

January 21, 2010

For immediate release

Company Name: Dainippon Sumitomo Pharma Co., Ltd.  
Representative: Masayo Tada, President & CEO  
(Securities Code: 4506, 1<sup>st</sup> Section of TSE and OSE)  
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Company Split (Absorption-type Company Split) of the Company's  
Food & Speciality Products business

Dainippon Sumitomo Pharma Co., Ltd. (the "Company") executed a contract on the absorption-type company split that is to transfer the Company's Food & Speciality Products business to Gokyo Trading Co., Ltd. ("Gokyo"), who is one of the Company's consolidated subsidiaries. Meanwhile, the principle of this company split matter was decided at the meeting of the Board of Directors held on November 27, 2009 and then announced publicly.

**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	Approval of the Company Split Contract by the board of directors
January 21, 2010	Execution of the Company Split Contract

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 prospect for fulfillment of the obligations to be borne by the Company and the succeeding 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) *1
(2) Head office	6-8, Doshomachi 2-Chome, Chuo-ku, Osaka	2-7, Kawaramachi 2-Chome, Chuo-ku, Osaka *2
(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% Nippon Life Insurance Company 2.65% Japan Trustee Services Bank, Ltd. (Trust account) 2.56%	Dainippon Sumitomo Pharma Co., Ltd. 96.3% *3

\*1 The corporate name is scheduled to be changed to "DSP Gokyo Food & Chemical Co., Ltd" as of July 1, 2010.

\*2 The location of the head office is scheduled to be changed to 5-51, Ebie 1-chome, Fukushima-ku, Osaka as of July 1, 2010.

\*3 The shareholding ratio of Dainippon Sumitomo Pharma Co., Ltd. is 100% as of January 2010.

#### 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	1,075.32	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

Manufacture, processing, 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 (as of September 30, 2009)

(Unit: million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	6,041	Current liabilities	—
Fixed assets	701	Fixed liabilities	72
Total	6,742	Total	72

**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.