

November 27, 2009

For immediate release

Company Name: Dainippon Sumitomo Pharma Co., Ltd.

Representative: Masayo Tada, President & CEO
(Securities Code: 4506, 1st Section of TSE and OSE)

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Notice of Restructuring (Company Split) of the Company's Non-pharmaceutical Operations

Dainippon Sumitomo Pharma Co., Ltd. (the "Company") passed a resolution, in the meeting of its board of directors held on November 27, 2009, on the plan to implement the company split of the Company's non-pharmaceutical operations, specifically Animal Health Products business and Food & Speciality Products business (the "Business") respectively, and transfer the former to a company which will be incorporated hereafter and the latter to Gokyo Trading Co., Ltd. ("Gokyo"), which is the Company's consolidated subsidiary (the "Company Split").

Through the restructuring of the Business and fostering structural improvement, the Company aims to further strengthen these two operations and thereby increase the Company's group business power. Details are described as below:

I The Company Split of the Animal Health Products Business (Incorporation-type Company Split)

1. Purpose of the Company Split

Through the spin off of Animal Health Products business and the transition thereof to the stand-alone basis, while maintaining or rather reinforcing close relations with the Company's R&D sector, by which more latitude of the business management liberalization will be given, the management responsibility of this particular business will be further clarified and the decision-making process will be simplified for higher efficiency, aiming at further increase of profitability. The new company is intended to become a leading company specializing in animal health business, realizing managerial decision-making and business development systems more responsive to changes in customer, market and business environment based on a productive agile business management structure with cost-effective operations.

2. Outline of the Company Split

(1) Schedule

January 21, 2010 (planned): Approval of the Company Split Plan by the board of directors

July 1, 2010 (planned): Date of the Company Split (the effective date)

July 1, 2010 (planned): Date of registration of the incorporation of the new company

This Company Split shall be implemented without obtaining the approval thereof by a resolution of a shareholders meeting, pursuant to the provision of Article 805 of the Companies Act of Japan.

(2) Company Split Method

An incorporation-type company split(a simple company split), in which the Company shall be the splitting company and the new company shall be the succeeding company.

(3) Share Allotments

All the common shares to be issued by the new company upon the Company Split shall be allotted to the Company. The number of shares to be issued will be announced as soon as decided

(4) Treatment of Share Options, etc.

The Company has issued neither any share options nor bonds with share options.

(5) Decrease in Capital, etc., Due to the Company Split

There will be no decrease in capital, etc. of the Company due to the Company Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

The new company shall succeed to the assets, liabilities, status under contracts (except for employment contracts) related to the Animal Health Products business of the Company and all other rights and obligations thereof to the extent specified by the Company Split Plan. As regards succession to the obligations, it will be carried out by an assumption of obligations without exempting the Company therefrom.

(7) Prospect for Fulfillment of Obligations

The Company has concluded that there will be no problems regarding the certainty of fulfilling the obligations to be borne by the Company and the new company after the

Company Split.

3. Summary of the Company Involved in the Company Split (as of March 31, 2009)

(1) Name	Dainippon Sumitomo Pharma (Splitting Company)
(2) Head Office	6-8, Doshomachi 2-Chome, Chuo-ku, Osaka
(3) Representative	Masayo Tada, President and Chief Executive Officer
(4) Business	Manufacture, sale/purchase, and import/export of pharmaceuticals, veterinary products, food additives, industrial chemicals, and other chemical products, etc.
(5) Capital	22,400 million yen
(6) Established	May 1897
(7) Outstanding Shares	397,900,154 shares
(8) Fiscal Year-End	March 31
(9) Number of Employees	4,787 (consolidated)
(10) Major Clients	MEDIPAL HOLDINGS CORPORATION Alfresa Corporation
(11) Major Financing Banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(12) Major Shareholders and Shareholding Ratio	Sumitomo Chemical Co., Ltd. 50.12% Inabata & Co., Ltd. 6.86% The Master Trust Bank of Japan, Ltd.(Trust Account) 4.17% Nippon Life Insurance Company 2.65% Japan Trustee Services Bank, Ltd (Trust account) 2.56%

Note: The details of the new company have not yet been determined, and will be announced later upon such determination.

4. Operating Results for the Last Three (3) Years of the Company Involved in the Company Split (Consolidated Basis)

(Unit: million yen)

Fiscal Years Ended	Dainippon Sumitomo Pharma (Splitting Company)		
	March 31, 2007	March 31, 2008	March 31, 2009
Net Assets	306,012	318,277	324,495
Total Assets	382,535	399,790	391,294
Net Assets per Share (yen)	767.52	800.63	816.49
Net Sales	261,213	263,992	264,037
Operating Profit	45,554	39,813	31,166
Recurring Profit	43,181	37,657	31,395
Net Profit of the Current Fiscal Year	22,605	25,591	19,987
Net Profit of the Current Fiscal Year per Share (yen)	56.86	64.39	50.30

Dividends per Share (yen)	14.00	18.00	18.00
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5. Summary of the Business Division to be Split Off

(1) Description of the Business of the Division to be Split Off

Sales, purchase, export and import of drugs for animal, feeds, feed additives and medical devices for animal

(2) Operating Results of the Division to be Split Off (Unit: million yen)

	March 31,2009 The Division to be Split Off (a)	March 31,2009 The Company (unconsolidated basis) (b)	Ratio (a/b)
Net Sales	29,648	248,433	11.9%

(3) Items and Amounts of Assets and Liabilities to be Split Off

To be announced as soon as decided.

6. Status of the Company after the Company Split

(1) There will be no change to the company name, description of business, location of the head office, representative, capital, and fiscal year.

