

May 27, 2010

For immediate release

Company name: JCR Pharmaceuticals Co., Ltd.
Representative: Shin Ashida, Chairman, President & CEO
(Securities Code: 4552, 2nd Section of OSE)
Contact: Yuichi Miura, Director, General Affairs
(Phone: +81-797-32-8591)

Company name: Dainippon Sumitomo Pharma Co., Ltd.
Representative: Masayo Tada, President & CEO
(Securities Code: 4506, 1st Section of TSE and OSE)
Contact: Atsuko Higuchi, Director, Corporate Communications
(Phone: +81-6-6203-1407)

JCR Pharmaceuticals and Dainippon Sumitomo Pharma sign an Assignment Agreement for the growth hormone business

JCR Pharmaceuticals Co., Ltd (Chairman, President & CEO; Shin Ashida, “JCR”) and Dainippon Sumitomo Pharma Co., Ltd. (President & CEO; Masayo Tada, “DSP”) announced the signing of an assignment agreement of the growth hormone business based upon resolutions passed in the meetings of their respective boards of directors held today. The Assignment Agreement gives effect to the letter of intent (the “LOI”) signed between the two companies on January 21, 2010, to terminate their co-marketing agreement for “GROWJECT®”, a recombinant human growth hormone, and to assign DSP’s growth hormone business (the “Business”) to JCR as of July 1, 2010, thereby enabling JCR to implement exclusive marketing of GROWJECT®.

1. Purpose of this transaction

GROWJECT® was launched by JCR in 1995. Thereafter, JCR and DSP executed a co-marketing agreement, pursuant to which both companies have been selling this product under an identical brand name.

The market conditions surrounding both companies’ growth hormone business proved difficult, partly affected by the national health insurance price revisions. In spite of such difficulty, the market position of GROWJECT® has steadily increased in recent years, prompted by new marketing initiatives jointly taken by both companies in 2006, which included the sharing of market information and improvement in the efficiency of

business operations for GROWJECT®. Under these circumstances, JCR and DSP discussed extensively concrete steps to reinforce the operations of this business and maximize sales of GROWJECT® in the future and reached the conclusion that it would be most desirable to consolidate the marketing of GROWJECT® business in JCR. Based on this background, the LOI was signed between the two companies and followed by the assignment agreement today.

JCR will integrate management resources of both companies pertaining to the growth hormone business to increase profitability as well as competitiveness while simultaneously pursuing synergistic effects expected from such strategy and further efficiency in this particular business. Even after the assignment and acceptance of the Business, both companies will continue exploring opportunities to strengthen mutual relations in the pharmaceutical business.

2. Property subject to the assignment and acceptance

JCR accepts the assignment of DSP's assets, accounts receivable and other properties, including data and information relating to GROWJECT® which DSP possesses for operating the Business.

3. Anticipated timeline

May 27, 2010: execution of the assignment agreement

July 1, 2010: effective date of the assignment (start of exclusive marketing by JCR)

4. Impact on operating results

No major impact by the assignment and acceptance of the Business is expected on operating results of either company.

5. Details of the notifying companies (as of March 31, 2010)

JCR Pharmaceuticals Co., Ltd.

1. Representative	Shin Ashida, Chairman, President & CEO
2. Headquarters	3-19, Kasuga-cho, Ashiya, Hyogo Prefecture
3. Established	September 1975
4. Business	Manufacture and sale/purchase of pharmaceuticals, pharmaceutical bulk materials, and pharmaceutical raw materials
5. Fiscal year-end	March 31
6. Employees	311(consolidated)

7. Capital	8,061 million yen
8. Sales	14,387 million yen (consolidated; March 2010)

Dainippon Sumitomo Pharma Co., Ltd.

1. Representative	Masayo Tada, President & CEO
2. Headquarters	6-8, Doshomachi 2-chome, Chuo-ku, Osaka
3. Established	May 1897
4. Business	Manufacture, sale/purchase, and import/export of pharmaceuticals, medical equipment, veterinary products, food additives, industrial chemicals, and other chemical products
5. Fiscal year-end	March 31
6. Employees	7,407 (consolidated)
7. Capital	22,400 million yen
8. Sales	296,261 million yen (consolidated; March 2010)