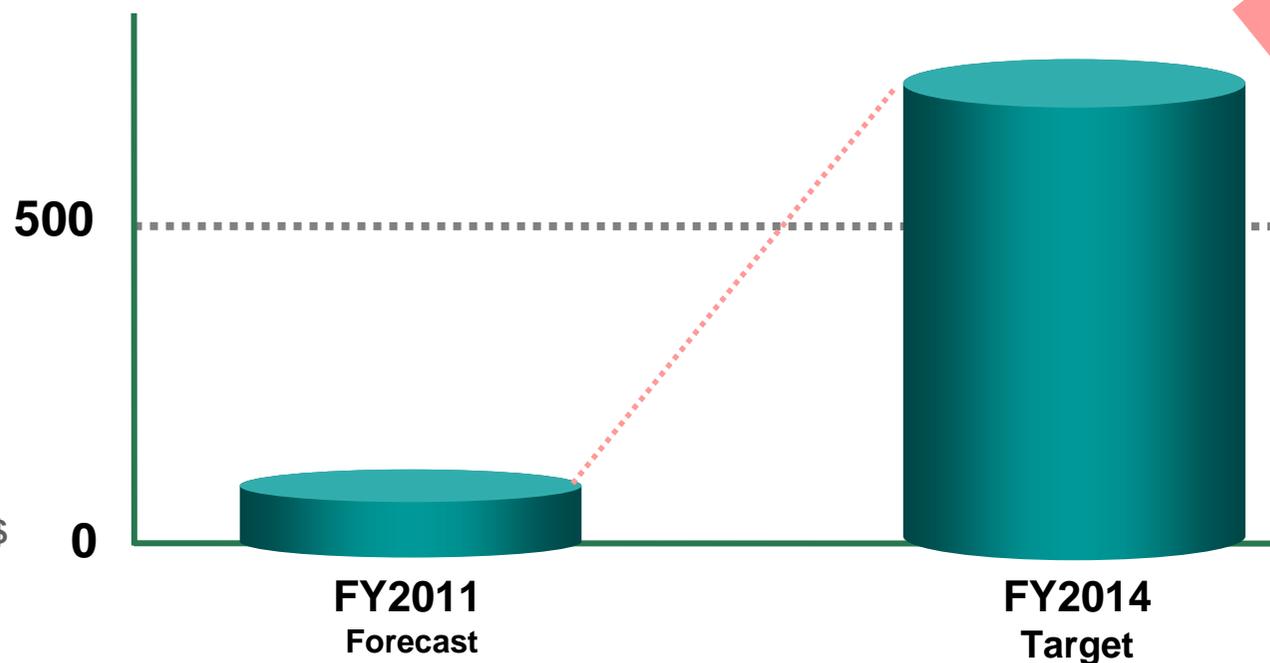
sNDA planned
in 2012

Bipolar maintenance

MDD with mixed features

Other studies under consideration

**Sales Forecast
(Mil. US\$)**



Exchange Rate:

