



For immediate release

April 9, 2009

Company Name: Dainippon Sumitomo Pharma Co., Ltd.

President: Masayo Tada

Stock Exchange: Listings: Tokyo, Osaka, Nagoya

Security Code Number: 4506

Wakunaga appealed to the Supreme Court against the Osaka High Court's decision

As reported in the Company's press release dated March 24, 2009, the Osaka High Court rendered judgment in favor of the Company on the case where the Company was in litigation with Wakunaga Pharmaceutical Co., Ltd. in regard to a suit filed for damages associated with termination of a license agreement on a new quinolone compound.

The Company has learned that Wakunaga appealed to the Supreme Court against the said judgment by the Osaka High Court as of April 6, 2009.

(Reference) An outline of the suit

In June 1998, the Company concluded an exclusive license agreement with Wakunaga Pharmaceutical Co., Ltd. (hereinafter referred to as the plaintiff) for development, manufacture and sale of a new quinolone compound, and the Company began developing this compound into an antibiotic. In May 2002, the Company decided to discontinue the development and, thereafter, terminated the exclusive license agreement. In response, the plaintiff filed a lawsuit against the Company on July 22, 2004 with Osaka District Court to claim 5,000 million yen which was part of 8,983 million yen that the plaintiff claimed to have suffered, alleging that the Company terminated the license agreement wrongfully.

The Company asserted that decision to discontinue the development was made based on due assessment on the compound and the termination of the license agreement was nothing but an enforcement of the right allowable under the license agreement. However, the Osaka District Court held that some of the plaintiff's claims were

meritorious and ordered the Company to pay 890 million yen.

Against this decision by the Osaka District Court, both the plaintiff and the Company filed appeals respectively with the Osaka High Court, when the plaintiff increased the amount claimed to 8,983 million yen.

On March 24, 2009, the Osaka High Court rendered the judgment to overturn the decision of the first trial and reject every claim of the plaintiff's.