

October 9, 2013

Dainippon Sumitomo Pharma Co., Ltd.

Dainippon Sumitomo Pharma to Establish  
an Anti-Cancer Drugs Sales Company in the U.S.

Osaka, Japan, October 9, 2013 - Dainippon Sumitomo Pharma Co., Ltd. (DSP) (Head Office : Osaka, Japan; President: Masayo Tada) announced today that it has decided to establish an anti-cancer drugs sales company in the United States as a wholly-owned subsidiary of DSP's 100% owned U.S. holding company.

1. Objectives of establishing the sales company

DSP is conducting a Phase III global clinical study of the anti-cancer drug BBI608 that was created by its U.S. subsidiary Boston Biomedical, Inc. ("BBI"). In this connection, DSP has considered various options for the eventual sales scheme and the organizational structure in preparation for successful conclusion of the BBI608 development.

The sales and marketing activity of anti-cancer drugs requires extraordinary professional expertise. We have reached the decision to set up a sales scheme and organizational structure exclusively dedicated to anti-cancer drugs by establishing a new company independent from our existing U.S. subsidiaries. The new sales subsidiary will be established so that necessary preparations for BBI608 launch can be made in line with the progress of its development. Upon establishment, the new company will start making preparations in anticipation of eventual market launch of BBI608.

The development of BBI608 is underway, with a target launch date in fiscal 2015 as has been mentioned in our previous announcements. The announcement today of the new company formation in no way implies any change in the situation of BBI608 development.

2. Outline of the new company

- (1) Company name: Boston Biomedical Pharma, Inc. ("BBP")
- (2) Location: Cambridge, Massachusetts, U.S.A.
- (3) President: Mr. Hiroshi Nomura  
Chief Commercial Officer ("CCO"): Ms. Patricia S. Andrews
- (4) Scope of business: Sales and marketing of anti-cancer drugs in the U.S.
- (5) Paid-in capital: US\$8,100,000
- (6) Establishment date: October 2013 (planned)
- (7) Shareholding: Wholly-owned by Dainippon Sumitomo Pharma America Holdings, Inc.,  
DSP's 100% owned U.S. holding subsidiary company
- (8) Business close: March 31 each year

### 3. Future outlook

The establishment of the new company is expected to have minor impact on the consolidated business performance of DSP in the current year to end in March 2014. In the third Mid-term Business Plan we announced on February 18, 2013, BBI608 is targeted for launch in the U.S. in fiscal 2015 and the sales target for fiscal 2017 in the U.S. is US\$650 million.

#### Reference information (BBI608):

BBI608 is an orally-administered first-in-class anti-cancer drug created and currently under development by Boston Biomedical Inc. and was shown to inhibit the Stat3 pathways, Nanog pathways and  $\beta$ -catenin pathways in pre-clinical study.

BBI608 is a small-molecule compound with a novel mechanism that blocks cancer stem cell (cancer cell with stem cell-like properties) self-renewal and induces cell death in CSC as well as other heterogeneous cancer cells. By targeting cancer stem cells in addition to heterogeneous cancer cells, efficacy is expected in the current challenges in therapy against cancer, such as treatment resistance, metastasis and recurrence.

#### Note:

The forward-looking statements contained in this news release are based on management's assumptions and beliefs in light of information available up to the day of announcement, and involve both known and unknown risks and uncertainties. Actual financial results may differ materially from those presented in this release document, being dependent on a number of factors.

#### Contact:

Corporate Communications

Dainippon Sumitomo Pharma

TEL: +81-6-6203-1407 (Osaka)

+81-3-5159-3300 (Tokyo)