

FOR IMMEDIATE RELEASE

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DAIICHI SANKYO returns development rights of KAI-9803

Tokyo, Japan, (February 8, 2007) – DAIICHI SANKYO COMPANY, LIMITED today announced that the company has decided to withdraw from development of KAI-9803 (CS-9803), a first-in-class agent for the prevention of myocardial tissue death and associated congestive heart failure in acute myocardial infarction patients undergoing revascularization procedures that was created by KAI Pharmaceuticals, Inc. headquartered in South San Francisco, CA.

The decision was made by the DAIICHI SANKYO's strategy of management of pipeline products globally.

"We recently concluded, following a full review, that CS-9803 would not be a priority compound within the merged Daiichi Sankyo pipeline, and a decision was made to return development rights to KAI," said John Alexander, MD, President of DAIICHI SANKYO Development, "We have high regard for KAI's novel platform and its research capabilities, and wish KAI success with their continued development of KAI-9803."

DAIICHI SANKYO is going to return all of conclusive rights to KAI.

About KAI-9803

KAI-9803 is an isozyme-selective delta protein kinase C (delta-PKC) inhibitor designed to reduce ischemia and reperfusion injury during treatment of acute myocardial infarction (AMI). KAI-9803 has received a Fast Track designation from the FDA for this indication. Reperfusion injury occurs when myocardial and endothelial cells undergo necrosis and apoptosis after the reintroduction of blood flow to the ischemic areas following heart attack. Apoptosis is the process whereby cells autodestruct after exposure to certain noxious stimuli. Selective inhibition of the delta-PKC isozyme by KAI-9803 prevents damage to the mitochondria and inhibits both necrosis and apoptosis during reperfusion injury. In preclinical studies, treatment with KAI-9803 resulted in a significant reduction in infarct size and improvement in heart function.

About KAI Pharmaceuticals, Inc.

KAI Pharmaceuticals is a privately held, venture-backed drug discovery and development company with preclinical and clinical programs in acute cardiovascular and other diseases representing unmet medical needs. The company has applied its core expertise in the biology of protein kinase C (PKC) to develop highly potent and selective inhibitors and activators for each of the PKC isozymes for the treatment of a broad array of human diseases. KAI is based in South San Francisco, California, and can be found online at www.kaipharma.com.

About DAIICHI SANKYO COMPANY, LIMITED

DAIICHI SANKYO COMPANY, LIMITED was established on September 28, 2005 as the joint holding company of two major Japanese pharmaceutical companies – Sankyo Company, Limited and Daiichi Pharmaceutical Co., Ltd. DAIICHI SANKYO is a global pharmaceutical innovator, continuously generating innovative drugs and services and maximizing its corporate value. Sankyo and Daiichi Pharmaceutical have a broad range of major drug products on the Japanese market, including the antihypertensive Benicar® (olmesartan medoxomil) and the synthetic antibacterial agent Cravit® (levofloxacin). Both companies have used their cumulative knowledge and expertise in the field of cardiovascular disease as a foundation for developing an abundant product lineup and R&D pipeline.

For further details, please refer to the company web site at

<http://www.daiichisankyo.co.jp/eng>.

¹Prasugrel is an ADP-receptor antagonist in Phase III clinical trials, being co-developed with Eli Lilly and Company.

Forward-Looking Statements

This communication contains forward-looking information and statements about Daiichi Sankyo Company, Limited and KAI Pharmaceuticals, Inc. and their respective businesses. Forward-looking statements are statements that are not historical facts. These statements include, but are not limited to, statements regarding planned clinical trial design, regulatory and business strategies, plans and objectives of management, growth opportunities for existing and proposed products, financial projections and estimates and their underlying assumptions, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects,” “anticipates,” “believes,” “intends,” “estimates” and similar expressions. Although the management of Daiichi Sankyo and KAI Pharmaceuticals believe that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Daiichi Sankyo and KAI Pharmaceuticals securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Daiichi Sankyo and KAI Pharmaceuticals, including risks that product candidates may fail in clinical development or may not be successfully marketed or manufactured, Daiichi Sankyo and KAI Pharmaceuticals may lack financial resources to complete development of product candidates, regulatory agencies may interpret the results of studies differently than Daiichi Sankyo and KAI Pharmaceuticals, competing products may be more successful, demand for new pharmaceutical products may decrease and the pharmaceutical industry may experience negative economic trends. As a result of these and other risks and uncertainties, actual results and developments may differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The forward looking statements contained in this press release are made only as of the date hereof and other than as required by applicable law, neither Daiichi Sankyo nor KAI Pharmaceuticals undertakes any obligation to update or revise any forward-looking information or statements.

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