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[Translation]

Security Code No. 4506

(Date of Sending) June 2, 2025

(Commencement Date of the Measures for Electronic Provision) May 30, 2025

Dear Shareholders:

Notice of Convocation of the 205th Annual Shareholders' Meeting

We hereby notify you of the 205th Annual Shareholders' Meeting (hereinafter referred to as the "Meeting") of Sumitomo Pharma Co., Ltd. (hereinafter referred to as the "Company"), which will be held as stated below.

In convening the Meeting, the Company takes measures for the electronic provision of information contained in the reference documents and other related documents for the Shareholders' Meeting (matters subject to the measures for electronic provision). Please access the Company's website to review the information.

Company's website

<https://www.sumitomo-pharma.com/ir/shareholder/shareholder.html>

The Company also posts the matters subject to the measures for electronic provision on the website of Tokyo Stock Exchange, Inc.

Tokyo Stock Exchange website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In order to review the above matters, please access the website above, enter "Sumitomo Pharma" as the issue name (company name) or "4506" as the security code, and click "Search," and then click "Basic Information"

and select “Documents for public inspection/PR information.”

If you are not attending the Meeting in person on its scheduled date, you can exercise your voting rights in writing or by electronic or magnetic means (the Internet, etc.). In that case, please review the attached Reference Documents for the Shareholders’ Meeting and exercise your voting rights no later than 5:00 p.m., Wednesday, June 25, 2025 (JST) according to the description on pages 4 and 5.

- 1. Date and Time:** 10:00 a.m. on Thursday, June 26, 2025 (JST)
* Reception will open at 9:00 a.m.
- 2. Place:** Hall on the 7th floor of the Company’s
Corporate Headquarters Building
6-8, Doshomachi 2-chome,
Chuo-ku, Osaka, Japan
* Please note that as the number of seats in the hall on the 7th
floor is limited, you may be guided to other venues in the
Company’s Corporate Headquarters Building.
- 3. Purpose of the Meeting:**
Matters to be Reported:
 1. Business Report, Consolidated Financial Statements, and
Non-Consolidated Financial Statements for the 205th Fiscal
Year (from April 1, 2024 to March 31, 2025)
 2. Audit Report of the Accounting Auditor and Audit Report
of the Audit & Supervisory Board on the Consolidated
Financial Statements**Matters to be Resolved:**
First Proposal: Partial Amendments to the Articles of Incorporation
Second Proposal: Election of Six (6) Directors (Excluding Directors who are
Audit and Supervisory Committee Members)
Third Proposal: Election of Four (4) Directors who are Audit and
Supervisory Committee Members
Fourth Proposal: Determination of the Remuneration Amount for Directors
(Excluding Directors who are Audit and Supervisory
Committee Members)
Fifth Proposal: Determination of the Remuneration Amount for Directors
who are Audit and Supervisory Committee Members

Yours faithfully,

Toru Kimura
Representative Director, President and CEO
Sumitomo Pharma Co., Ltd.
6-8, Doshomachi 2-chome,
Chuo-ku, Osaka, Japan

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- If you will be attending the Meeting in person, please submit the voting form enclosed herewith to the receptionist at the place of the Meeting.
 - Among the matters subject to the measures for electronic provision, “System to Ensure the Appropriateness of Business Operations and its Implementation,” “Overview of the Agreement Limiting the Liability of the Directors and Audit & Supervisory Board Members” and “Overview of the Agreement of Directors and Officers Liability Insurance” in the Business Report, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements, and “Non-Consolidated Statement of Changes in Equity” and “Notes to Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements are posted on the websites above in accordance with laws and regulations, as well as with Article 16 of the Company’s Articles of Incorporation; accordingly, they are no longer included in the documents delivered to shareholders who have requested the delivery of a paper copy of documents (the “Delivered Documents”).
 - The Delivered Documents are part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their audit reports.
 - Any modification to the matters subject to the measures for electronic provision will be posted on the websites above.

Guidance for Exercising Voting Rights

You can exercise your voting rights by any of the three methods described below:

If you exercise your voting rights by electronic or magnetic means (the Internet, etc.)

Exercise by “Smart Voting”

Please scan the “online voting website log-in QR code for smartphone” on the bottom right of the voting form enclosed herewith with your smartphone or tablet device.

* “QR code” is the registered trademark of DENSO WAVE INCORPORATED.

Deadline: 5:00 p.m. on Wednesday, June 25, 2025 (JST)

Exercise by Entering a Voting Code and a Password

Please access the online voting website designated by the Company, and indicate your approval or disapproval of the proposals by the deadline.

Online voting website

<https://www.web54.net>

Deadline: 5:00 p.m. on Wednesday, June 25, 2025 (JST)

1. Please be advised that shareholders who use the online voting website will be required to change their “passwords” on the said website for the purpose of preventing unauthorized access (“impersonation”) or tampering of the shareholders’ votes by any other person.
2. The Company will provide a new “voting code” and “password” each time the Annual Shareholders’ Meeting is convened.

If you exercise your voting rights in writing

Please indicate your approval or disapproval of the proposals on the voting form enclosed herewith, and return the form to the Company so that it will arrive by the deadline (you need not affix a stamp). If you return the voting form without indicating your approval or disapproval with respect to any proposal, you will be deemed to have indicated your approval for the proposal.

Deadline: To be received by 5:00 p.m. on Wednesday, June 25, 2025 (JST)

If you attend the Meeting in person

Please submit the voting form enclosed herewith to **the receptionist at the place of the**

Meeting.

Date and Time: 10:00 a.m. on Thursday, June 26, 2025 (JST)

Place: Hall on the 7th floor of the Company's Corporate Headquarters
Building
6-8, Doshomachi 2-chome, Chuo-ku, Osaka, Japan

For Institutional Investors

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ, Inc. to exercise their voting rights.

Reference Documents for the Shareholders' Meeting

Proposals and Matters for Reference:

First Proposal: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company intends to transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee with the aim of strengthening the supervisory function of the Board of Directors and further enhancing corporate governance, as well as further increasing its corporate value. Therefore, the Company will make amendments to its Articles of Incorporation that are necessary for such transition, such as the establishment of new provisions regarding the Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of the provisions regarding the Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) Pursuant to Paragraph 1 of Article 427 of the Companies Act, the scope of the officers who can enter into an agreement to limit their liability will be amended in order to enable the Directors who are not engaged in the execution of business operations to fully fulfill their expected roles by entering into an agreement to limit their liability. The consent of each Audit & Supervisory Board Member to this amendment has already been obtained.
- (3) Corrections of words and phrases and required modifications will be made in accordance with the foregoing respective amendments.

2. Details of the amendments

The details of the amendments are as follows.

This proposal will take effect upon the conclusion of this Annual Shareholders' Meeting.

(Proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1. General Provisions Article 1 - Article 3 (Provisions omitted) Article 4. (Organizations) In addition to the Shareholders' Meeting and Directors, the Company shall have the following organizations: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) <u>Accounting Auditor</u>	Chapter 1. General Provisions Article 1 - Article 3 (Not amended) Article 4. (Organizations) In addition to the Shareholders' Meeting and Directors, the Company shall have the following organizations: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) <u>Accounting Auditor</u>

<p>Article 5. (Provisions omitted)</p> <p>Chapter 2. Shares</p> <p>Article 6 - Article 12 (Provisions omitted)</p> <p>Chapter 3. Shareholders' Meeting</p> <p>Article 13 - Article 18 (Provisions omitted)</p> <p>Chapter 4. Directors and the Board of Directors</p> <p>Article 19. (Number of Directors)</p> <p>The Company shall have three (3) or more Directors.</p> <p>(Newly established)</p> <p>Article 20. (Election of Directors)</p> <p>1. The Directors shall be elected at the Shareholders' Meeting.</p> <p>2. (Provisions omitted)</p> <p>3. (Provisions omitted)</p> <p>Article 21. (Representative Directors and Directors with Titles)</p> <p>1. By resolution of the Board of Directors, the Company shall appoint one or more Representative Directors from among the Directors.</p> <p>2. By resolution of the Board of Directors, the Company may appoint one Chairperson of the Board, one Vice Chairperson of the Board and one President from among the Directors.</p> <p>Article 22. (Term of Office of Directors)</p>	<p>Article 5. (Not amended)</p> <p>Chapter 2. Shares</p> <p>Article 6 - Article 12 (Not amended)</p> <p>Chapter 3. Shareholders' Meeting</p> <p>Article 13 - Article 18 (Not amended)</p> <p>Chapter 4. Directors and the Board of Directors</p> <p>Article 19. (Number of Directors)</p> <p>1. The Company shall have three (3) or more Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>).</p> <p>2. The Company shall have three (3) or more <u>Directors who are Audit and Supervisory Committee Members</u>.</p> <p>Article 20. (Election of Directors)</p> <p>1. The Directors shall be elected at the Shareholders' Meeting, <u>which shall be implemented by distinguishing the Directors who are Audit and Supervisory Committee Members from other Directors</u>.</p> <p>2. (Not amended)</p> <p>3. (Not amended)</p> <p>Article 21. (Representative Directors and Directors with Titles)</p> <p>1. By resolution of the Board of Directors, the Company shall appoint one or more Representative Directors from among the Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>).</p> <p>2. By resolution of the Board of Directors, the Company may appoint one Chairperson of the Board, one Vice Chairperson of the Board and one President from among the Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>).</p> <p>Article 22. (Term of Office of Directors)</p>
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<p>The term of office of the Directors shall expire at the conclusion of the Annual Shareholders' Meeting held for the last business year that ends within one (1) year from their election.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>1. The term of office of the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Annual Shareholders' Meeting held for the last business year that ends within one (1) year from their election.</u></p> <p><u>2. The term of office of the Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual Shareholders' Meeting held for the last business year that ends within two (2) years from their election.</u></p> <p><u>3. The term of office of any Director who is an Audit and Supervisory Committee Member and elected as a substitute for a Director who is an Audit and Supervisory Committee Member that retired before the expiration of his/her term of office shall expire at the time when the term of office of the retired Director who was an Audit and Supervisory Committee Member expires.</u></p>
<p>Article 23 (Provisions omitted)</p> <p>Article 24. (Notice of Convocation of the Meeting of the Board of Directors)</p> <p>1. The notice of convocation of the meeting of the Board of Directors shall be sent to each Director <u>and Audit & Supervisory Board Member</u> no later than three (3) days prior to the date of each meeting of the Board; provided, however, that in case of emergency, this notice period may be shortened.</p> <p>2. Upon the consent of all the Directors <u>and Audit & Supervisory Board Members</u>, the meeting of the Board of Directors may be held without following the convocation procedure.</p> <p>(Newly established)</p>	<p>Article 23 (Not amended)</p> <p>Article 24. (Notice of Convocation of the Meeting of the Board of Directors)</p> <p>1. The notice of convocation of the meeting of the Board of Directors shall be sent to each Director no later than three (3) days prior to the date of each meeting of the Board; provided, however, that in case of emergency, this notice period may be shortened.</p> <p>2. Upon the consent of all the Directors, the meeting of the Board of Directors may be held without following the convocation procedure.</p> <p><u>Article 25. (Delegation of Decisions on Execution of Important Operations)</u></p>

<p>Article <u>25</u>. (Omission of the Resolution of the Board of Directors)</p> <p>In cases where a Director submits a proposal with respect to a matter which is the purpose of the resolution of the Board of Directors, if all the Directors who are entitled to participate in the voting with respect to such matter manifest their intention to agree to such proposal in writing or by means of electromagnetic record <u>and no objection is made by any Audit & Supervisory Board Member, then</u> it shall be deemed that the resolution to approve such proposal by the Board of Directors has been made.</p> <p>Article <u>26</u>. (Remuneration, etc. for Directors)</p> <p>The remuneration, bonuses and other financial interests paid or transferred to the Directors by the Company as consideration for their services <u>(hereinafter referred to as the “Remuneration, etc.”)</u> shall be determined by a resolution at the Shareholders’ Meeting.</p> <p>Article <u>27</u>. (Agreement to Limit the Liability of <u>Outside Directors</u>)</p> <p>Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with the <u>Outside Directors</u>, which will limit the liability of the <u>Outside Directors</u> for damages caused by their failure to perform their services; provided, however, that the maximum amount of liability that the <u>Outside</u></p>	<p><u>Pursuant to Paragraph 6 of Article 399-13 of the Companies Act, the Company may delegate all or part of the decisions on execution of important operations (excluding matters set forth in each item of Paragraph 5 of Article 399-13) to the Directors by resolution of the Board of Directors.</u></p> <p>Article <u>26</u>. (Omission of the Resolution of the Board of Directors)</p> <p>In cases where a Director submits a proposal with respect to a matter which is the purpose of the resolution of the Board of Directors, if all the Directors who are entitled to participate in the voting with respect to such matter manifest their intention to agree to such proposal in writing or by means of electromagnetic record, it shall be deemed that the resolution to approve such proposal by the Board of Directors has been made.</p> <p>Article <u>27</u>. (Remuneration, etc. for Directors)</p> <p>The remuneration, bonuses and other financial interests paid or transferred to the Directors by the Company as consideration for their services shall be determined by a resolution at the Shareholders’ Meeting, <u>which shall be implemented by distinguishing the Directors who are Audit and Supervisory Committee Members from other Directors.</u></p> <p>Article <u>28</u>. (Agreement to Limit the Liability of <u>Non-Executive Directors</u>)</p> <p>Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with the <u>Directors (excluding Directors who are Executive Directors, etc.)</u>, which will limit the liability of the Directors for damages caused by their failure to perform their services; provided, however, that the maximum</p>
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<p><u>Directors</u> may become liable under the said agreement shall either be the amount specified in advance, which shall not be less than ten (10) million JPY, or the amount stipulated under applicable laws and regulations, whichever is higher.</p>	<p>amount of liability that the Directors may become liable under the said agreement shall either be the amount specified in advance, which shall not be less than ten (10) million JPY, or the amount stipulated under applicable laws and regulations, whichever is higher.</p>
<p><u>Chapter 5. Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p>	<p>(Deleted)</p>
<p><u>Article 28. (Number of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>The Company shall have three (3) or more Audit & Supervisory Board Members.</u></p>	
<p><u>Article 29. (Election of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>1. The Audit & Supervisory Board Members shall be elected at the Shareholders' Meeting.</u></p>	
<p><u>2. The resolution for the election of the Audit & Supervisory Board Members shall be made by a majority of the votes of the shareholders present at the meeting where shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such meeting are present.</u></p>	
<p><u>Article 30. (Full-Time Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>The Audit & Supervisory Board shall appoint Full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members.</u></p>	
<p><u>Article 31. (Term of Office of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>1. The term of office of the Audit & Supervisory Board Members shall expire at the conclusion of the Annual Shareholders' Meeting held for the last business year that ends within four (4) years from their election.</u></p>	
<p><u>2. The term of office of any Audit & Supervisory Board Member, who is elected</u></p>	

