
Press Release

April 1, 2025

Sumitomo Pharma Co., Ltd.

Notice Regarding a Company Split (Simplified Absorption-Type Company Split) of the Asian Business and the Execution of a Share Transfer Agreement and a Shareholders' Agreement with Marubeni Global Pharma Corporation

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Toru Kimura) announced that on April 1, 2025, the Company's Board of Directors resolved to execute two agreements with Marubeni Global Pharma Corporation ("Marubeni Global Pharma"), a wholly owned subsidiary of Marubeni Corporation (Head Office: Tokyo, Japan; President and CEO: Masayuki Omoto). The agreements include (1) a share transfer agreement, which stipulates that the Asian business ("the business") of the Company's wholly owned subsidiaries, Sumitomo Pharma (China) Co., Ltd. ("Sumitomo Pharma (China)") and Sumitomo Pharma Asia Pacific Pte. Ltd. ("SMPAP"), along with their subsidiaries, will be transferred to a wholly-owned subsidiary to be newly established by the Company ("the new company") through an absorption-type company split ("the absorption-type company split"), and that 60% of the newly issued shares of the new company will be transferred to Marubeni Global Pharma Corporation ("the share transfer" and "the share transfer agreement"); and (2) a shareholders' agreement related to the new company ("the Shareholders' Agreement").

The split is a simplified absorption-type company split in which a wholly-owned subsidiary of the Company will be the succeeding company. Therefore, certain disclosure items and details have been omitted.

1. The Purpose of the Absorption-Type Company Split, the Share Transfer and the Shareholders Agreement

The Company has been working on various measures to achieve early business recovery and renewed growth, aiming to transform fiscal 2024 into a turning point for the growth of the Company Group.

For the time being, sales of the Group's three key products in its North American business, "ORGOVYX[®]," "MYFEMBREE[®]," and "GEMTESA[®]," continue to support the overall revenue of the Group. Under these circumstances, in the discussions aimed at achieving renewed growth for the entire Group, the Company has decided to execute the share transfer agreement and the Shareholders' Agreement to strengthen its financial foundation.

The business has not only contributed to the healthcare of each region but has also supported the Company's revenue through efforts to maximize the value of marketed products while adapting to environmental changes in each region. The Company believes that through these agreements, the business will be able to achieve further expansion and growth by leveraging the global network of Marubeni Corporation and Marubeni Global Pharma Corporation.

The Company will receive approximately 45 billion JPY as the consideration for the share transfer. In addition, the remaining 40% of the issued shares of the new company that are held by the Company are scheduled to be transferred to Marubeni Global Pharma under the terms and conditions stipulated in the Shareholders' Agreement (the "transfer of remaining shares"). In such a case, the Company is scheduled to receive approximately 27 billion JPY as consideration for the transfer of the remaining shares. The compensation for the transfer of remaining shares is based on the pre-adjustment amount stipulated in the Shareholders' Agreement, and the actual amount received will be the amount after price adjustments based on the Shareholders' Agreement.

The Company aims to achieve sustainable growth by leveraging the consideration obtained from these agreements for initiatives that strengthen its financial foundation and by establishing growth engines and concentrating its management resources on focus areas. The Company will continue to pursue its goal of contributing to patients in various Asian countries, a goal it has been striving toward thus far, by continuing to supply the products to the new company.

2. A Summary of the Share Transfer Agreement and the Shareholders' Agreement

(1) The share transfer agreement, which stipulates the following matters among others, shall be executed: the Company shall establish the new company and then execute an absorption-type company split agreement with the new company. The share transfer shall be executed on or after the effective date of this absorption-type company split. As a result of the share transfer, the new company and the Company's subsidiaries that are related to the business, which will become subsidiaries of the new company, will be excluded from the Company's consolidated subsidiaries.

(2) The Shareholders' Agreement, which stipulates the terms and conditions for the operation of the new company and the transfer of the remaining shares, shall be executed.

3. An Outline of the Absorption-Type Company Split

(1) The Schedule for the Share Transfer Agreement, the Shareholders' Agreement, the Establishment of the New Company, and the Absorption-Type Company Split, etc.

