

December 14, 2010  
Dainippon Sumitomo Pharma Co., Ltd.

### **Merger of the Chinese subsidiaries completed**

Dainippon Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; President: Masayo Tada) announces that all the procedures for merger between Sumitomo Pharmaceuticals (Suzhou) Co., Ltd. (hereinafter called “Sumitomo Pharma (Suzhou)”) and Kyowa Hakko Pharmaceuticals (Suzhou) Co., Ltd. (hereinafter called “Kyowa Hakko (Suzhou)”) have been completed and an operating license has been obtained for this merged company from the Chinese authorities concerned.

In November 2008, we obtained an agreement from Kyowa Hakko Kirin Co., Ltd. (Tokyo, Japan) to take over the business of Kyowa Hakko (Suzhou), their Chinese subsidiary, for the purpose of enhancement of our production capability in China. Thereafter, we have proceeded with preparation for starting production operation and also procedures for making Sumitomo Pharma (Suzhou) the surviving corporation in China.

Preparation at the production factory of former Kyowa Hakko (Suzhou) is underway for start of packaging operations sometime in the first quarter of year 2011. We are determined to further expand our business in the Chinese pharmaceutical market which is expected to continue to grow at a high pace.

#### <Reference>

●An outline of the newly merged company

- (1) Corporate name: Sumitomo Pharmaceuticals (Suzhou) Co., Ltd.
- (2) Representative: Takeshi Nakajima
- (3) Location: Suchun Industrial Estate #22, No. 428 Xinglong Street, SIP, Suzhou, 215126, China
- (4) Established: December 2003
- (5) Line of business: Manufacturing and sales of pharmaceuticals
- (6) Date of book closing: December 31
- (7) Employees: 525 (as of November 30, 2010)
- (8) Capital: 35 million dollars
- (9) Sales: 4.1 billion yen (fiscal 2009)