

September 3, 2003

To Whom it May Concern

Kyorin Pharmaceutical Co., Ltd.
2-5 Kanda-surugadai, Chiyoda-ku, Tokyo
(Securities code: 4560; TSE 1st section)

Agreement on Sponsored Discovery Research
with Discovery Partners International, Inc. (DPI)

Kyorin Pharmaceutical Co., Ltd. (President: Ikuo Ogihara) has concluded an agreement on sponsored research of drug discovery seeds with Discovery Partners International, Inc. (President and COO: Taylor Crouch), a trustee research institute for lead discovery and lead optimization. Based on the agreement, DPI will establish the screening system for discovery of drug candidate compounds in the allergy field, carry out screening and detection for drug candidate compounds from its extensive library of compounds, and provide them to Kyorin. By conducting lead optimization in this way, Kyorin aims to efficiently develop compounds from among those drug candidate compounds provided by DPI. The intellectual property rights to the drug candidate compounds and the exclusive worldwide license for their commercialization vests in Kyorin.

DPI, a trustee research institute that provides worldwide drug discovery services, has the most advanced technologies and know-how for establishing screening systems for lead discovery such as the establishment of nuclear import assay system of transcription factors as well as short-term and high-speed screening.

The allergy field is one of the three R&D fields that Kyorin emphasizes and concentrates on in its franchise management strategy. Kyorin expects the earlier finding of drug discovery seeds through this discovery research to make drug discovery quicker and more efficient.

< Reference Data >

Outline of Discovery Partners International, Inc.

Company Representative:	Taylor Crouch (President & COO)
Location:	San Diego, California
Establishment:	1995
Number of employees:	236
Annual Sales:	\$41.3 million
Stock Listing:	Listed on NASDAQ in July 2000

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