<p><u>to fill a vacancy due to the retirement of a previous Audit & Supervisory Board Member who vacates his/her position before the expiration of the term of office, shall expire upon the expiration of such term of office of the previous Audit & Supervisory Board Member.</u></p>	
<p><u>Article 32. (Notice of Convocation of the Meeting of the Audit & Supervisory Board)</u></p> <p><u>1. The notice of convocation of the meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member no later than three (3) days prior to the date of each meeting of the Board; provided, however, that in case of emergency, this notice period may be shortened.</u></p> <p><u>2. Upon the consent of all the Audit & Supervisory Board Members, the meeting of the Audit & Supervisory Board may be held without following the convocation procedure.</u></p>	<p>(Deleted)</p>
<p><u>Article 33. (Remuneration, etc. for Audit & Supervisory Board Members)</u></p> <p><u>The Remuneration, etc. for the Audit & Supervisory Board Members shall be determined by a resolution at the Shareholders' Meeting.</u></p>	<p>(Deleted)</p>
<p><u>Article 34. (Agreement to Limit the Liability of Outside Audit & Supervisory Board Members)</u></p> <p><u>Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with the Outside Audit & Supervisory Board Members, which will limit the liability of the Outside Audit & Supervisory Board Members for damages caused by their failure to perform their services; provided, however, that the maximum amount of liability that the Outside Audit & Supervisory Board Members may become liable for under the said</u></p>	<p>(Deleted)</p>

<p><u>agreement shall either be the amount specified in advance, which shall not be less than ten (10) million JPY, or the amount stipulated under applicable laws and regulations, whichever is higher.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Chapter 6. Accounts Article <u>35</u>- Article <u>37</u> (Provisions omitted)</p> <p>(Newly established)</p>	<p><u>Chapter 5. Audit and Supervisory Committee</u> <u>Article 29. (Full-time Audit and Supervisory Committee Members)</u> <u>The Audit and Supervisory Committee may appoint Full-time Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members.</u></p> <p><u>Article 30. (Notice of Convocation of the Meeting of the Audit and Supervisory Committee)</u> <u>1. The notice of convocation of the meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member no later than three (3) days prior to the date of each meeting of the Audit and Supervisory Committee; provided, however, that in case of emergency, this notice period may be shortened.</u> <u>2. Upon the consent of all the Audit and Supervisory Committee Members, the meeting of the Audit and Supervisory Committee may be held without following the convocation procedure.</u></p> <p>Chapter 6. Accounts Article <u>31</u> - Article <u>33</u> (Not amended)</p> <p><u>Supplementary Provisions</u> <u>Article 1. (Transitional Measures Concerning Exemption from Liability of the Audit & Supervisory Board Members)</u> <u>The Company may exempt liability for damages of the Audit and Supervisory Board Members (including those who were Audit and Supervisory Board Members) prescribed in</u></p>
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	<u>Paragraph 1 of Article 423 of the Companies Act with respect to their acts prior to the conclusion of the 205th Annual Shareholders' Meeting to the extent permitted under applicable laws and regulations by resolution of the Board of Directors.</u>
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Second Proposal: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

If the First Proposal “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee, and the term of office of all the current Directors (8 persons) of the Company will expire upon the conclusion of this Shareholders’ Meeting. Therefore, the Company would like you to elect six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).


This proposal will take effect subject to the First Proposal “Partial Amendments to the Articles of Incorporation” taking effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:



Candidate No.	Name	Current Position(s) at the Company	No. of Years in Office	Attendance at the Meetings of the Board of Directors
1	Toru Kimura <input type="checkbox"/> Reelection	Representative Director, President and CEO	9 years	100% (21/21)
2	Motoyuki Sakai <input type="checkbox"/> Reelection	Representative Director Executive Vice President	1 year	100% (16/16)
3	Tsutomu Nakagawa <input type="checkbox"/> Reelection	Member, Board of Directors Managing Executive Officer	1 year	100% (16/16)
4	Hiroshi Niinuma <input type="checkbox"/> Reelection	Member, Board of Directors	1 year	100% (16/16)
5	Minoru Usui <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Member, Board of Directors (Outside Director)	4 years	100% (21/21)
6	Koji Fujimoto <input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Member, Board of Directors (Outside Director)	3 years	100% (21/21)


(Note) Attendance at the Meetings of the Board of Directors of Mr. Motoyuki Sakai, Mr. Tsutomu Nakagawa and Mr. Hiroshi Niinuma is that for the period after their assumption of office as Directors.

Note: The Company's group companies, consisting of the Company and its subsidiaries, are hereinafter referred to collectively as the "Group."


Candidate No.	Name and Other Information	Summary of the Profile, Position(s), Responsibilities and Significant Concurrent Position(s)
1	 <p>Toru Kimura (Aug. 5, 1960) 64 years old</p> <div>Reelection</div> <p>No. of shares of the Company owned: 97,600 shares</p> <p>No. of years in office as a Director: 9 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Nomination and Compensation Committee: 100% (8/8)</p>	<p>April 1989: Joined Sumitomo Chemical Co., Ltd.</p> <p>October 1992: Joined the former Sumitomo Pharmaceuticals Co., Ltd.</p> <p>September 2013: Vice President, Head of the Regenerative & Cellular Medicine Office of the Company</p> <p>April 2015: Executive Officer of the Company</p> <p>June 2016: Member of the Board of Directors and Executive Officer of the Company</p> <p>April 2019: Member of the Board of Directors and Managing Executive Officer of the Company</p> <p>April 2021: Representative Director and Senior Managing Executive Officer of the Company</p> <p>June 2024: Representative Director, President and CEO of the Company (up to the present)</p> <p>[Significant Concurrent Position] Director of Sumitomo Pharma America, Inc. Chairperson of the Board of RACTHERA Co., Ltd. Chairperson of the Board of S-RACMO Co., Ltd. Chairperson of the Board of the Japan Epilepsy Research Foundation</p> <p>[Reason for Nomination as a Candidate for Director] Mr. Toru Kimura has served as a responsible person for the departments of global strategy, global finance, regenerative and cellular medicine and research of the Company. Since June 2024, he has served as the Representative Director, President and CEO of the Company. The Company has continued to nominate him as a candidate, finding that he will be able to contribute to the sustainable growth of the Group and increase of its corporate value using his extensive knowledge, experience and skills.</p>