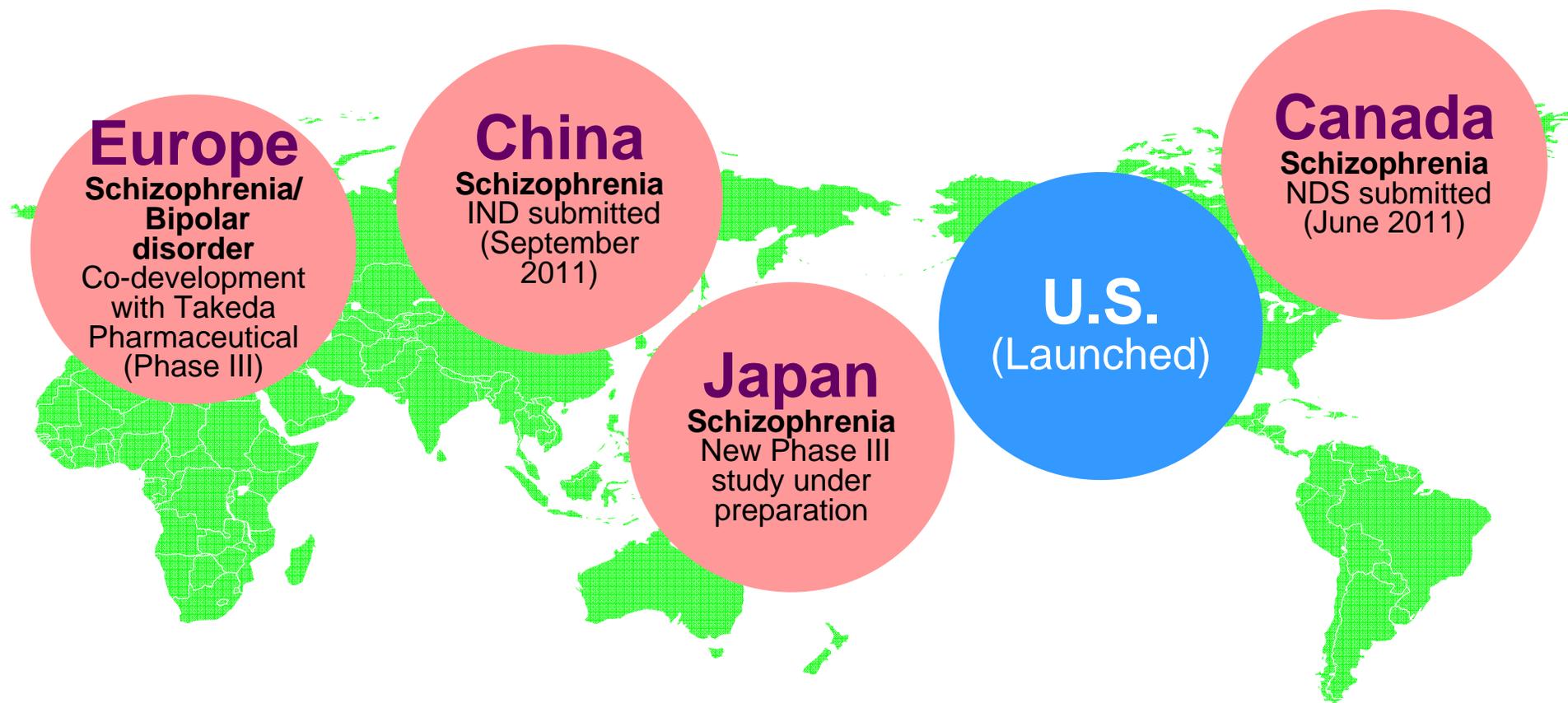
FY2011:

¥80.0 per 1US\$

FY2014:

¥90.0 - do -

2-6. Global Expansion of LATUDA®



2-7. Pipeline of U.S. Pharma Business

Product Pipeline for U.S. Excluding LATUDA® (as of December 1, 2011)

Brand name/ Product code	Generic name	Proposed indication	Phase I	Phase II	Phase III	NDA submitted
STEDESA™	eslicarbazepine acetate	Epilepsy-Adjunct				
Ciclesonide HFA Nasal Aerosol	ciclesonide	(New formulation) Allergic rhinitis				
SMP-986	afacifenacin fumarate	Overactive bladder				
DSP-8658	TBD	Alzheimer's disease Type 2 diabetes				
SEP-228432	TBD	Neuropathic Pain MDD				
DSP-1053	TBD	MDD				