Date of the Board of Directors' resolution	April 1, 2025
Date of execution of the share transfer agreement and the Shareholders' Agreement	April 1, 2025
Date of establishment of the new company	April, 2025 (scheduled)
Date of execution of the absorption-type company split	[May to June] 2025 (scheduled)
Effective date of the absorption-type company split	[July to September] 2025 (scheduled)
Date of execution of the share transfer	[July to September] 2025 (scheduled)
Date of execution of the transfer of remaining shares	April 2029 or later (scheduled)

Note 1: The absorption-type company split shall be implemented without obtaining approval thereof by a resolution of the Company’s shareholders’ meeting, as it is a simplified company split for the Company as stipulated in Article 784, paragraph 2 of the Companies Act of Japan.

Note 2: The execution of the share transfer is subject to the completion of all procedures under the competition laws in the relevant countries and regions (including procedures such as notification and obtaining clearance).

Note 3: The above schedule is subject to change due to the acquisition of permits and approvals from the relevant authorities and other reasons, as the procedures for the share transfer proceed.

(2) The Company Splitting Method

An absorption-type company split (a simplified company split) in which the Company shall be split and the new company is the succeeding company.

(3) Share Allotments Relating to the Company Split

As compensation for the absorption-type company split, the Company is scheduled to receive 98 common shares of the new company.

(4) The Treatment of Share Options and Bonds with Share Options Following the Company Split
Not applicable.

(5) The Increase or Decrease in Capital Due to the Company Split

There will be no increase or decrease in the Company’s capital due to the company split.

(6) The Rights and Obligations to Be Succeeded by the Succeeding Company

On the effective date of the absorption-type company split, the new company shall succeed the shares of Sumitomo Pharma (China) and SMPAP and the assets, liabilities, and status under contracts related to the business to the extent specified by the absorption-type company split agreement.

(7) The Prospects of Fulfilling the Obligations

The Company has concluded that there will be no problems regarding the certainty of fulfilling the obligations to be performed by the Company and the new company on and after the absorption-type company split.

4. An Overview of the Company to Be Split (As of March 31, 2024)

(1)	Company name	Sumitomo Pharma Co., Ltd.
(2)	Location	6-8, Doshomachi 2-chome, Chuo-ku, Osaka, Japan

(3)	Representative name and title	Toru Kimura, Representative Director, President and CEO
(4)	Business	Manufacture, sales, etc. of pharmaceuticals and others, etc.
(5)	Capital	22.4 billion JPY
(6)	Established	May 14, 1897
(7)	Outstanding shares	397,900,154
(8)	Fiscal year-end	March 31
(9)	Employees	2,908
(10)	Major clients	MEDICEO CORPORATION, Alfresa Corporation, SUZUKEN CO., LTD.
(11)	Major banks	Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, MUFG Bank, Ltd.
(12)	Major shareholders and shareholding ratio	Sumitomo Chemical Co., Ltd.: 51.76%
(13)	Financial position and operating results at the end of the previous fiscal year (the fiscal year ended March 31, 2024 (consolidated))	
	Capital	156,136 million JPY
	Assets	907,506 million JPY
	Equity attributable to owners of the parent per share	392.82 JPY
	Revenue	314,558 million JPY
	Operating Profit	(354,859 million JPY)
	Net Profit	(314,929 million JPY)
	Basic earnings per share	(792.79 JPY)
	Dividends per share	-

5. An Overview of the Succeeding Company (the New Company) (Scheduled)

(1)	Company name	To be determined.
(2)	Location	Chuo-ku, Tokyo
(3)	Representative name and title	To be determined.
(4)	Business	Manufacturing and sales of pharmaceuticals and others.
(5)	Capital	To be determined.
(6)	Established	Around April 2025
(7)	Outstanding shares	1 Share (scheduled)
(8)	Fiscal year-end	March 31
(9)	Employees	To be determined.

(10)	Major clients	To be determined.
(11)	Major banks	To be determined.
(12)	Major shareholders and shareholding ratio	The Company 100%
(13)	Relationship between the Company and the new company	
	Capital relationship	The Company will hold 100% of the issued shares of the new company.
	Personal relationship	The Company's Executive Officer will concurrently serve in the same roles for the new company.
	Business relationship	Not applicable.
	Status of applicability to the related parties	The new company is a consolidated subsidiary of the Company, and it constitutes a related party of the Company.

Note: The new company is scheduled to be established in April 2025. Therefore, it has not yet completed a fiscal year.

6. An Overview of the Business Division to Be Split Off

(1) A Description of the Business to Be Split Off

The business is primarily operated by Sumitomo Pharma (China) and SMPAP and their subsidiaries.

