

For Immediate Release

Company name: DAIICHI SANKYO COMPANY, LIMITED  
Representative: Takashi Shoda, President and Representative Director  
(Code no.: 4568, First Section, Tokyo, Osaka and Nagoya Stock Exchanges)  
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### **DAIICHI SANKYO Announces Merger of Subsidiaries**

Tokyo, December 21, 2007 – DAIICHI SANKYO COMPANY, LIMITED (President: Takashi Shoda, hereafter; “DAIICHI SANKYO”) has announced its decision to merge its subsidiaries, Sankyo Chemical Industries, Ltd., Sankyo Organic Chemicals Co., Ltd. and DAIICHI SANKYO CHEMICAL PHARMA CO., LTD. effective April 1, 2008. DAIICHI SANKYO CHEMICAL PHARMA CO., LTD., which DAIICHI SANKYO established in October 2007, is to be the surviving entity.

#### **1. Purpose and significance of the merger**

The strategy of the DAIICHI SANKYO Group is to concentrate management resources on the pharmaceutical businesses. Further synergy is sought through the merging of Sankyo Chemical Industries and Sankyo Organic Chemicals and conversion to a specialized manufacturing company for our active pharmaceutical ingredients and intermediate manufacturing business.

#### **2. Outline of the merger**

##### **1) Merger Schedule**

December 21, 2007: Signing of merger agreement  
January 30, 2008: Special shareholders' meeting for approval of merger  
April 1, 2008: Merger effective

##### **2) Method of merger**

The merger will take the form of an acquisition with DAIICHI SANKYO CHEMICAL PHARMA being the surviving entity and Sankyo Chemical Industries and Sankyo Organic Chemicals being dissolved.

### 3) Merger consideration

As DAIICHI SANKYO CHEMICAL PHARMA, Sankyo Chemical Industries and Sankyo Organic Chemicals are wholly owned subsidiaries of DAIICHI SANKYO, there is to be no exchange or allocation of stock nor payment of cash.

### 3. Outline of companies concerned with the merger

#### 1) Surviving entity

Company:	DAIICHI SANKYO CHEMICAL PHARMA CO., LTD.
Main businesses:	Manufacture and contract manufacturing of active pharmaceutical ingredients and intermediates
Date of establishment:	October 15, 2007
Headquarters:	Hiratsuka, Kanagawa
Representative:	Yasuo Tsukahara, Representative Director
Capital:	10 million yen
FY-end:	March 31

\*Total capital to increase to 50 million yen after merger

#### 2) Dissolved companies

##### 1) Sankyo Chemical Industries, Ltd.

Company:	Sankyo Chemical Industries, Ltd.
Main businesses:	Manufacture and sales of active pharmaceutical ingredients and intermediates
Date of establishment:	January 20, 1954
Headquarters:	Chuo-ku, Tokyo
Representative:	Arimichi Kage, Managing Director
Capital:	65 million yen
FY-end:	March 31

##### 2) Sankyo Organic Chemicals Co., Ltd.

Company:	Sankyo Organic Chemicals Co., Ltd.
Main businesses:	Manufacture and sales of active pharmaceutical ingredients and intermediates
Date of establishment:	April 27, 1946
Headquarters:	Kawasaki, Kanagawa
Representative:	Yoshiyuki Nishijima, Managing Director
Capital:	300 million yen
FY-end:	March 31