Agenda

1. Company Profile

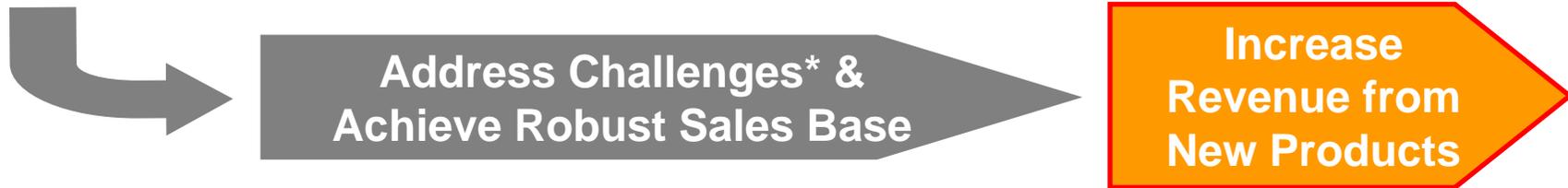
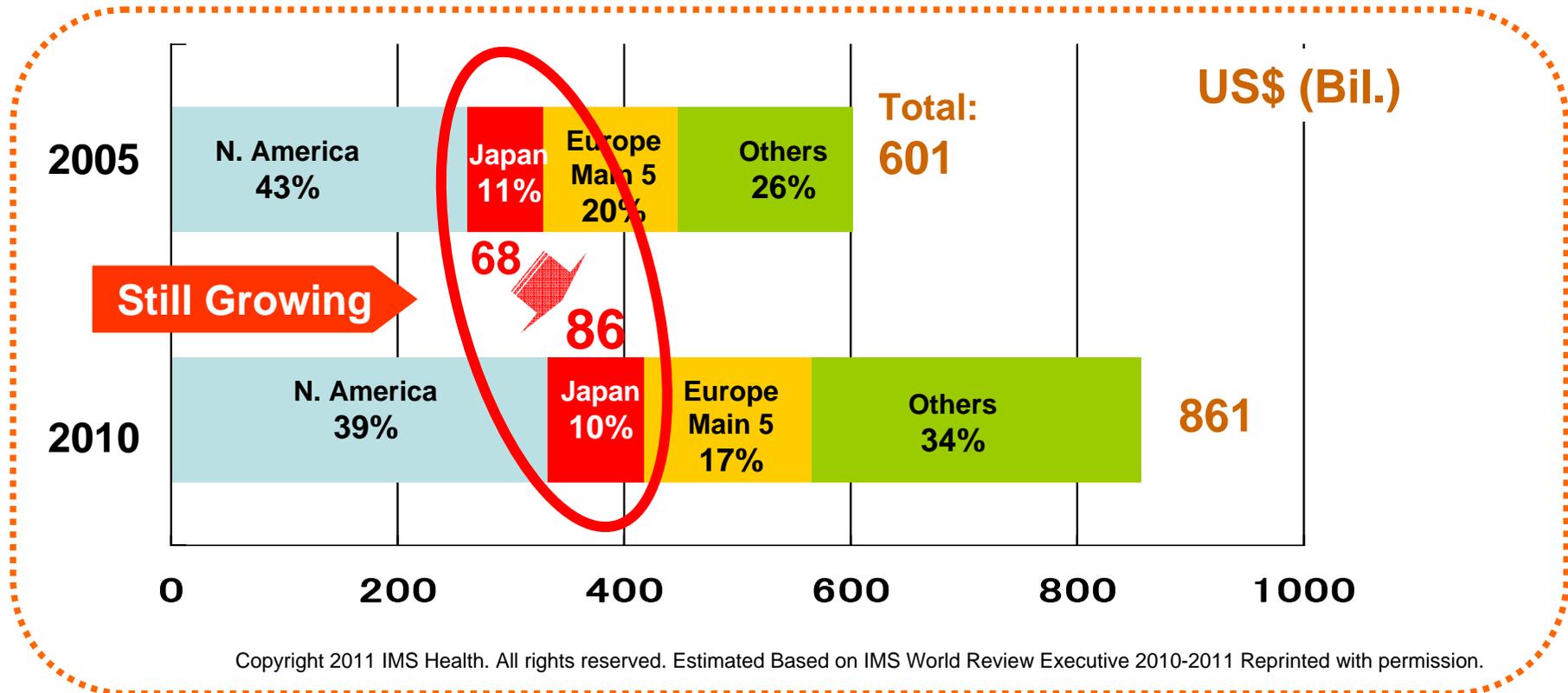
2. North America Business & LATUDA