<p>2</p>	 <p>Motoyuki Sakai (Aug. 14, 1961) 63 years old</p> <div style="border: 1px solid black; padding: 2px; text-align: center;">Reelection</div> <p>No. of shares of the Company owned: 9,800 shares</p> <p>No. of years in office as a Director: 1 year</p> <p>Attendance at the Meetings of the Board of Directors: 100% (16/16)</p> <p>*The status of attendance after his assumption of office as a Director</p>	<p>April 1985: Joined Sumitomo Chemical Co., Ltd.</p> <p>June 2007: General Manager, Finance & Accounting Office (Accounting) of Sumitomo Chemical Co., Ltd.</p> <p>July 2010: General Manager, Corporate Planning & Coordination Office (Corporate Planning) of Sumitomo Chemical Co., Ltd.</p> <p>April 2013: General Manager, Corporate Planning & Coordination Office (Business Development) of Sumitomo Chemical Co., Ltd.</p> <p>April 2014: Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>April 2018: Managing Executive Officer of Sumitomo Chemical Co., Ltd. President and Representative Director of Sumitomo Chemical Asia Pte Ltd</p> <p>April 2023: Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>June 2023: Representative Director and Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>June 2024: Representative Director and Executive Vice President of the Company (up to the present)</p> <p>[Currently in Charge of the Following] Global Corporate Strategy; Global Finance Administration External Affairs; Corporate Governance; IT Management & Data Analytics</p> <p>[Significant Concurrent Position] Director of Sumitomo Pharma America, Inc.</p> <p>[Reason for Nomination as a Candidate for Director] Mr. Motoyuki Sakai 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. Since June 2024, he has served as the Representative Director and Executive Vice President of the Company. The Company has continued to nominate him as a candidate, finding that he will be able to contribute to the management for the sustainable growth of the Group and increase of its corporate value using his knowledge and experience.</p>
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<p>3</p>	 <p>Tsutomu Nakagawa (Apr. 27, 1968) 57 years old</p> <div style="border: 1px solid black; padding: 2px; text-align: center;"> <p>Reelection</p> </div> <p>No. of shares of the Company owned: 3,000 shares</p> <p>No. of years in office as a Director: 1 year</p> <p>Attendance at the Meetings of the Board of Directors: 100% (16/16) *The status of attendance after his assumption of office as a Director</p>	<p>April 1993: Joined the former Sumitomo Pharmaceuticals Co., Ltd.</p> <p>April 2016: Senior Officer of Global Oncology of the Company</p> <p>April 2017: Senior Officer of Global Oncology (Development Strategy) of the Company</p> <p>April 2019: Vice President, Head of the Global Oncology Office of the Company</p> <p>April 2020: Vice President, Head of Global Corporate Strategy of the Company</p> <p>April 2022: Executive Officer of the Company</p> <p>July 2023: Chief Strategy Officer of Sumitomo Pharma America, Inc.</p> <p>April 2024: President and CEO of Sumitomo Pharma America, Inc. (up to the present)</p> <p>June 2024: Member of the Board of Directors and Executive Officer of the Company</p> <p>April 2025: Member of the Board of Directors and Managing Executive Officer of the Company (up to the present)</p> <p>[Currently in Charge of the Following] North America Business</p> <p>[Significant Concurrent Positions] Chair, President and CEO of Sumitomo Pharma America, Inc. Chair and Managing Director of Sumitomo Pharma Switzerland GmbH</p> <p>[Reason for Nomination as a Candidate for Director] Mr. Tsutomu Nakagawa has served in responsible positions of the departments of research and global corporate strategy of the Company, and at its overseas subsidiaries. The Company has continued to nominate him as a candidate, finding that he will be able to contribute to the sustainable growth of the Group and increase of its corporate value using his extensive knowledge, experience and skills.</p>
<p>4</p>	 <p>Hiroshi Niinuma</p>	<p>April 1981: Joined Sumitomo Chemical Co., Ltd.</p> <p>April 2006: General Manager, Personnel Office of Sumitomo Chemical Co., Ltd.</p> <p>April 2007: General Manager, Human Resources Department of Sumitomo Chemical Co., Ltd.</p> <p>April 2009: General Manager, General Affairs Department of Sumitomo Chemical Co., Ltd.</p> <p>April 2010: Executive Officer of Sumitomo Chemical Co., Ltd.</p>

	<p>(Mar. 5, 1958) 67 years old</p> <div>Reelection</div> <p>No. of shares of the Company owned: 0 shares</p> <p>No. of years in office as a Director: 1 year</p> <p>Attendance at the Meetings of the Board of Directors: 100% (16/16)</p> <p>Attendance at the Meetings of the Nomination and Compensation Committee: 100% (8/8)</p> <p>*The status of attendance after his assumption of office as a Director</p>	<p>April 2013: Managing Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>April 2018: Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>June 2018: Director and Senior Managing Executive Officer of Sumitomo Chemical Co., Ltd.</p> <p>April 2022: Director and Executive Vice President of Sumitomo Chemical Co., Ltd. (up to the present) (In charge of General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration)</p> <p>June 2024: Member of the Board of Directors of the Company (up to the present)</p> <p>[Significant Concurrent Position] Director and Executive Vice President of Sumitomo Chemical Co., Ltd.</p> <p>[Reason for Nomination as a Candidate for Director] Mr. Hiroshi Niinuma 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 has continued to nominate him as a candidate, finding that he will be able to contribute to the management for the sustainable growth of the 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.</p>
5	 <p>Minoru Usui (Apr. 22, 1955) 70 years old</p> <div>Reelection</div>	<p>November 1979: Joined Shinshu Seiki Co., Ltd. (currently, Seiko Epson Corporation)</p> <p>June 2002: Director of Seiko Epson Corporation</p> <p>November 2005: General Administrative Manager of the Production Engineering & Development Division of Seiko Epson Corporation</p> <p>July 2007: General Administrative Manager of the Corporate Research & Development Division of Seiko Epson Corporation</p> <p>October 2007: Managing Director of Seiko Epson Corporation</p> <p>June 2008: President and Representative Director of Seiko Epson Corporation</p>

