Company name: DAIICHI SANKYO COMPANY, LIMITED

Representative: Joji Nakayama, President and CEO

(Code no.: 4568, First Section, Tokyo, Osaka and Nagoya Stock Exchanges)

Please address inquiries to Toshiaki Sai, Corporate Officer,

Vice President, Corporate Communications Department

Telephone: +81-3-6225-1126

http://www.daiichisankyo.com/

## Announcement Regarding the Improper Disposal of Living Modified Organisms

**Tokyo, Japan (October 20, 2011)** - Daiichi Sankyo Company Limited (hereafter, Daiichi Sankyo) today announced that between June 2009 and July 2011 some Living Modified Organisms (LMOs) at its Kasai R&D center were not appropriately disposed of according to the Japanese "Act on the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms," otherwise known as the "Cartagena Act." The discovery was made by the Daiichi Sankyo Recombinant DNA Safety Committee, which was set up to enforce Company compliance of the Cartagena Act and ensure strict adherence to LMO research procedures.

Because of a systematically insufficient education system regarding the inactivation of LMOs at Daiichi Sankyo's research laboratories, part of the LMO inactivation process (namely, "autoclaving") was not carried out on some organisms, resulting in their improper disposal.

Daiichi Sankyo subsequently confirmed that these LMOs were incinerated by a third party after being correctly enclosed in special containers, and it has further been determined that there were no adverse effects on biological diversity, in other words the ecosystem, in the surrounding area.

Daiichi Sankyo considers this matter to be of the utmost seriousness and apologizes deeply for the oversight. In order to prevent a reoccurrence, the Company will place disposal guides for LMO testing in each laboratory to ensure strict compliance.

Moreover, in order to increase awareness about the regulations and understanding of proper disposal methods, Daiichi Sankyo will improve its in-house education system and strive to ensure that employees always have an up-to-date understanding of regulations. Through further supervisory enhancements such as these, Daiichi Sankyo pledges to do everything in its power to prevent the improper disposal of LMOs from occurring in the future.

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