3. Japan Business

4. Product Pipeline

3-1. Japanese Pharma Market & Our Efforts-1

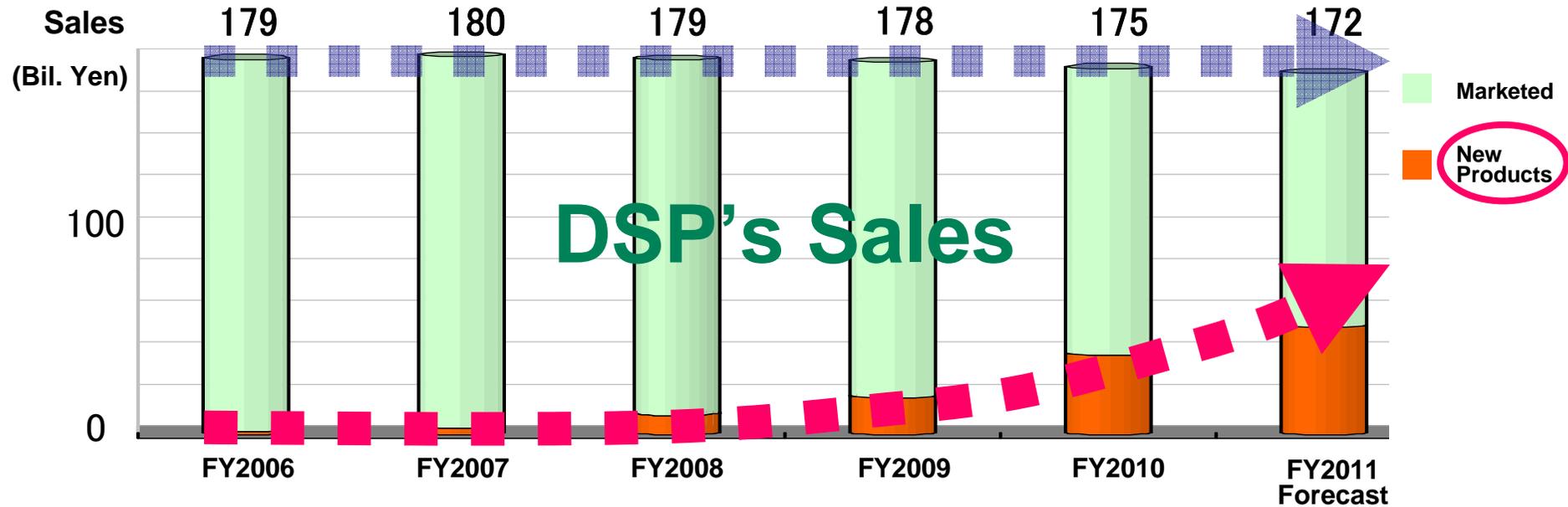
Japanese market is still growing, and key to our solid earning base



*NHI Price Cut, Increasing Generic Threat, etc.

3-2. Japanese Pharma Market & Our Efforts-2

- Contribution of Our New Products -



NHI Price Cut



NHI Price Cut & Amlodipine generic



NHI Price Cut




AmBisome®

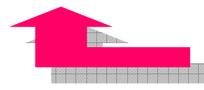

Replagal®


**LONASEN®
AVAPRO®**


**TRERIEF®
MIRIPLA®**


METGLUCO®


SUREPOST®


8 launches in 6 years


3-3. Strategy for Japan Pharma Business

Product Pipeline for Japan (as of December 1, 2011)

Brand name/ Product code	Generic name	Proposed indication	Phase I	Phase II	Phase III	NDA submitted	
DSP-8153	amlodipine besilate/irbesartan	Hypertension / Combination agent	NDA submitted in Nov. 2011				
LATUDA	lurasidone hydrochloride	Schizophrenia	New P III study under preparation				
AS-3201	ranirestat	Diabetic neuropathy	PIII study started				

- Other 9 products (including new indications) are under development for Japan
- Also striving to in-licensing late-stage compounds

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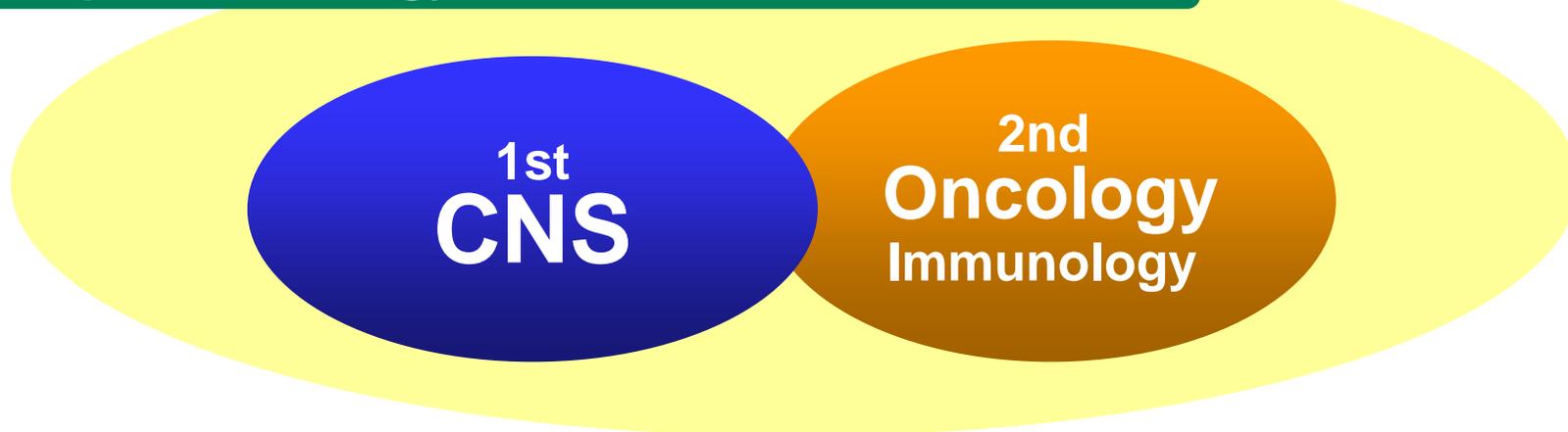
4-1. Product Pipeline