	<div data-bbox="363 206 572 271">Outside</div> <div data-bbox="363 293 572 358">Independent</div> <p data-bbox="363 416 572 533">No. of shares of the Company owned: 0 shares</p> <p data-bbox="363 591 572 707">No. of years in office as a Director: 4 years</p> <p data-bbox="363 766 572 972">Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p data-bbox="363 1030 572 1281">Attendance at the Meetings of the Nomination and Compensation Committee: 100% (10/10)</p> <p data-bbox="363 1339 572 1756">Attendance at the Meeting of the Supervisory Committee for Conflict of Interests in Transactions between Group Companies: 100% (5/5)</p>	<p data-bbox="611 197 1414 230">Chief Executive Officer of Seiko Epson Corporation</p> <p data-bbox="611 241 1366 275">April 2020: Chairman and Director of Seiko Epson Corporation</p> <p data-bbox="611 286 1414 360">June 2021: Member of the Board of Directors (Outside Director) of the Company (up to the present)</p> <p data-bbox="611 371 1398 405">June 2021: Outside Director of IHI Corporation (up to the present)</p> <p data-bbox="611 416 1398 450">June 2024: Advisor of Seiko Epson Corporation (up to the present)</p> <p data-bbox="611 508 1038 580">[Significant Concurrent Position] Outside Director of IHI Corporation</p> <p data-bbox="611 638 1374 710">[Reason for Nomination as a Candidate for Outside Director and Summary of Expected Roles]</p> <p data-bbox="611 721 1426 1144">Mr. Minoru Usui has a wide range of knowledge and extensive experience which he has acquired in the course of his long career as a corporate executive at a company providing products including information-related equipment and related services at a global level. The Company has continued to nominate him as a candidate in the expectation that he will be able to contribute to the management for the sustainable growth of the Group and increase of its corporate value using his knowledge and experience, while supervising the management from an independent and objective standpoint as an Outside Director.</p>
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<p>6</p>	 <p>Koji Fujimoto (May 1, 1963) 62 years old</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>No. of shares of the Company owned: 0 shares</p> <p>No. of years in office as a Director: 3 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Nomination and Compensation Committee: 100% (10/10)</p> <p>Attendance at the Meeting of the Supervisory Committee for</p>	<p>April 1987: Joined the Ministry of International Trade and Industry (MITI) (currently, the Ministry of Economy, Trade and Industry (METI))</p> <p>July 2003: Director of the Medical and Assistive Device Industries Office of METI</p> <p>July 2008: Director of the Service Industries Division of METI (Director of the Healthcare Industries Division after organizational revision in July 2011)</p> <p>July 2012: Counsellor of the Cabinet Secretariat (Office of Healthcare Policy, etc.)</p> <p>July 2015: Councillor of the Cabinet Secretariat (Assistant Director of the Office of Healthcare Policy)</p> <p>August 2019: Specially Appointed Professor at Tokyo Medical and Dental University (currently, Institute of Science Tokyo) (to the present)</p> <p>August 2019: Senior URA of the Research University Promotion Organization of Tokyo Medical and Dental University (currently, Institute of Science Tokyo)</p> <p>August 2019: Deputy Director of the Research Center for Industry Alliances (the Open Innovation Center of the Institute of Research Innovation, after reorganization in March 2023) of Tokyo Medical and Dental University (currently, Institute of Science Tokyo)</p> <p>June 2022: Member of the Board of Directors (Outside Director) of the Company (up to the present)</p> <p>March 2023: Deputy Director/Senior URA of the Open Innovation Center of the Institute of Research Innovation of Tokyo Medical and Dental University (currently, Institute of Science Tokyo)</p> <p>March 2023: Director of Emergency Assistance Japan Co., Ltd.</p> <p>October 2024: Senior URA of the Center for Medical Innovation of Institute of Science Tokyo (up to the present)</p> <p>March 2025: Advisor of Emergency Assistance Japan Co., Ltd. (up to the present)</p> <p>[Significant Concurrent Positions] Specially Appointed Professor at Institute of Science Tokyo Senior URA of the Center for Medical Innovation of Institute of Science Tokyo</p> <p>[Reason for Nomination as a Candidate for Outside Director and Summary of Expected Roles] Mr. Koji Fujimoto has served in various responsible positions at the</p>
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	Conflict of Interests in Transactions between Group Companies: 100% (5/5)	Ministry of Economy, Trade and Industry and the Cabinet Secretariat, and has a wide range of knowledge and extensive experience which he has acquired in the course of the development and promotion of healthcare industry policies. The Company has continued to nominate him as a candidate in the expectation that he will be able to contribute to the management for the sustainable growth of the Group and increase of its corporate value using his knowledge and experience, while supervising the management from an independent and objective standpoint as an Outside Director.
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- (Note)
1. None of the candidates have any special interests in the Company.
 2. Mr. Minoru Usui and Mr. Koji Fujimoto are candidates for Outside Directors as defined in Item 7, Paragraph 3, Article 2 of the Regulations for Enforcement of the Companies Act.
 3. The Company designated Mr. Minoru Usui and Mr. Koji Fujimoto as Independent Directors as defined by Tokyo Stock Exchange, Inc., and reported the same to the said exchange.
 4. Mr. Minoru Usui and Mr. Koji Fujimoto currently serve as Outside Directors of the Company, and Mr. Minoru Usui will have served as an Outside Director for four (4) years at the conclusion of this Shareholders' Meeting, and Mr. Koji Fujimoto will have served as an Outside Director for three (3) years at the conclusion of this Shareholders' Meeting.
 5. The Company entered into an agreement with each of Mr. Minoru Usui and Mr. Koji Fujimoto who currently serve as Outside Directors of the Company, which limits their liability for damages under Paragraph 1, Article 423 of the Companies Act. Under the terms of the agreement, their liability is limited to either ten (10) million JPY or the amount stipulated under applicable laws and regulations, whichever is higher. Upon the approval and adoption of the First Proposal "Partial Amendments to the Articles of Incorporation" as originally proposed and the approval of the reelection of Mr. Hiroshi Niinuma, Mr. Minoru Usui and Mr. Koji Fujimoto, the Company intends to enter into an agreement with each of them with the same terms as those of the said agreement.
 6. Mr. Hiroshi Niinuma is an executive of Sumitomo Chemical Co., Ltd., the parent company of the Company. His current positions and responsibilities at Sumitomo Chemical Co., Ltd. are as described in "Summary of the Profile, Position(s), Responsibilities and Significant Concurrent Position(s)"
 7. The Company entered into an agreement of directors and officers liability insurance with an insurance company which is provided in Paragraph 1, Article 430-3 of the Companies Act. All the officers and major employees such as executive officers (hereinafter, "Officers, etc.") of the Company and its domestic subsidiaries (hereinafter, the "Company and its Domestic Subsidiaries") are insured by the insurance. When these candidates assume the position of Director, they will also be insured by the insurance. The Company pays the premium of the insurance in full, and the insurance covers any loss or damage of compensation for damage and litigation costs for which the insured may be liable because of any claim for compensation for damage made against the insured during the

term of the insurance arising from any act (including omission of an act) performed by the insured with respect to any duties as Officers, etc. of the Company and its Domestic Subsidiaries. However, the insurance includes certain exceptions to liability such as damage arising from an act conducted by the insured knowing such act is in violation of laws and regulations. The term of the insurance is one (1) year and it is scheduled to be renewed on the same terms upon expiration.

