

For Immediate Release

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Daiichi Sankyo Co., Ltd. Announces Acquisition of Biotech Firm U3 Pharma AG

Tokyo, JAPAN, May 21, 2008—Daiichi Sankyo Co., Ltd. announced today that it has entered into an agreement to acquire the privately held firm, U3 Pharma AG, a German biotechnology company focusing on research into antibodies for the treatment of cancer.

Daiichi Sankyo will purchase 100 percent of the stock and make a one-time payment of 150 million Euros (\$235 million dollars) for the company. Closure of the transaction is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and customary closing conditions.

U3 Pharma, which is based in Martinsried, Germany, was founded by Professor Axel Ullrich of the Max Planck Institute of Biochemistry, whose pioneering gene technology-based and oncology-focused research led to the development of the oncology blockbusters Herceptin® and Sutent™*. U3 Pharma was established in 2001 and currently employs 27 people, the majority of whom work directly in research and development.

U3 Pharma's investors include Alta Partners, Atlas Venture, E. de Rothschild Investment Partners, Life Science Partners and Karsten Henco, as well as private individuals from the biotech and pharmaceutical industries.

U3 Pharma's pipeline of novel targeted therapeutics includes programs focusing on fully-human antibodies as potential therapies for breast, lung and colorectal cancers, among others. The company's lead product, which is being co-developed with Amgen, is U3-1287 (AMG 888), the first fully-human anti-HER3 monoclonal antibody (mAb), to inhibit oncogenic signaling and tumor proliferation. The companies intend to initiate clinical development of this compound this year.

Daiichi Sankyo's current novel therapeutics portfolio for worldwide commercialization includes CS-1008, an oncologic agent to combat malignant neoplasms, which is in Phase 2. For commercialization only in Japan, Daiichi Sankyo has the rights to market denosumab, or AMG 162, which is licensed from Amgen. In Japan, this agent is currently in preparation for Phase 3 for osteoporosis, and in Phase 3 for bone metastases in patients with advanced breast cancer. Daiichi Sankyo also has the exclusive rights in Japan to develop and market nimotuzumab, or DE 766, which is licensed from CIMYM Biosciences. This is an oncologic agent in Phase 1 to treat advanced solid malignancies.

"Our acquisition of U3 Pharma is an ideal strategic fit for our oncology portfolio," said Takashi Shoda, President and CEO of Daiichi Sankyo Co., Ltd. "We currently have three human monoclonal antibodies in development. Additionally, in March, 2008, we announced that we were expanding our joint research venture with another German company, MorphoSys AG, for its advanced Human Combinatorial Antibody Library and its phage display technologies. One of our goals for Daiichi Sankyo is to increase our presence in novel therapeutics in the oncology arena."

"This transaction with Daiichi Sankyo represents an important and exciting milestone for U3 Pharma," said founder Professor Axel Ullrich of the Max Planck Institute of Biochemistry. "We look forward to working with our Daiichi Sankyo colleagues to advance our discovery pipeline and to collaborate on translating that pipeline into novel cancer therapies."

About Daiichi Sankyo Company, Limited

Daiichi Sankyo Company, Limited, established in 2005 after the merger of two leading century-old Japanese pharmaceutical companies, is a global pharmaceutical innovator, continuously generating innovative drugs that enrich the quality of life for patients around the world. The company uses its cumulative knowledge and expertise in the fields of cardiovascular disease, cancer, metabolic disorders, and infection as a foundation for developing an abundant product lineup and R&D pipeline. For more information, visit www.daiichisankyo.com.

*Herceptin® is a trademark of Genentech, Inc.
Sutent™ is a trademark of Pfizer, Inc.

Except for the historical information contained herein, this release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties, including the difficulty of predicting FDA approvals, the acceptance and demand for new pharmaceutical products, the impact of competitive products and pricing, the timely development and launch of new products, and any risk factors listed from time to time in Daiichi Sankyo's Annual Report.

Source: Daiichi Sankyo Co., Ltd.

U3 Pharma

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