Current Status & Our Strategy

Current Status

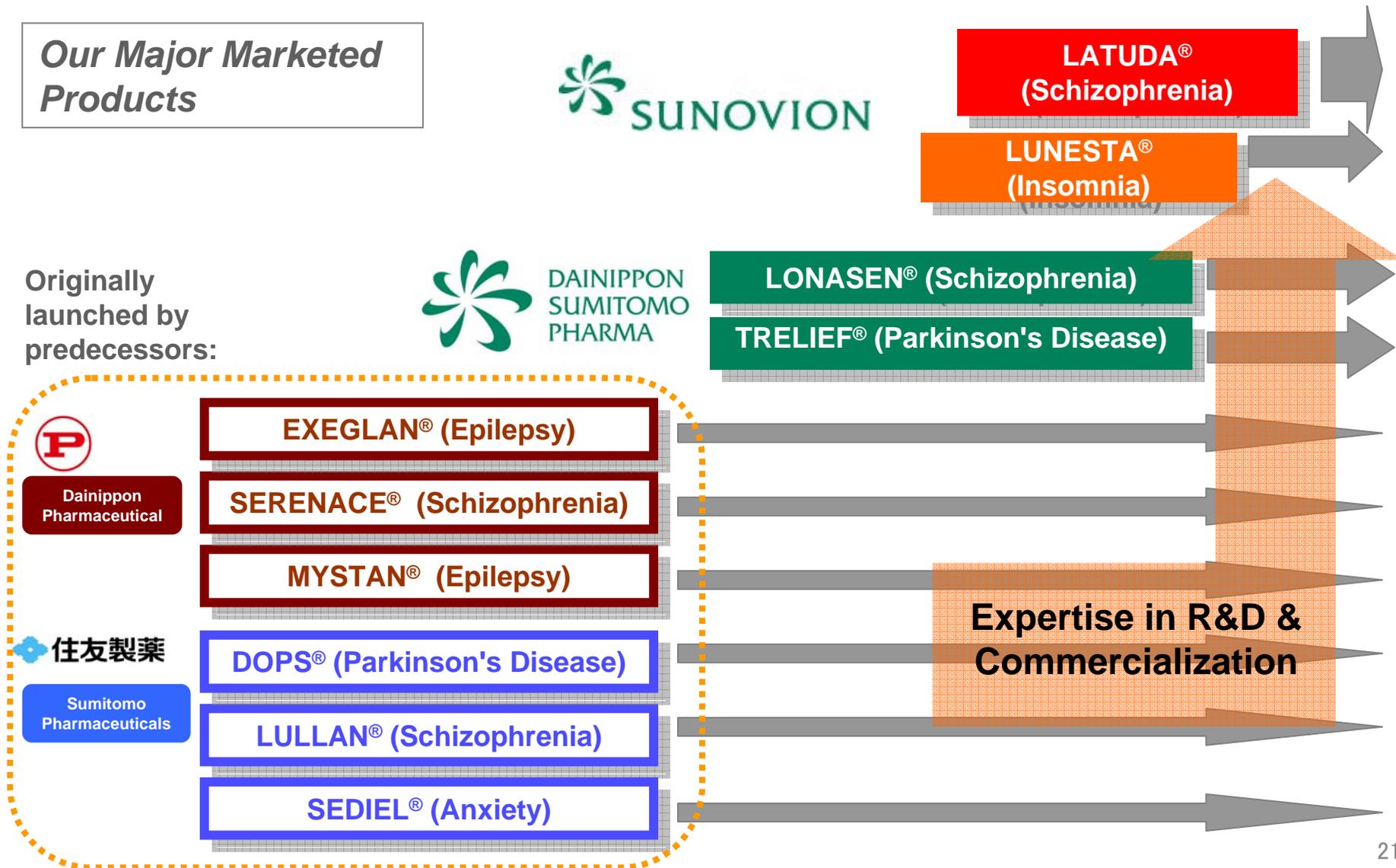
- R&D professionals: approx. 1,500
- 1,040 (Japan), 450 (U.S.), 20 (China)
- R&D costs: approx. US\$ Mil. 740 (FY2011 forecast)
- R&D facilities: Osaka (Japan), Massachusetts, New Jersey, London, Suzhou (China)