Sumitomo Pharma (China) is the Company's wholly owned subsidiary, which was established in China to expand its business in the Chinese pharmaceuticals market. In the Chinese market, it functions as a holding company responsible for managing and overseeing local subsidiaries in China.

SMPAP is a wholly-owned subsidiary of the Company, which was established in Singapore, one of the regional operational bases in the Asian region outside of Japan, following the establishment of the subsidiary in China. It functions as a regional headquarters that oversees business operations in Southeast Asia, Taiwan and Hong Kong to maximize the business, bring the products under development to market at an early stage, and expand into untapped markets.

Additionally, the business is primarily focused on sales in China and Southeast Asia and does not engage in drug discovery.

(2) Operating Results of the Division to Be Split Off

Revenue (fiscal year ended March 31, 2024): 40,864 million JPY, Core segment profit: 18,402 million JPY.

(3) Items and Amounts of Assets and Liabilities to Be Split Off (As of December 31, 2024)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	37,309 million JPY	Current assets	13,690 million JPY

Fixed assets	13,957 million JPY	Fixed assets	333 million JPY
Total	51,266 million JPY	Total	14,023 million JPY

Note: The actual amount to be succeeded will be adjusted for any increases or decreases up to the effective date of the transaction.

7. An Overview of the Status of the Company and the Succeeding Company After the Absorption-Type Company Split and the Future Outlook

There will be no change to the Company's trade name, business description, head office location, representative, capital or fiscal year after the absorption-type company split. The outline of the succeeding company after the absorption-type company split has not yet been finalized.

8. An Overview of the Subsidiaries and Sub-subsidiaries Subject to Change

(1) The reason for the change in subsidiaries and sub-subsidiaries

As a result of the share transfer, the subsidiaries and sub-subsidiaries listed in the following (2) will be excluded from the Company's consolidated subsidiaries.

(2) An Overview of the Subsidiaries and Sub-subsidiaries Subject to Change

1. The New Company

Please refer to 5. An Overview of the Succeeding Company (the New Company) (Scheduled).

2. Companies That Will Become Subsidiaries of the New Company Through Absorption-Type Company Split (As of March 31, 2024)

(1)	Company name	Sumitomo Pharma (China) Co., Ltd.	
(2)	Location	7th Floor, Tower A, China Overseas International Center, Lane 838, South Huangpi Road, Huangpu District, Shanghai	
(3)	Representative name and title	Yoshitaka Koketsu, Chairman, President & CEO	
(4)	Business	Holding company, management of local subsidiaries, etc.	
(5)	Capital	351 million CNY	
(6)	Established	June 28, 2022	
(7)	Major shareholders and shareholding ratio	The Company 100%	
(8)	Relationship between the listed company and Sumitomo Pharma (China) Co., Ltd.	Capital relationship	The Company currently owns 100% of the issued shares of Sumitomo Pharma (China) Co., Ltd.
		Personal relationship	Employees seconded from the Company.
		Business relationship	Not applicable.

		Status of applicability to the related parties	Sumitomo Pharma (China) Co., Ltd. is a consolidated subsidiary of the Company and it constitutes a related party of the Company.	
(9)	Consolidated operating results and financial position of Sumitomo Pharma (China) Co., Ltd. for the past three years, Unit: million CNY			
	Accounting period	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	Net assets	-	98	928
	Total assets	-	107	1,279
	Revenue	-	4	1,199
	Operating Profit	-	(6)	43
	Net Profit	-	(3)	44

(1)	Company name	Sumitomo Pharma (Suzhou) Co., Ltd.		
(2)	Location	No.115 QingQiu Street, SIP, Jiangsu Province, 215126 China		
(3)	Representative name and title	Yoshitaka Koketsu, Chairman, President & CEO		
(4)	Business	Manufacture and sale of pharmaceuticals		
(5)	Capital	265 million CNY		
(6)	Established	December 15, 2003		
(7)	Major shareholders and shareholding ratio	The Company 100%		
(8)	Relationship between the listed company and Sumitomo Pharma(Suzhou)Co., Ltd.	Capital relationship	Sumitomo Pharma (Suzhou) Co., Ltd. is a wholly-owned subsidiary of Sumitomo Pharma (China) Co., Ltd., which is a wholly-owned subsidiary of the Company.	
		Personal relationship	Employees seconded from the Company.	
		Business relationship	Sumitomo Pharma (Suzhou)Co., Ltd. purchases intermediate products from the Company and is commissioned to carry out development work and pharmaceutical affairs of the Company's products.	
		Status of applicability to the related parties	Sumitomo Pharma (Suzhou) Co., Ltd. Is a consolidated subsidiary of the Company, and it constitutes a related	

			party of the Company.	
(9)	Operating results and financial position of Sumitomo Pharma (Suzhou) Co., Ltd. for the past three years, Unit: million CNY			
	Accounting period	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	Net assets	894	877	760
	Total assets	1,466	1,494	1,124
	Revenue	2,220	2,033	1,695
	Operating Profit	289	129	77
	Net Profit	219	58	78

