



For immediate release

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Announcement of a decision of Supreme Court of Japan about the suit

The Company was involved in litigation with Wakunaga Pharmaceutical Co., Ltd. (“the plaintiff”) before the Supreme Court of Japan on April 6, 2009, based on an appeal filed by the plaintiff against the judgment of the Osaka High Court rendered on March 24, 2009 with respect to a suit filed for damages associated with the termination of a license agreement concluded between the two companies for a new quinolone compound. The Supreme Court of Japan rejected the plaintiff’s appeal on April 6, 2010. As a result, the decision that the Company prevailed in the case before the Osaka High Court was confirmed.

(Reference) An outline of the suit

In June 1998, the Company concluded an exclusive license agreement with Wakunaga Pharmaceutical Co., Ltd. for the 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 the 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 the 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, where 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.

On April 6, 2010, against this decision by the Osaka High Court, the plaintiff filed an appeal with the Supreme Court of Japan.