Therapeutic Strategy – Core Research Areas



4-2. DSP's Strong Expertise in CNS

- Our Strong Track Record ultimately led to LATUDA -



4-3. Development Pipeline (CNS) as of October 31, 2011

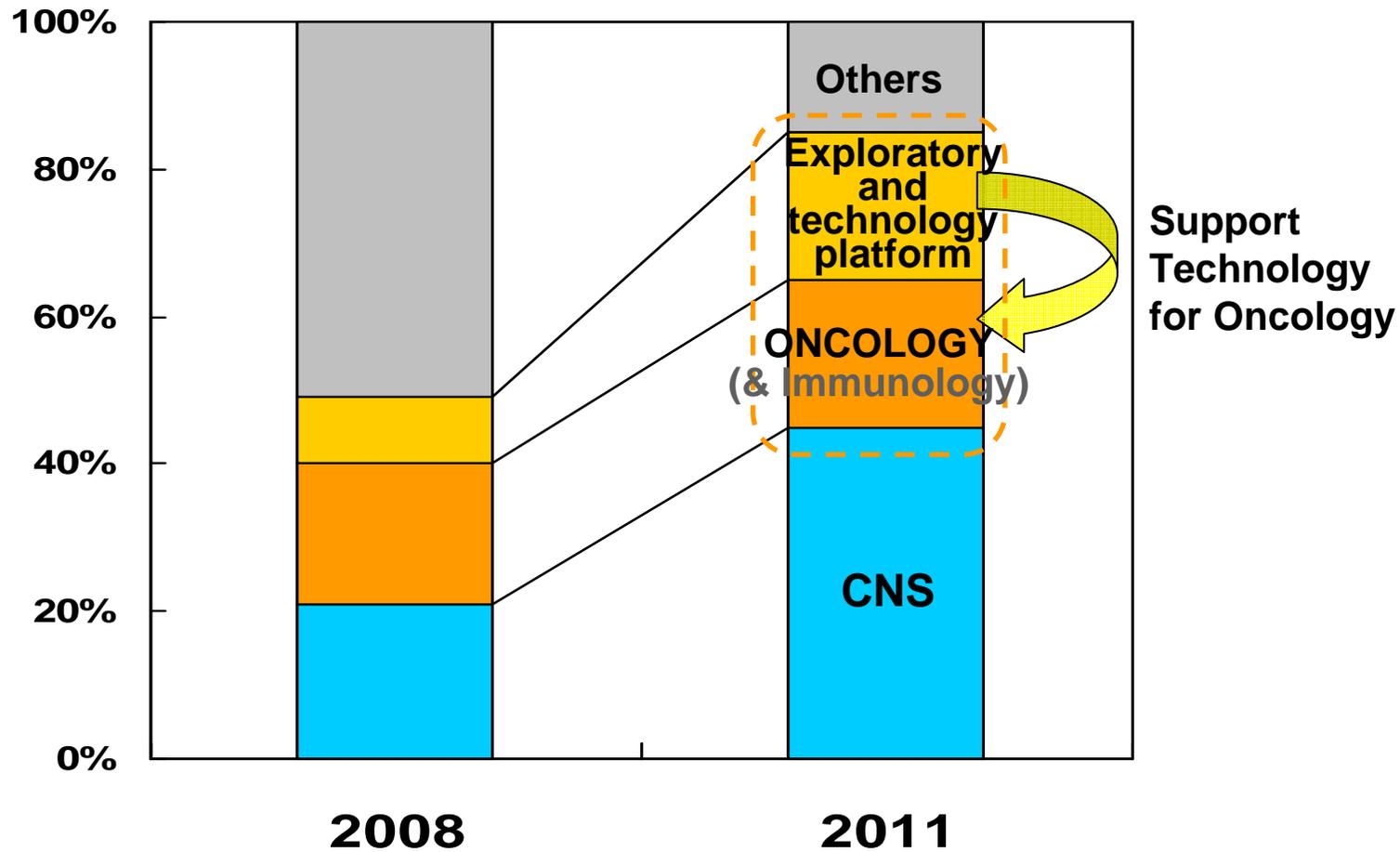
Domestic Overseas

Brand name/ Product code	Generic name	Proposed indication	Development location	Phase I	Phase II	Phase III	NDA submitted
LATUDA (SM-13496)	lurasidone hydrochloride	Schizophrenia	Canada	Overseas	Overseas	Overseas	
		(Change of maximum dose) Schizophrenia: 160mg daily	US	Overseas	Overseas	Overseas	
		Schizophrenia	Japan	Domestic			
		(New indication) Bipolar disorder (depression)	US/Europe, etc.	Overseas	Overseas	Overseas	
		(New indication) Bipolar disorder (maintenance)	US/Europe, etc.	Overseas	Overseas	Overseas	
