

For Immediate Release

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Representative: Takashi Shoda, President and Representative Director
(Code no.: 4568, First Section, Tokyo, Osaka and Nagoya Stock Exchanges)
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Daiichi Sankyo to Transfer all Daiichi Fine Chemical Shares to Kyowa Hakko

Tokyo, April 23, 2007 – DAIICHI SANKYO COMPANY, LIMITED and Kyowa Hakko Kogyo Co., Ltd. (President Yuzuru Matsuda) have agreed to transfer to Kyowa Hakko all shares of Daiichi Fine Chemical Co., Ltd. (President: Syunya Tamai).

Daiichi Fine Chemical manufactures, imports, and sells pharmaceuticals, veterinary medicines, IVD (in vitro diagnostic) reagents, and chemical intermediates. The company's earnings are growing steadily.

Kyowa Hakko intends to further grow its business by taking over the entire Daiichi Sankyo shareholding in Daiichi Fine Chemical and making Daiichi Fine Chemical a wholly owned subsidiary. The Kyowa Hakko group expects the move to allow it to supply first-class pharmaceutical and chemical intermediates and other products globally through the organic integration of Daiichi Fine Chemical's organic synthesis technologies and Kyowa Hakko's fermentation technologies. The Group will enhance its sales capabilities by having Kyowa Hakko and Daiichi Fine Chemical leverage one another's sales networks and develop the group's Bio-chemicals business by positioning Daiichi Fine Chemical at its core.

If Daiichi Sankyo's business performance of the fiscal year ended March 2008 is changed due to this share transfer, we will disclose it at a later date.

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1. Stock Transfer Schedule

Stock transfer agreement signed: April 23, 2007
Stock transfer date: June 1, 2007 (tentative)

2. Company Profiles

Daiichi Fine Chemical Co., Ltd.

Head office: 530 Chokeiji, Takaoka, Toyama
Established: December 29, 1951
Representative: Syunya Tamai
Capital: ¥2,276mn
Sales: ¥15,643mn (fiscal year ended March 2006)
Employees: 415 (as of March 31, 2007)
Main businesses: Manufacture (import) and sale of pharmaceuticals, veterinary medicines, food additives, feed additives, cosmetics materials, IVD reagents, and chemical intermediaries.

Kyowa Hakko Kogyo Co., Ltd.

Head office: 1-6-1 Otemachi, Chiyoda-ku, Tokyo
Established: July 1, 1949
Representative: Yuzuru Matsuda
Capital: ¥26,745mn
Sales: ¥353,439mn (consolidated, fiscal year to March 2006)
Employees: 5,828 (consolidated, as of September 30, 2006)
Main business: Pharmaceuticals business (manufacture and sale of ethical pharmaceuticals, diagnostic reagents)
Bio-chemicals business (manufacture and sale of pharmaceutical and industrial-use raw materials; healthcare products; agrochemicals and livestock and fisheries products; and alcohol)
Chemicals business (manufacture and sale of solvents, plasticizer raw materials, and specialty chemicals)
Food business (manufacture and sale of seasonings, bakery products and ingredients, and processed foods)
Other businesses (wholesale and distribution)