

October 8, 2020

Sumitomo Chemical Co., Ltd.
Sumitomo Dainippon Pharma Co., Ltd.

**Sumitomo Chemical and Sumitomo Dainippon Pharma Announce
Establishment and Inception of Operations of a Joint Venture Company for CDMO Business
in the field of Regenerative Medicine and Cell Therapy**

Sumitomo Chemical Company Limited (Head Office: Chuo-ku, Tokyo, Japan; Representative Director and President: Keiichi Iwata; “Sumitomo Chemical”) and Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Chuo-ku, Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; “Sumitomo Dainippon Pharma”) announced today that, in September 2020, they had established S-RACMO Co., Ltd. (S-RACMO), a joint venture company to develop manufacturing methods and manufacture products for the regenerative medicine and cell therapy field. S-RACMO has started operations and will undertake business as a Contract Development and Manufacturing Organization (CDMO).

The establishment of manufacturing systems is a major issue faced by academia and startups in the development and commercialization of regenerative medicine and cell therapy. Sumitomo Chemical and Sumitomo Dainippon Pharma have decided to embark on the CDMO business to achieve the early diffusion and commercialization of regenerative medicine and cell therapy. They aim to leverage Sumitomo Chemical’s expertise in basic iPS/ES cell technologies and pharmaceutical contract manufacturing and Sumitomo Dainippon Pharma’s expertise gained by developing sophisticated manufacturing methods and pharmaceutical development through multiple projects in the regenerative medicine and cell therapy business.

The global market for CDMO business in the field of regenerative medicine and cell therapy is expected to grow to around 1.2 trillion yen by 2030*. Leveraging group synergies, Sumitomo Chemical and Sumitomo Dainippon Pharma will strive to gain a solid share in this market and build up a higher level of technology and expertise in CDMO operations. In addition, by moving into the CDMO business, Sumitomo Chemical aims to expand its business in the life science area by increasing contract pharmaceutical manufacturing, building on its contract manufacturing business in small molecule and nucleic acid therapeutics. Sumitomo Dainippon Pharma aims to diversify its business in the regenerative medicine and cell therapy field so as to contribute more to earnings and gain new opportunities for partnerships.

S-RAMCO will conduct CDMO business in some of a manufacturing facility for regenerative medicine and cell therapy (SMaRT) owned by Sumitomo Dainippon Pharma and a manufacturing facility for regenerative medicine and cell therapy, which will be built on the premises of its Central Research Laboratories (Suita, Osaka) of Sumitomo Dainippon Pharma. In addition, Sumitomo Dainippon Pharma has already started negotiations with CorneaGen Inc. (Washington State, USA) to receive the contract to manufacture corneal endothelial cells (planned indication: corneal diseases) and to develop its manufacturing method, so that S-RACMO can undertake this responsibility for CorneaGen in Japan.

*Investigated by Deloitte Tohmatsu Consulting LLC

Outline of the joint venture company:

- (1) Company name: S-RACMO Co., Ltd.
S-RACMO is an acronym of Sumitomo and Regenerative And Cellular Medicine Organization.
- (2) Address: 33-94 Enoki-cho, Suita, Osaka, Japan (on the premises of Sumitomo Dainippon Pharma's Central Research Laboratories)
- (3) Representative Director and President: Atsushi Tsuchida (Previously Senior Director, Research Planning & Coordination, Drug Research Division of Sumitomo Dainippon Pharma)
- (4) Lines of business: CDMO of development of manufacturing methods and manufacturing for regenerative medicine and cell therapy field products.
- (5) Capital: ¥50 million
- (6) Established on: September 1, 2020
- (7) Ownership structure: Sumitomo Dainippon Pharma 51%, Sumitomo Chemical 49%

Outline of the new regenerative and cellular medicine manufacturing facility to be built:

- (1) Address: 33-94 Enoki-cho, Suita, Osaka, Japan (on the premises of Sumitomo Dainippon Pharma's Central Research Laboratories)
- (2) Building size: 1 story
- (3) Building area: approx. 600 m²
- (4) Start of construction: January 2021(plan)
- (5) Completion: December 2021 (plan)
- (6) Total construction cost: approx. ¥1.1 billion

[Reference]

CorneaGen Inc.

CorneaGen Inc. provides ophthalmic surgeons and their patients with innovations in cornea care that include new medical devices and biologics, novel therapeutics and interventions, surgeon education, and advocacy for patient access and reimbursement.

CorneaGen has acquired the rights to technologies related to corneal endothelial cell therapy, from Professor Shigeru Kinoshita of Department of Frontier Medical Science and Technology for Ophthalmology, from Kyoto Prefectural University of Medicine, and others. For details, please visit: <https://corneagen.com>

- Corporate Communications Dept., Sumitomo Chemical Co., Ltd.
TEL +81-3-5543-5102
- Corporate Communications Dept., Sumitomo Dainippon Pharma Co., Ltd.
TEL: +81-6-6203-1407 (Osaka); +81-3-5159-3300 (Tokyo)