

Press Release

June 26, 2025

Sumitomo Pharma Co., Ltd.

Matters Concerning Controlling Shareholders, Etc.

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Toru Kimura; Securities Code: 4506, Prime Market of TSE, the "Company") hereby announces the following matters concerning the controlling shareholder, etc. in relation to Sumitomo Chemical Co., Ltd., which is the parent company of the Company.

1. Name of the Parent Company, Controlling Shareholder (Excluding the Parent Company), or Other Affiliated Companies

(As of March 31, 2025)

Name	Attribute	Percentage of voting rights held (%)			Financial instruments exchanges where issued share certificates are publicly listed
		Directly held	Aggregated	Total	
Sumitomo Chemical Co., Ltd.	Parent company	51.78	—	51.78	Prime Market of Tokyo Stock Exchange

2. Position of the Company in the Corporate Group of the Parent Company and Other Relationships between the Company and the Parent Company

(1) Positioning of the Company in the Corporate Group of the Parent Company, as well as Its Business, Personnel, and Capital Relationships with the Parent Company and Its Group Companies

Sumitomo Chemical Co., Ltd. is the parent company, which holds 51.78% of the Company's voting rights. The Company is a core member of the parent company's corporate group, responsible for the ethical drugs segment within their pharmaceutical business.

The Company leases land and other assets from the parent company for its research laboratories and plants located in Konohana-ku, Osaka City, Osaka Prefecture and Oita City, Oita Prefecture. The Company also purchases utilities such as electricity and steam for use at these facilities. In addition, the Company procures raw materials, primarily for the manufacturing of active pharmaceutical ingredients, at the Oita Plant.

The Company has its debt obligations to financial institutions, as well as other obligations related to the sale of accounts receivable, guaranteed by the parent company.

With regard to personnel relationships, the Company has accepted 102 secondees from the manufacturing division of the Oita Plant and two secondees from the parent company as of the end of the fiscal year ended March 31, 2025.

The Company and the parent company jointly own S-RACMO Co., Ltd., which engages in contract development of manufacturing methods and manufacturing in the field of regenerative medicine and cell therapy. To further promote and accelerate the regenerative medicine and cell therapy business, the two companies established another joint venture, RACTHERA Co., Ltd.,

in fiscal 2024, advancing efforts to commercialize and launch iPS cell-derived products.

(2) Limitations, Risks, and Benefits from an Operational Standpoint of Belonging to the Corporate Group of the Parent Company, as well as the Impact of the Business, Personnel, and Capital Relationships with the Parent Company and its Group Companies on Management and Business Activities

Sumitomo Chemical Co., Ltd. is the parent company of the Company, however, there are no limitations on the Company's business undertakings (e.g., the need for prior approval by the parent company).

Likewise, the Company accepts secondees from the parent company at its own discretion and does not consider this to have any impact on its management or business activities.

With respect to the leasing of land, etc. and purchase of raw materials, prices are determined rationally through mutual consultation, with reference to prevailing market prices. The agreement includes provisions for price adjustments in the event of market fluctuations, etc., and is automatically renewed annually unless either party provides notice otherwise. To date, the agreement has always been renewed without interruption.

(3) Policy and Measures to Achieve a Certain Degree of Independence from the Parent Company

The Company believes it maintains a certain Degree of independence, as five of its 10 Directors are Independent Outside Directors and there are no limitations on its business undertakings (e.g., the need for prior approval by the parent company), despite one Director also serving concurrently as a Director of the parent company.

(Concurrent position of Directors)

(As of June 26, 2025)

Position	Name	Position at the parent company	Reason for appointment
Non-Executive Director	Hiroshi Niinuma	Director & Executive Vice President, Sumitomo Chemical Co., Ltd.	Mr. Hiroshi Niimura has a wide range of knowledge and extensive experience, which he has acquired in the course of his career as a corporate executive at Sumitomo Chemical Co., Ltd. The Company expects him to contribute to the management for the sustainable growth of the Company Group and increase of its corporate value using his knowledge and experience, while taking a role in supervising the execution of business operations, among other matters.

(4) Status of Securing a Certain Degree of Independence from the Parent Company

The parent company and the Company have agreed that the former will respect the latter's managerial independence, and the acceptance of secondees from the parent company does not interfere with the Company's independent management decisions. Accordingly, the Company

believes it maintains a certain degree of independence from the parent company.

3. Transactions with the Controlling Shareholder, etc.

The transaction amounts and outstanding balances between the Company Group and the parent company are as follows.

(Millions of yen)

Name	Attribute	Details of transaction	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
			Transaction amount	Outstanding balance	Transaction amount	Outstanding balance
Sumitomo Chemical Co., Ltd.	Parent company	Lending and collection of funds	(10,000)	—	—	—
		Acceptance of debt guarantees	316,009	—	206,592	—
		Sales of investment in subsidiaries	—	—	10,911	8,465

This transaction is conducted under general terms and conditions, consistent with those of an arm's-length transaction. The Company has its debt obligations to financial institutions, as well as other obligations related to the sale of accounts receivable, guaranteed by the parent company. The transaction amount above represents the year-end balance of debt obligations guaranteed by the parent company.

4. Progress of Implementation of Measures to Protect Minority Shareholders in Transactions with the Controlling Shareholder, etc.

Transactions, etc. with the parent company, Sumitomo Chemical Co., Ltd., are conducted under general terms and conditions through mutual consultation, with reference to prevailing market prices. Significant transactions between the parent company and the Company require a resolution by the Board of Directors. The annual transaction amount with the parent company is reported to the Board of Directors, and it has been confirmed that such transactions do not harm the interests of minority shareholders. To ensure the fairness and rationality of significant transactions, etc. with the parent company's corporate group and to protect the interests of the Company's minority shareholders, the Company has established the Supervisory Committee for Conflict of Interests in Transactions between Group Companies as a consultative body to the Board of Directors and is convened as necessary. This Committee, composed entirely of Independent Outside Directors, elects its Chair from among its members and convenes as necessary. During the fiscal year ended March 31, 2025, the Committee met five times.

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