

For Immediate Release

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Joint Research of Antibody Drugs with MorphoSys to be Expanded

Tokyo, March 26, 2008 – DAIICHI SANKYO COMPANY, LIMITED today announced that its joint research with MorphoSys AG, headquartered in Munich, Germany, is to be expanded. DAIICHI SANKYO has been engaged in joint research with MorphoSys on its advanced HuCAL^{®*1} phage display antibody library^{*2} technologies since March 2006. It exercised its option which included extending the contracting period another three years until March 2011.

This option allows DAIICHI SANKYO to continue use of the HuCAL[®] technologies and to increase the number of therapeutic antibody programs^{*3} engaged by MorphoSys from one to a maximum of six against the targets selected by DAIICHI SANKYO.

Under the expanded agreement, the payment sum from DAIICHI SANKYO to MorphoSys will include fees for use of HuCAL[®] technology, and licensing, milestones and royalties for the therapeutic antibody programs.

About MorphoSys AG

Chief Executive Officer: Dr. Simon Moroney

Headquarters: Munich, Germany

Main business: Research, diagnosis, and development of therapeutic antibodies
using HuCAL[®] phage display library

URL: <http://www.morphosys.com/>

*¹ HuCAL[®]: Human Combinatorial Antibody Library, or HuCAL[®], is high quality and the most efficient antibody library, developed by MorphoSys.

*² Phage display library: Technology that displays proteins on bacteriophages. By displaying the human antibody library, pieces of the antibody bound to target antigens can be isolated and identified quickly and easily.

*³ Therapeutic antibody programs: This program searches for therapeutic antibodies for target antigens selected by DAIICHI SANKYO and is set for each target antigen. DAIICHI SANKYO will undertake development of program solely.