



June 26, 2009

Company Name: Dainippon Sumitomo Pharma Co., Ltd.

President: Masayo Tada

Stock Exchange: Listings: Tokyo and Osaka

Security Code Number: 4506

Announcement of establishment of a holding company in the U.S.

The Company announces that at its meeting held on June 26, the Board of Directors decided to establish a wholly-owned company (a holding company) in the United States in July this year as follows:

1. Purposes and an outline of the holding company

The Company has been promoting a business development in the United States with emphasis on development and launching of “lurasidone”, which is under clinical development for schizophrenia, under the Mid-term Business Plan which aims at full formation and enhancement of the business foundation toward the Company’s globalization. A wholly-owned holding company has been decided to be established in the U.S. as part of the Mid-term Business Plan.

In the United States, Dainippon Sumitomo Pharma America, Inc. (DSPA), the Company’s wholly-owned U.S. firm, is now forwarding global development of lurasidone as well as preparation for building of a selling system for this particular product. DSPA is going to be a 100%-owned subsidiary of this holding company.

A new sales subsidiary is also planned to be formed under the holding company in the future.

2. An outline of the holding company

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| (1) Company Name: | Dainippon Sumitomo Pharma America Holdings, Inc.
(planned) |
| (2) Representative: | Nobuhiko Tamura |
| (3) Address: | One Bridge Plaza, Suite 510, Fort Lee, NJ, U.S.A. |
| (4) Date of establishment: | July 2009 |
| (5) Capital: | \$23,000,000 |
| (6) Shareholders | 100% owned by the Company |
| (7) Account closing: | December |

3. Way of capitalization

The Company contributes \$22,400,000 in cash and \$600,000 in kind (DSPA shares) to the holding company, and the holding company simultaneously transfers \$21,400,000 to DSPA in the form of capital increase of DSPA.

4. Impact on financial results of the Company

Slight impact is given by formation of the holding company to financial results of the Company.