



Press Release, July 31, 2009

**CMIC and DAIICHI SANKYO Sign Memorandum of Understanding (MOU)
on Transfer of Ownership of the
DAIICHI SANKYO PROPHARMA Shizuoka Plant**

CMIC Co., Ltd. (Head Office: Tokyo; CEO: Kazuo Nakamura; hereafter “CMIC”), and DAIICHI SANKYO CO., LTD. (Head Office: Tokyo; President and CEO: Takashi Shoda; hereafter “DAIICHI SANKYO”), have signed a binding MOU whereby the Shizuoka Plant of DAIICHI SANKYO’s wholly owned subsidiary DAIICHI SANKYO PROPHARMA CO., LTD., (Head Office: Tokyo; President: Masahiro Okabe; hereafter “DAIICHI SANKYO PROPHARMA”) will be transferred to the ownership of CMIC. This transfer includes the land, buildings and facilities of the Shizuoka Plant. Under the MOU, CMIC will manufacture the plant’s existing products under a contract manufacturing organization (CMO) relationship.

1. Reasons for the Acquisition

The CMIC Group has built a system to support the pharmaceutical development, manufacturing and marketing activities of pharmaceutical companies. Based on its unique business model as a Pharmaceutical Value Creator (PVC), CMIC strives to help pharmaceutical companies maximize their value. At present, CMIC is working to strengthen and enhance its support services and further expand its earnings base.

Specifically, while building contract research organization (CRO^{*1}) and site management organization (SMO^{*2}) businesses, which are among Japan’s largest in their respective fields, CMIC is also strengthening its contract manufacturing organization (CMO^{*3}) and contract sales organization (CSO^{*4}) businesses. CMIC operates plants in its CMO business in Japan, South Korea and the United States and has built a strong track record and reputation for high quality and flexible, stable manufacture and supply. CMIC has recently been considering the need to acquire a plant for the purpose of expanding domestic contract

manufacturing of pharmaceutical formulations, and in particular solid dosage and injectable formulations.

Through the plant acquisition announced this time, as the CMO market steadily expands, the CMIC Group's CMO business will become one of the largest CMOs in Japan, capable of manufacturing almost all formulation types domestically. A key trend among the CMIC Group's clients is toward divestiture of manufacturing operations and greater use of outsourcing. The CMIC Group is responding to this trend by working to meet the diverse needs of its clients even more flexibly and swiftly.

In the CMO business, the CMIC Group will aim to maximize its strengths while striving aggressively to boost orders from existing clients and win new clients. The CMIC Group is committed to remaining flexible and responsive as it implements strategies that are in tune with current industry needs and lead to enhanced corporate value.

2. Overview of the DAIICHI SANKYO PROPHARMA Shizuoka Plant

Location	1-588, Kanaya-azuma, Shimada, Shizuoka
Area	210,000 square meters
Commencement of operations	1965
Number of employees (as of July 2009)	387
Manufacturing capacity	Tablet formulations: 1.5 billion/year Capsule formulations: 500 million capsules/year Granule/powder formulations: 200 tons/year Injectable formulations: 3.0 million units/year
Principal products	Ethical drugs Cravit [®] tablets, Transamin capsules, Pantethine powder, Omnipaque [®] in syringes, etc.

3. Method of Transfer

DAIICHI SANKYO will establish a new wholly owned subsidiary (name to be decided; hereafter “the new Shizuoka company”), which will assume the assets of the business to be transferred through an absorption-type company split. Subsequently, CMIC plans to acquire all the shares of the new Shizuoka company from DAIICHI SANKYO. After the transfer of shares, DAIICHI SANKYO will move production of certain products to other manufacturing plants of DAIICHI SANKYO PROPHARMA, while the remainder will continue to be produced at the new Shizuoka company under a CMO arrangement.

4. Schedule

October 2009	Establishment of new Shizuoka company
November 2009	Signing of definitive agreement
April 2010	Transfer of shares; commencement of operations

5. Outline of the Transaction Parties

CMIC Co., Ltd.

Establishment	1985
Representative	Kazuo Nakamura, Chairman and CEO
Capital	¥3,087.75 million
Net sales	¥25,700 million (consolidated; fiscal year ended September 30, 2008)
Number of employees	2,552 (Consolidated)
Principal business	Support for the research, development, manufacturing and marketing of ethical drugs

Daiichi Sankyo Co., Ltd.

Establishment	2005*
Representative	Takashi Shoda, President and CEO
Capital	¥50,000 million
Net sales	¥842,100 million (consolidated; fiscal year ended March 31, 2009)
Number of employees	28,895 (Consolidated)
Principal business	Research, development, manufacturing and marketing of ethical drugs

*The predecessors of DAIICHI SANKYO CO., LTD. are Sankyo Co., Ltd., and Daiichi

Pharmaceutical Co., Ltd., which were established in 1899 and 1915, respectively.

6. Future Outlook

Both companies will carry out detailed deliberations on the proposed transaction and undertake discussions toward a definitive agreement.

This transaction will have no impact on CMIC's business results, either on a non-consolidated or a consolidated basis, for the fiscal year ending September 30, 2009. However, CMIC anticipates that the transaction will contribute to operating results beginning from the fiscal year ending September 30, 2010.

*¹ CRO: An organization that undertakes operations related to ethical drug development under contract from pharmaceutical companies conducting clinical trials.

*² SMO: An organization or group that undertakes certain functions related to the implementation of clinical trials under contract from a medical institution conducting trials. SMOs provide support for medical institutions to ensure proper and smooth conduct of cumbersome and complicated medical trial processes.

*³ CMO: An organization that undertakes manufacturing operations for pharmaceutical drugs under contract from pharmaceutical companies.

*⁴ CSO: Medical Representatives (MRs) employed by the CSO perform operations on behalf of pharmaceutical companies under contract. Such operations include providing information to and gathering information from medical institutions regarding the appropriate use of ethical drugs, and, specifically, information on the efficacy, effects and adverse effects of ethical drugs.

About CMIC Co., Ltd.

As Japan's first contract research organization (CRO), CMIC provides services that contribute to the efficient, expeditious implementation of clinical trials. Utilizing its abundant experience, CMIC comprehensively supports pharmaceutical companies in carrying out their core processes of drug development, manufacturing and marketing. Contributing to the maximization of pharmaceutical company value, CMIC offers a broad lineup of services. For further details, please visit the CMIC website at <http://www.cmic.co.jp/e/>

About Daiichi Sankyo Co., Ltd.

A global pharma innovator, Daiichi Sankyo Co., Ltd., was established in 2005 through the merger of two leading Japanese pharmaceutical companies. This integration created a more robust organization that allows for continuous development of novel drugs that enrich the quality of life for patients around the world. A central focus of Daiichi Sankyo research and development are thrombotic disorders, malignant neoplasm, diabetes mellitus, and autoimmune diseases. Equally important to the company are hypertension, hyperlipidemia or atherosclerosis and bacterial infections. For more information, visit <http://www.daiichisankyo.com>.

About DAIICHI SANKYO PROPHARMA CO., LTD.

DAIICHI SANKYO PROPHARMA is one of Japan's largest domestic pharmaceutical manufacturers. The company emerged in its present form as a result of the integration of Sankyo Co., Ltd., and Daiichi Pharmaceutical Co., Ltd., in April 2007. Its predecessors are the former Daiichi Pharmaceutical manufacturing subsidiary Daiichi Pharmatech Co., Ltd., and the manufacturing division of Sankyo Co., Ltd.