(1)	Company name	Sumitomo Pharma Asia Pacific Pte. Ltd.		
(2)	Location	3 Fraser Street, #07-28 DUO Tower, Singapore 189352		
(3)	Representative name and title	Hiroki Uemukai, Managing Director		
(4)	Business	Import, purchase, and sales of pharmaceuticals		
(5)	Capital	3,026,000 USD		
(6)	Established	January 2013		
(7)	Major shareholders and shareholding ratio	The Company 100%		
(8)	Relationship between the listed company and Sumitomo Pharma Asia Pacific Pte. Ltd.	Capital relationship	The Company currently owns 100% of the issued shares of Sumitomo Pharma Asia Pacific Pte. Ltd.	
		Personal relationship	Employees seconded from the Company.	
		Business relationship	Sumitomo Pharma Asia Pacific Pte. Ltd. purchases products from the Company and is commissioned to carry out work, etc. for the Company.	
		Status of applicability to the related parties	Sumitomo Pharma Asia Pacific Pte. Ltd. is a wholly-owned subsidiary of the Company and of the Company, and it constitutes a related party of the Company.	
(9)	Consolidated operating results and financial position of Sumitomo Pharma Asia Pacific Pte. Ltd. for the past three years, Unit: thousand US dollar			
	Accounting period	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024

	Net assets	9,098	10,989	15,473
	Total assets	20,605	24,685	27,562
	Book Value per Share	222	268	377
	Revenue	18,329	29,927	49,149
	Operating Profit	871	3,700	7,673
	Net Profit	971	2,285	4,573
	Dividend per Share	-	-	-
	Earnings per Share	24	56	112

(3) The Schedule for the Transfer

Please refer to (1) The Schedule for the Share Transfer Agreement, the Shareholders' Agreement, the Establishment of the New Company, and the Absorption-Type Company Split, etc. in 3. An Outline of the Absorption-Type Company Split.

9. An Overview of the Share Transfer

(1) An Overview of the Counterparty to the Share Transfer (As of March 31, 2024)

(1)	Company name	Marubeni Global Pharma Corporation
(2)	Location	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
(3)	Representative name and title	Eisuke Kamide, Representative Director
(4)	Business	Holding company for investments in businesses related to pharmaceutical and medical device
(5)	Capital	100 million JPY
(6)	Established	September 27, 2021
(7)	Previous fiscal year (fiscal year ended March 31, 2024 (non-consolidated, Japanese GAAP))	
	Net Assets	(1,477 million JPY)
	Total Assets	16,550 million JPY
(8)	Major shareholders and shareholding ratio	Marubeni Corporation: 100%
(9)	Relationship between the Company and the relevant company	
	Capital relationship	Not applicable.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Status of applicability to the related parties	Not applicable.

(2) The Number of Shares to Be Transferred, the Transfer Price, and the Status of Share Ownership

Before and After the Transfer

(1)	Number of shares owned by the Company before the transfer	100 shares (the ownership ratio of voting rights:100%)
(2)	Number of shares to be transferred	60 shares
(3)	Transfer price	Approximately 45 billion JPY
(4)	Number of shares owned by the Company after the transfer	40 shares (the ownership ratio of voting rights: 40%)

(3) The Schedule for the Share Transfer

Please refer to (1) The Schedule for the Share Transfer Agreement, the Shareholders' Agreement, the Establishment of the New Company, and the Absorption-Type Company Split, etc. in 3. An Outline of the Absorption-Type Company Split.

10.The Future Outlook

If the share transfer is executed, the Company expects to record a gain on transfer of affiliated companies shares in the fiscal year ending March 2026. However, the impact on its consolidated financial results, including accounting treatment, is currently under review. The Company will promptly announce any matters that require disclosure if they arise or are determined in the future. Additionally, the impact on the consolidated financial results for the fiscal year ended March 2025 is minimal.

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