(2) Outlook

No major impact is expected on the Company's consolidated operating results.

II. The Company Split of the Food & Speciality Products Business with the transfer thereof to Gokyo (Absorption-type Company Split)

1. Purpose of the Company Split

The Company Split is implemented, whereby integrating the Company's R& D and marketing functions into Gokyo, a trading company, mainly handling foods and chemical products, aiming to be a completely new corporation that maximizes synergy effects for expanding the existing business functions in the field of foods and chemicals through the transaction where R&D and marketing functions will be integrated and strengthened up to a highly sophisticated and competitive level. The new company is intended to become a R & D oriented company who is able to create numerous new ideas and practical measures for launching differentiated products into the market based on its own originalities fostered through continued R & D activities and profound marketing/sales experiences. The new company will be operated under its business management strategies including prioritization for pursuing profit with value-added products.

2. Outline of the Company Split

(1) Schedule

January 21, 2010 (planned) Approval of the Company Split Contract by the board of directors

July 1, 2010 (planned) Date of the Company Split (the effective date)

July 1, 2010 (planned) Date of registration of the Company Split

Because this is a simple company split for the Company as provided for in Article 784, Paragraph 3 of the Companies Act of Japan and a summary-method company split for Gokyo as provided for in Article 796, Paragraph 1 of the same Act, neither company will convene a general meeting of the shareholders to obtain shareholders' approval of the Company Split.

(2) Company Split Method

An absorption-type company split (a simple company split) in which the Company shall be the splitting company and Gokyo shall be the succeeding company.

(3) Share Allotments

No share will be allotted when the Company Split takes place.

(4) Treatment of Share Options, etc.

The Company has issued neither any share options nor bonds with share options.

(5) Decrease in Capital, etc., Due to the Company Split

There will be no decrease in capital, etc. of the Company due to the Company Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

Gokyo shall succeed to the assets, liabilities, status under contracts (except for employment contracts) related to the Food & Speciality Products business and all rights and obligations thereof to the extent specified by the Company Split Contract. As regards succession to the obligations, it will be carried out by an assumption of obligations without exempting the Company therefrom.

(7) Prospect for Fulfillment of Obligations

The Company has concluded that there will be no problems regarding the certainty of fulfilling the obligations to be borne by the Company and the new company after the Company Split.

3. Summary of the Company Involved in the Company Split (as of March 31, 2009)

(1) Name	Dainippon Sumitomo Pharma (Splitting Company)	Gokyo Trading (Succeeding Company)
(2) Head office	6-8, Doshomachi 2-Chome, Chuo-ku, Osaka	2-7, Kawaramachi 2-Chome, Chuo-ku, Osaka
(3) Representative	Masayo Tada, President and Chief Executive Officer	Seiichi Yamamoto, President and Chief Executive Officer
(4) Business	Manufacture, sale/purchase, and import/export of pharmaceuticals, veterinary products, food additives, industrial chemicals, and other chemical products, etc.	Sale, export and import of food additives, chemical products and fine chemicals
(5) Capital	22,400 million yen	100 million yen
(6) Established	May 1897	October 1947
(7) Outstanding Shares	397,900,154 shares	2,000,000 shares
(8) Fiscal Year-End	March 31	March 31
(9) Number of Employees	4,787 (Consolidated)	86
(10) Major Clients	MEDIPAL HOKDINGS CORPORATION, Alfresa Corporation	Dainippon Sumitomo Pharma Co., Ltd. Mitsui Chemicals, Inc
(11) Major Financing Banks	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(12) Major Shareholders and Shareholding Ratio	Sumitomo Chemical Co., Ltd. 50.12% Inabata & Co., Ltd. 6.86% The Master Trust Bank of Japan, Ltd. (Trust Account) 4.17%	Dainippon Sumitomo Pharma Co., Ltd. 96.3%

	Nippon Life Insurance Company 2.65%	
	Japan Trustee Services Bank, Ltd (Trust account)	
	2.56%	

4. Operating Results for the Last Three (3) Years of the Company Involved in the Company Split

(Unit: million yen)

Fiscal Years Ended	Dainippon Sumitomo Pharma (consolidated) (Splitting Company)			Gokyo Trading (Succeeding Company)		
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2007	March 31, 2008	March 31, 2009
Net Assets	306,012	318,277	324,495	1,939	2,150	2,366
Total Assets	382,535	399,790	391,294	9,430	9,233	8,996
Net Assets per Share (yen)	767.52	800.63	816.49	969.94	1075.32	1,183.20
Net sales	261,213	263,992	264,037	20,794	22,224	22,301
Operating Profit	45,554	39,813	31,166	292	476	507
Recurring Profit	43,181	37,657	31,395	286	467	518
Net Profit of the Current Fiscal Year	22,605	25,591	19,987	122	271	295
Net Profit of the Current Fiscal Year per Share (yen)	56.86	64.39	50.30	61.48	135.57	147.60
Dividends per Share (yen)	14.00	18.00	18.00	7.50	7.50	7.50

5. Summary of the Business Division to be Split Off

(1)Description of Business of the Division to be Split Off

Sales, purchase, export and import of food additives, industrial chemicals and other chemical products

(2)Operating Results of the Division to be Split Off

(Unit: million yen)

	March 31,2009 The Division to be Split Off (a)	March 31,2009 The Company (unconsolidated basis) (b)	Ratio (a/b)
Net sales	9,634	248,433	3.9%

(3)Items and Amounts of Assets and Liabilities to be Split Off

To be announced as soon as decided.

6. Status of the Company after the Company Split

(1) There will be no change to the company name, description of business, location of head office, representative, capital, and fiscal year.

(2) Outlook

No major impact is expected on the Company's consolidated operating results.