Third Proposal: Election of Four (4) Directors who are Audit and Supervisory Committee Members


If the First Proposal “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee, and the term of office of all the current Audit & Supervisory Board Members (5 persons) of the Company will expire upon the conclusion of this Shareholders’ Meeting. Therefore, the Company would like you to elect four (4) Directors who are Audit and Supervisory Committee Members.


The Audit & Supervisory Board has already approved this proposal.


This proposal will take effect subject to the First Proposal “Partial Amendments to the Articles of Incorporation” taking effect.


The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current Position(s) at the Company	No. of Years in Office	Attendance at the Meetings of the Board of Directors	Attendance at the Meetings of the Audit & Supervisory Board
1	Hisayoshi Kashima <input type="checkbox"/> New	Full-time Audit & Supervisory Board Member	2 years	100% (21/21)	100% (13/13)
2	Yoshio Iteya <input type="checkbox"/> New <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Audit & Supervisory Board Member	7 years	100% (21/21)	100% (13/13)
3	Mayumi Mochizuki <input type="checkbox"/> New <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Audit & Supervisory Board Member	4 years	100% (21/21)	100% (13/13)
4	Daishiro Michimori <input type="checkbox"/> New <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Outside Audit & Supervisory Board Member	3 years	100% (21/21)	100% (13/13)

Candidate No.	Name and Other Information	Summary of the Profile, Position(s), Responsibilities and Significant Concurrent Position(s)
1	 <p>Hisayoshi Kashima (July 11, 1961) 63 years old</p> <div>New</div> <p>No. of shares of the Company owned: 17, 800 shares</p> <p>No. of years in office as a Director: 2 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Audit & Supervisory Board: 100% (13/13)</p>	<p>April 1985: Joined the former Sumitomo Pharmaceuticals Co., Ltd.</p> <p>June 2007: Senior Director of Finance & Accounting of the Company</p> <p>April 2012: Member of the Board of Directors of Sumitomo Pharma (Suzhou) Co., Ltd.</p> <p>April 2014: Corporate Officer of the Company</p> <p>April 2014: Senior Director of Finance & Accounting of the Company</p> <p>April 2018: Senior Corporate Officer of the Company</p> <p>June 2023: Full-time Audit & Supervisory Board Member of the Company (up to the present)</p> <p>[Reason for Nomination as a Candidate for Director who is an Audit and Supervisory Committee Member]</p> <p>Mr. Hisayoshi Kashima has served in responsible positions of the department of global finance of the Company, and at its overseas subsidiaries. Since June 2023, he has served as a Full-time Audit & Supervisory Board Member of the Company. The Company has nominated him as a candidate, finding that he will be able to contribute to the auditing and supervision of the Group with his extensive knowledge, experience, skills and expertise in finance and accounting affairs.</p>

2	 <p>Yoshio Iteya (Jan. 9, 1956) 69 years</p> <p>New</p> <p>Outside</p> <p>Independent</p> <p>No. of shares of the Company owned: 0 shares</p> <p>No. of years in office as an Audit & Supervisory Board Member: 7 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Audit & Supervisory Board: 100% (13/13)</p>	<p>April 1983: Admitted to the Bar (Japan) April 1989: Admitted to the Bar (New York) January 1992: Partner at Mori Hamada & Matsumoto April 2004: Specially Appointed Professor at Hitotsubashi University School of Law (up to the present) June 2018: Outside Audit & Supervisory Board Member of the Company (up to the present) January 2021: Partner at Anderson Mori & Tomotsune (up to the present) June 2024: Outside Audit & Supervisory Board Member of FUJIFILM Holdings Corporation (up to the present)</p> <p>[Significant Concurrent Positions] Partner at Anderson Mori & Tomotsune Specially Appointed Professor at Hitotsubashi University School of Law Outside Audit & Supervisory Board Member of FUJIFILM Holdings Corporation</p> <p>[Reason for Nomination as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Summary of Expected Roles] Mr. Yoshio Iteya has extensive experience and expertise as an attorney. The Company has nominated him as a candidate in the expectation that that he will be able to contribute to the auditing and supervision of the Group using his experience and expertise. Although he has not been directly involved in corporate management, the Company has determined that he is capable of appropriately performing his duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons described above.</p>
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<p>3</p>	 <p>Mayumi Mochizuki (Mar. 10, 1954) 71 years</p> <p>New</p> <p>Outside</p> <p>Independent</p> <p>No. of shares of the Company owned: 0 shares</p> <p>No. of years in office as an Audit & Supervisory Board Member: 4 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Audit & Supervisory Board: 100% (13/13)</p>	<p>April 1976: Joined Nippon Roche K.K. (currently, Chugai Pharmaceutical Co., Ltd.)</p> <p>April 1983: Joined the Department of Pharmacy of Kitasato University Hospital</p> <p>April 1997: Associate Professor at the Graduate School of Pharmaceutical Sciences of Chiba University</p> <p>September 2000: Professor at the School of Pharmacy of Kitasato University</p> <p>April 2007: Professor at Kyoritsu University of Pharmacy</p> <p>April 2008: Professor at the Faculty of Pharmacy of Keio University</p> <p>April 2009: Associate Dean in Pharmacy at the Graduate School of Pharmaceutical Sciences of Keio University</p> <p>July 2013: Dean of the Faculty of Pharmacy and Dean of the Graduate School of Pharmaceutical Sciences of Keio University</p> <p>October 2015: Director of the Department of Pharmacy at Keio University Hospital</p> <p>April 2019: Professor Emeritus at Keio University (up to the present)</p> <p>April 2019: Project Professor at the Faculty of Pharmacy of Keio University</p> <p>April 2019: Adviser of the International Medical Information Center (up to the present)</p> <p>April 2020: Special Adviser of the International University of Health and Welfare</p> <p>October 2020: Vice President of Science Council of Japan</p> <p>June 2021: Outside Audit & Supervisory Board Member of the Company (up to the present)</p> <p>[Significant Concurrent Position] Professor Emeritus at Keio University</p> <p>[Reason for Nomination as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Summary of Expected Roles] Ms. Mayumi Mochizuki has extensive experience and expertise as a pharmacologist. The Company has nominated her as a candidate in the expectation that she will be able to contribute to the auditing and supervision of the Group using her experience and expertise. Although she has not been directly involved in corporate management, the Company has determined that she is capable of appropriately performing her duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons described</p>
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		above.
4	 <p>Daishiro Michimori (Sep. 29, 1956) 68 years old</p> <p>New</p> <p>Outside</p> <p>Independent</p> <p>No. of shares of the Company owned: 0 shares</p> <p>No. of years in office as an Audit & Supervisory Board Member: 3 years</p> <p>Attendance at the Meetings of the Board of Directors: 100% (21/21)</p> <p>Attendance at the Meetings of the Audit & Supervisory Board: 100% (13/13)</p>	<p>April 1979: Joined the Ministry of Finance</p> <p>October 2010: Councillor of the Cabinet Secretariat (National Policy Unit)</p> <p>August 2012: Regional Commissioner of the Tokyo Regional Taxation Bureau</p> <p>July 2014: Director-General for Policy Planning of the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>April 2016: Admitted to the Bar (Japan)</p> <p>April 2016: Advisor Attorney of TMI Associates</p> <p>April 2016: Managing Director of the Institute of Daiwa Institute of Research Ltd.</p> <p>June 2016: Outside Member of the Board of World Co., Ltd.</p> <p>April 2018: Senior Managing Director of the Institute of Daiwa Institute of Research Ltd.</p> <p>April 2021: Visiting Attorney of Shimada Hamba & Osajima (up to the present)</p> <p>April 2022: Senior Advisor of Daiwa Institute of Research Ltd.</p> <p>June 2022: Outside Audit & Supervisory Board Member of the Company (up to the present)</p> <p>[Significant Concurrent Position] Visiting Attorney of Shimada Hamba & Osajima</p> <p>[Reason for Nomination as a Candidate for Outside Director who is an Audit and Supervisory Committee Member and Summary of Expected Roles] Mr. Daishiro Michimori has served in various responsible positions at the Ministry of Finance and the Cabinet Secretariat, and has expertise related to finance and accounting which he has acquired in the course of the development and promotion of financial policies, and also as an attorney. The Company has nominated him as a candidate in the expectation that he will be able to contribute to the auditing and supervision of the Group using his expertise. Although he has not been directly involved in corporate management, the Company has determined that he is capable of appropriately performing his duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons described above.</p>

