

January 21, 2010

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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Company Split (Incorporation-type Company Split) of the Company's
Animal Health Products business

The Board of Directors of Dainippon Sumitomo Pharma Co., Ltd. (the "Company") approved at its meeting held on January 21, 2010 a plan of the incorporation-type company split that is to transfer the Company's Animal Health Products business to DS Pharma Animal Health Co., Ltd. ("DS Pharma Animal Health") to be newly incorporated. 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

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	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 DS Pharma Animal Health shall be the succeeding company.

(3) Share Allotments

All the common 2,000 shares to be issued by DS Pharma Animal Health upon the Company Split shall be allotted to the Company.

(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

DS Pharma Animal Health shall succeed to the assets, liabilities, 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 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)

	Splitting Company (as of March 31, 2009)	Succeeding company (plan as of July 1, 2010)
(1) Name	Dainippon Sumitomo Pharma (Splitting Company)	DS Pharma Animal Health Co., Ltd.
(2) Head Office	6-8, Doshomachi 2-Chome, Chuo-ku, Osaka	5-51, Ebie 1-chome, Fukushima-ku, Osaka
(3) Representative	Masayo Tada, President and Chief Executive Officer	Satoshi Ijuin, 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.	Manufacture, processing, sale/purchase, and import/export of veterinary medicines, veterinary reagents, medical devices for animals, feedstuff, and feed additives
(5) Capital	22,400 million yen	100 million yen
(6) Established	May 14, 1897	July 1, 2010
(7) Outstanding Shares	397,900,154 shares	2,000 shares
(8) Fiscal Year-End	March 31	March 31
(9) Number of Employees	4,787 (consolidated)	91
(10) Major Clients	MEDIPAL HOLDINGS CORPORATION Alfresa Corporation	JAPPELL Co., Ltd., MORIKUBO YAKUHIN, Asco Co., Ltd.
(11) Major Financing Banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Banking Corporation
(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 100%

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

(Unit: million yen)

	Dainippon Sumitomo Pharma (Splitting Company)		
Fiscal Years Ended	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

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 (as of September 30, 2009) (Unit: million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	5,251	Current liabilities	21
Fixed assets	141	Fixed liabilities	503
Total	5,393	Total	525

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.