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Critical step in European expansion

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The attached is the press release of Daiichi Sankyo Europe GmbH; affiliate of DAIICHI SANKYO COMPANY LIMITED, which was issued on November 25. (Germany Time)
PRESS RELEASE

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Dublin, Nov. 25th, 2008 – DAIICHI SANKYO, the third-largest Japanese pharmaceutical group and one of the world’s leading research-driven pharmaceutical companies, has established its own subsidiary in Ireland. As part of this effort, 14 employees from the cardiometabolic sales force at Merck Serono Ltd. are being transferred to DAIICHI SANKYO effective immediately.

The company will be called DAIICHI SANKYO IRELAND Ltd. and be headquartered in Dublin. In addition to the osteoporosis medication Evista® (Raloxifen), DAIICHI SANKYO IRELAND Ltd. will market the anti-hypertensive product Cardicor® (Bisoprolol), for the treatment of cardiac insufficiency, as well as Emcor® (Bisoprolol) for the treatment of hypertension and angina pectoris. DAIICHI SANKYO IRELAND Ltd. will also sell the diabetes drug Glucophage® (Metformin) as part of a co-promotion agreement with Merck Serono Ltd.

“Entering the market in Ireland is an important step in our effort to expand our European presence,” said Reinhard Bauer, CEO of DAIICHI SANKYO EUROPE. Over the middle term, the range of products is to grow considerably, particularly in terms of cardiovascular medications emerging from the company’s own research pipeline, Bauer noted.
“By setting up the Irish subsidiary and integrating the personnel of Merck Serono in Ireland, we are laying the foundation for the successful marketing of our future products in this country as well,” Bauer added.

This is the third such agreement reached by DAIICHI SANKYO and Merck Serono this year. In Germany, the Japanese pharmaceutical group integrated Merck Pharma GmbH’s sales force for primary-care physicians in August. In Turkey, DAIICHI SANKYO recently took over the sales force for Merck’s cardiometabolic products and the product family Concor to treat hypertension and Glucophage to treat diabetes.

Although jobs are being cut throughout the pharmaceutical sector around the world, DAIICHI SANKYO is significantly expanding its workforce in Europe.

For DAIICHI SANKYO, the agreement with Merck represents another major transaction recently undertaken in Europe and the second new affiliate set up in Europe during 2008 following the establishment of the Turkish subsidiary in March.

In July 2007, the central European production site in the Bavarian city of Pfaffenhofen was expanded in a €25 million project. In February 2008, it extended its partnership with the biotech company Morphosys, located in the city of Martinsried near Munich, to develop cancer-fighting monoclonal antibodies. And in May, DAIICHI SANKYO acquired U3 Pharma, another biotech company in Martinsried, in a closely followed transaction. In addition, the company is acquiring Ranbaxy, India’s largest pharmaceutical manufacturer.

In taking these steps, the group is moving quickly to achieve its strategic objectives in Germany and Europe. By 2015, it also intends to be one of Europe’s leading pharmaceutical companies. This strategy is designed to reverse the company’s current relationship of turnover: Today, about 60 percent of consolidated turnover is generated in Japan. By 2015,
about 60 percent of consolidated turnover is to be achieved outside Japan as a result of corresponding growth in sales.

**About DAIICHI SANKYO Company, Limited**

DAIICHI SANKYO is a global pharmaceutical company that focuses on researching and marketing innovative medications. The company was created in 2005 through the merger of two traditional Japanese enterprises, Daiichi and Sankyo. With net sales of more than 5.4 billion € in fiscal year 2007, DAIICHI SANKYO is one of the world’s 20 leading pharmaceutical companies. The company’s world headquarters is in Tokyo, and its European base is located in Munich. DAIICHI SANKYO has affiliates in 12 European countries and has been one of the strongest Japanese pharmaceutical companies located in Europe since it set up European production facilities and marketing offices in 1990. The company’s research activities focus on the areas of cardiovascular diseases, hematology, diabetes, anti-infectives and cancer. Its aim is to develop medications that are “best” in their class or to create new classes of pharmaceutical drugs.

For more information, visit: [www.daiichi-sankyo.eu](http://www.daiichi-sankyo.eu)

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