(Note) 1. None of the above candidates have any special interests in the Company.

2. Mr. Yoshio Iteya, Ms. Mayumi Mochizuki and Mr. Daishiro Michimori are candidates for Outside Directors as defined in Item 7, Paragraph 3, Article 2 of the Regulations for Enforcement of the Companies Act.
3. The Company designated Ms. Mayumi Mochizuki and Mr. Daishiro Michimori as Independent Directors/Audit & Supervisory Board Members as defined by Tokyo Stock Exchange, Inc., and reported the same to the said exchange. Upon the approval of the election of Mr. Yoshio Iteya, the Company intends to designate him as an Independent Director as defined by Tokyo Stock Exchange, Inc., and report the same thereto.
4. Mr. Yoshio Iteya, Ms. Mayumi Mochizuki and Mr. Daishiro Michimori currently serve as Outside Audit & Supervisory Board Members of the Company, and Mr. Yoshio Iteya will have served as an Outside Audit & Supervisory Board Member for seven (7) years at the conclusion of this Shareholders' Meeting, Ms. Mayumi Mochizuki will have served as an Outside Audit & Supervisory Board Member for four (4) years at the conclusion of this Shareholders' Meeting, and Mr. Daishiro Michimori will have served as an Outside Audit & Supervisory Board Member for three (3) years at the conclusion of this Shareholders' Meeting.
5. The Company entered into an agreement with each of Mr. Yoshio Iteya, Ms. Mayumi Mochizuki and Mr. Daishiro Michimori who currently serve as Outside Audit & Supervisory Board Members of the Company, which limits their liability for damages under Paragraph 1, Article 423 of the Companies Act. Under the terms of the agreement, their liability is limited to either ten (10) million JPY or the amount stipulated under applicable laws and regulations, whichever is higher. Upon the approval and adoption of the First Proposal "Partial Amendments to the Articles of Incorporation" as originally proposed and the approval of the election of Mr. Yoshio Iteya, Ms. Mayumi Mochizuki and Mr. Daishiro Michimori, the Company intends to enter into an agreement with each of them with the same terms as those of the said agreement.
6. The Company entered into an agreement of directors and officers liability insurance with an insurance company which is provided in Paragraph 1, Article 430-3 of the Companies Act. All the officers and major employees such as executive officers (hereinafter, "Officers, etc.") of the Company and its domestic subsidiaries (hereinafter, the "Company and its Domestic Subsidiaries") are insured by the insurance. When these candidates assume the position of Director who is an Audit and Supervisory Committee Member, they will also be insured by the insurance. The Company pays the premium of the insurance in full, and the insurance covers any loss or damage of compensation for damage and litigation costs for which the insured may be liable because of any claim for compensation for damage made against the insured during the term of the insurance arising from any act (including omission of an act) performed by the insured with respect to any duties as Officers, etc. of the Company and its Domestic Subsidiaries. However, the insurance includes certain exceptions to liability such as damage arising from an act conducted by the insured knowing such act is in violation of laws and regulations. The term of the insurance is one (1) year and it is scheduled to be renewed on the same terms upon expiration.

Fourth Proposal: Determination of the Remuneration Amount for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

It was approved at the 201st Annual Shareholders' Meeting held on June 24, 2021 that the remuneration amount for Directors of the Company shall be not more than 700 million JPY annually, and this rule remains in place up to the present. However, if the First Proposal "Partial Amendments to the Articles of Incorporation" is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, the Company would like you to approve the decision that the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) after its transition to a company with an Audit and Supervisory Committee shall be not more than 500 million JPY annually, taking into consideration the business scale of the Company, economic circumstances and other various factors, and that the details, such as the specific amounts for, and timing of payment to, respective Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by resolution of the Board of Directors.

The method of determining the details of remuneration and the like for individual Directors of the Company is as described in the Business Report, and remuneration for Directors (excluding Outside Directors) consists of base remuneration and performance-linked remuneration (bonuses), and remuneration for Outside Directors consists of base remuneration only for the purpose of securing the supervisory function and independence. Changes to such policy are scheduled to be made at the meeting of the Board of Directors after the conclusion of this Annual Shareholders' Meeting with respect to eligible persons written as "Directors" to "Directors (excluding Directors who are Audit and Supervisory Committee Members)."

This proposal was determined by the Board of Directors after receiving the recommendation from the Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors and whose chairperson is an Independent Outside Director. For these reasons, the Company considers that this proposal is appropriate.

If the First Proposal "Partial Amendments to the Articles of Incorporation" and the Second Proposal "Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)" are approved and adopted as originally proposed, the Company will have six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two (2) Outside Directors).

This proposal will take effect subject to the First Proposal "Partial Amendments to the Articles of Incorporation" taking effect.

Fifth Proposal: Determination of the Remuneration Amount for Directors who are Audit and Supervisory Committee Members

If the First Proposal “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, the Company would like you to approve the decision that the remuneration amount for Directors who are Audit and Supervisory Committee Members after its transition to a company with an Audit and Supervisory Committee shall be not more than 100 million JPY annually, taking into consideration the business scale of the Company, economic circumstances and other various factors.