		(New indication) MDD with mixed features	US	Overseas	Overseas	Overseas	
STEDESA™	eslicarbazepine acetate	Epilepsy-Adjunct	US	Overseas	Overseas	Overseas	
		Epilepsy-Adult monotherapy	US	Overseas	Overseas	Overseas	
DSP-8658	TBD	Alzheimer's disease	US	Overseas			
SEP-228432	TBD	Neuropathic Pain, Depression	US	Overseas			
DSP-1053	TBD	Depression	US	Overseas			

LATUDA(SM-13496) : Co-development with Takeda Pharmaceutical in Europe (Phase III Study : Schizophrenia , Bipolar disorder)

4-4. More Focus in CNS and Oncology

Allocation of research expenses (Japan)

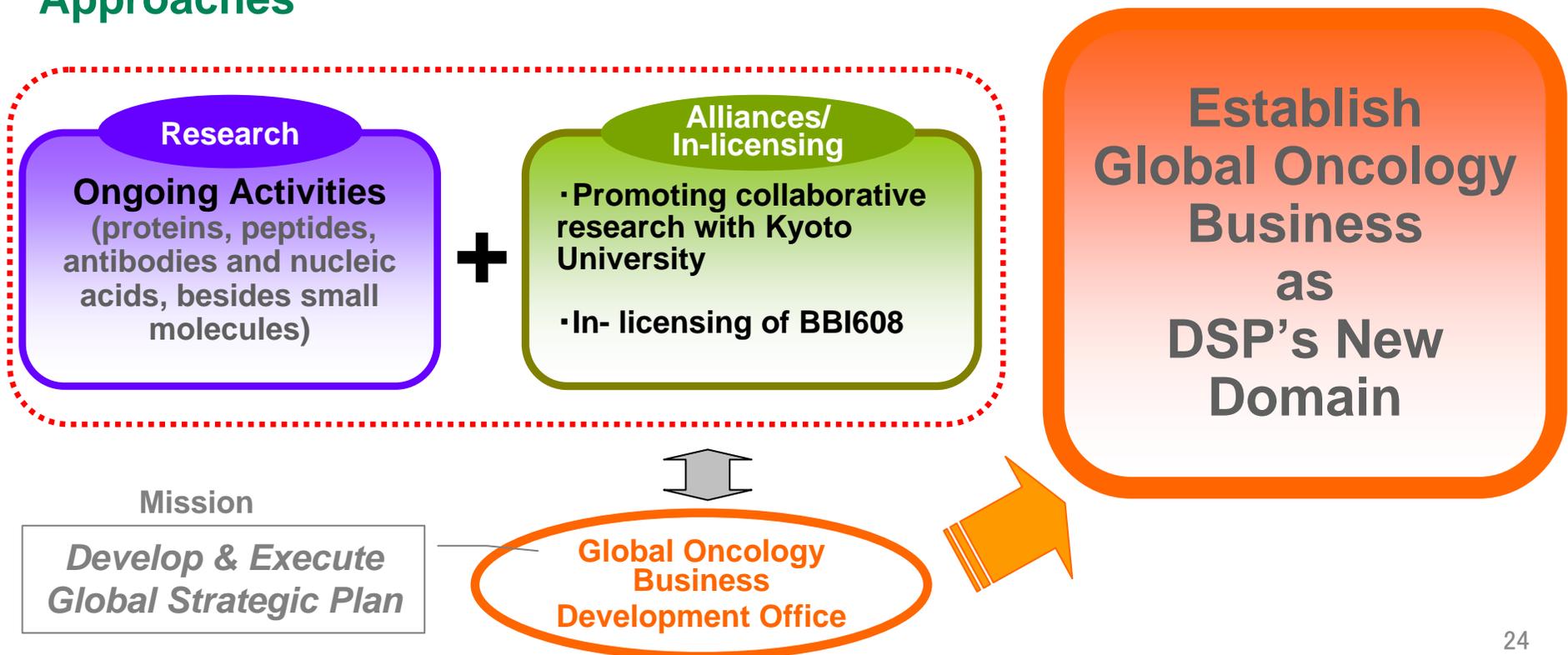


4-5. Our Commitment to Oncology

Rationale

- High unmet medical need still exists
- New breakthroughs can be expected
- Requires fewer sales reps

Approaches



4-6. Collaborating Partners - DSP & Sunovion

Joint Research



In-licensing

Out-licensing

Development
↓
Marketing



4-7. Recent In-licensing Agreements

- 4 Promising Products -

SB623

- **Originator: SanBio, Inc.**
- **Territory: U.S., Canada**
- **Indication: stroke recovery**
(Option Agreement)



BBI608

- **Originator: Boston Biomedical, Inc.**
- **Territory: Japan, Exclusive**
negotiation rights in North America
- **Indication: all oncology indications**
(Option Agreement)



INT-747

- **Originator: Intercept**
Pharmaceuticals, Inc.
- **Initial territory: Japan and China**
- **Initial indication: PBC, NASH**



ceftaroline fosamil

- **Originator: Takeda**
Pharmaceutical Company
Limited
- **Territory: Japan**
- **Indication: bacterial infection**
including MRSA infections



4-8. “Post-Latuda”

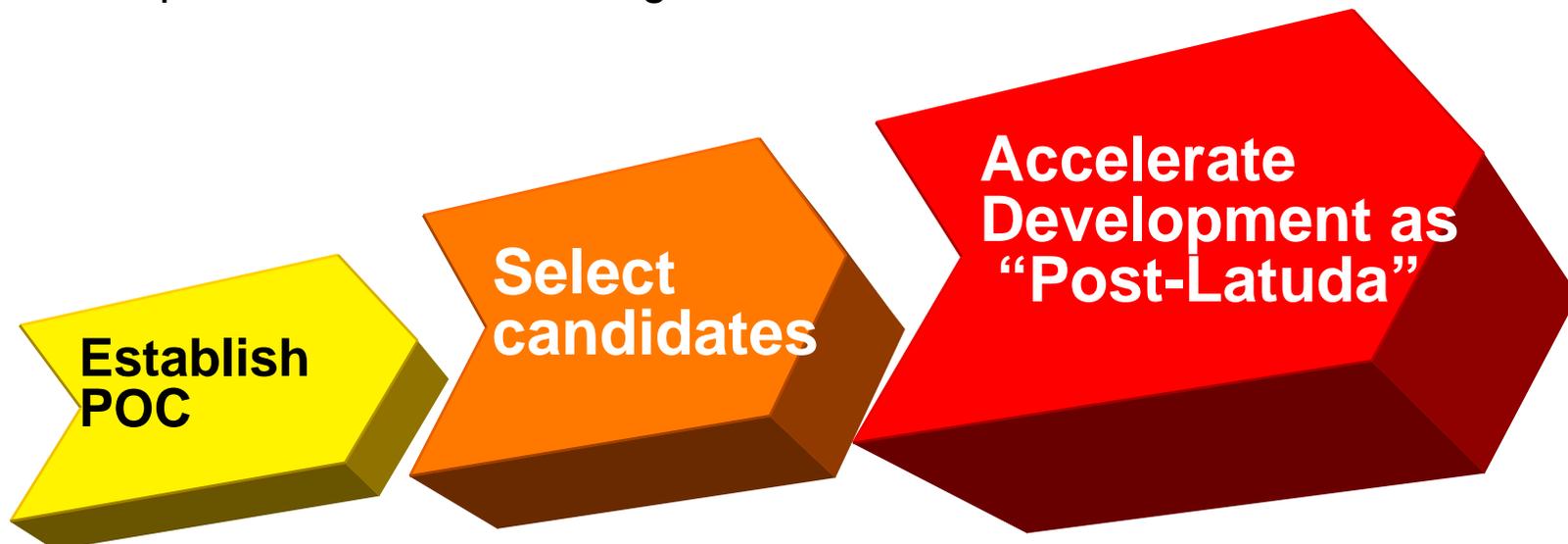
◆ Targeted areas

1st Priority: CNS

2nd Priority: specialty (including oncology)

◆ Candidates for “Post-Latuda”

- Development pipeline in the US, **DSP-8658** (AD), **DSP-1053** (depression), etc.
- Compounds in pre-clinical stage in **CNS** and **oncology** areas
- Compounds from in-licensing and alliance activities [**SB623** (stroke), etc.]



Summary

*DSP is making steady progress
towards*

Globally Competitive

R&D-Oriented

Pharmaceutical Company