This proposal was determined by the Board of Directors after receiving the recommendation from the Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors and whose chairperson is an Independent Outside Director. For these reasons, the Company considers that this proposal is appropriate.

If the First Proposal “Partial Amendments to the Articles of Incorporation” and the Third Proposal “Election of Four (4) Directors who are Audit and Supervisory Committee Members” are approved and adopted as originally proposed, the Company will have four (4) Directors who are Audit and Supervisory Committee Members (including three (3) Outside Directors).

This proposal will take effect subject to the First Proposal “Partial Amendments to the Articles of Incorporation” taking effect.

END

(Reference)

Independence Criteria for Outside Directors

The Company considers persons who do not fall under any of the following to be independent; provided, however, that this does not preclude the Company from making judgment that such persons who meet these independence criteria are virtually not independent given specific circumstances:

- (1) Persons who have the Company as their major business partner (meaning persons who received payments from the Company for products or services in an amount that exceeds, in any of their last three (3) fiscal years, two percent (2%) of their consolidated annual revenue or consolidated annual net sales), or persons executing the business operations thereof (meaning an “executive” as defined in Article 2, paragraph 3, item (vi) of the Regulations for Enforcement of the Companies Act; the same shall apply hereinafter in these independence criteria);
- (2) Persons who are the Company’s major business partners (meaning persons who made payments to the Company for products or services in an amount that exceeds, in any of the Company’s last three (3) fiscal years, two percent (2%) of the Company’s consolidated annual revenue), or persons executing the business operations thereof;
- (3) Consultants, accounting or legal professionals who received from the Company monetary consideration or other properties of ten (10) million JPY or more, except for the remuneration of the Directors or the Audit & Supervisory Board Members, in any of their last three (3) fiscal years (or those persons who belong to corporations, associations or any other entity, which received from the Company monetary consideration or other properties of one hundred (100) million JPY or more in any of their last three (3) fiscal years);
- (4) Persons who received from the Company any donation or grant of ten (10) million JPY or more in any of their last three (3) fiscal years (or those persons who belong to corporations, associations or any other entity, which received from the Company any donation or grant of one hundred (100) million JPY or more in any of their last three (3) fiscal years);
- (5) Persons who fall under either of ① and ② below in any of the past ten (10) years;
 - ① Persons executing the business operations of the parent company of the Company (including directors who are not persons executing the business operations, and including audit & supervisory board members in cases where it must be determined whether Outside Audit & Supervisory Board Members meet these independence criteria); or
 - ② Persons executing the business operations of any subsidiary of the parent company of the Company (excluding the Company and its subsidiaries; the same shall apply hereinafter); or
- (6) Close relatives (Note 1) of persons who fall under any of ① to ③ below (excluding persons other than persons with important positions (Note 2));
 - ① Persons who fall under any of (1) to (5) above;
 - ② Persons executing the business operations of any subsidiary of the Company (including directors who are not persons executing the business operations in cases where it must be determined whether Outside Audit & Supervisory Board Members meet these independence criteria), persons executing the business operations of the parent company of the Company

(including directors who are not persons executing the business operations, and including audit & supervisory board members in cases where it must be determined whether Outside Audit & Supervisory Board Members meet these independence criteria), or persons executing the business operations of any subsidiary of the parent company; or

- ③ Persons who were persons executing the business operations of the Company or any subsidiary of the Company in any of the past three (3) years (including directors who are not persons executing the business operations in cases where it must be determined whether Outside Audit & Supervisory Board Members meet these independence criteria).

(Note 1) Close relatives mean the spouse and relatives within the second degree of kinship.

(Note 2) Persons with important positions mean the directors (excluding outside directors), executive officers, department heads, certified public accountants who belong to audit corporations or accounting firms, lawyers who belong to law firms and any other person who is objectively and reasonably found to have a similar importance.

(Reference)

If the First Proposal, Second Proposal and the Third Proposal are approved as originally proposed, the Skills Matrix of the Directors will be as described in the table below.*1

Name/Position		Corporate management or organizational operations in Japan or abroad*2	Different industries *3	Creation and cultivation of new business/ business development*4	Digital technologies and data utilization*5	Healthcare industry			Finance, accounting and tax	Legal, compliance and risk management	Major career, expertise, etc.
						Medical science, pharmaceutical science, public administration	R&D	Planning, marketing, etc.			
Toru Kimura	Representative Director, President and CEO	○					○				Served as a responsible person for the departments of global strategy, global finance, regenerative and cellular medicine and research of the Company.
Motoyuki Sakai	Representative Director	○	○						○		Corporate executive
Tsutomu Nakagawa	Member, Board of Directors	○					○	○			Served in responsible positions of the departments of research and global corporate strategy of the Company, and at its overseas subsidiaries.
Hiroshi Niinuma	Member, Board of Directors	○	○							○	Corporate executive
Minoru Usui	Member, Board of Directors (Outside Director)	○	○	○	○						Corporate executive
Koji Fujimoto	Member, Board of Directors (Outside Director)					○					Served in responsible positions at the Ministry of Economy, Trade and Industry and the Cabinet Secretariat.
Hisayoshi Kashima	Member, Board of Directors Audit and Supervisory Committee Member	○						○	○		Served in responsible positions of the department of global finance of the Company, and at its overseas subsidiaries.
Yoshio Iteya	Member, Board of Directors (Outside Director) Audit and Supervisory Committee Member									○	Attorney at law
Mayumi Mochizuki	Member, Board of Directors (Outside Director) Audit and Supervisory Committee Member					○					Pharmacologist
Daishiro Michimori	Member, Board of Directors (Outside Director) Audit and Supervisory Committee Member								○	○	Served in responsible positions at the Ministry of Finance and the Cabinet Secretariat. Attorney at law

*1 Circles (○) for Internal Directors indicate knowledge, experience and skills cultivated through the relevant person's career, etc. Circles for Outside Directors indicate knowledge, experience and skills expected of them based on the relevant person's expertise, career, etc. The number of circles indicated for each Director is limited so that it does not exceed four, and therefore the matrix does not necessarily show all the knowledge, experience and skills held by the relevant person.

*2 The Board of Directors considers that it is necessary that the Directors have comprehensive knowledge, experience and skills concerning various matters, including governance, sustainability, business strategy, and global business operations as the extensive knowledge, experience and skills of a person who is in charge of corporate management or organizational operations in Japan or abroad.

*3 The Board of Directors considers that it is necessary that the Directors have extensive knowledge, experience and skills in different industries to offer a perspective which is different from those of the healthcare industry.

*4 The Board of Directors considers that it is necessary that the Directors have extensive knowledge, experience and skills concerning the creation and cultivation of new business or business development to contribute to the development of new business.

*5 The Board of Directors considers that it is necessary that the Directors have extensive knowledge, experience and skills concerning digital technologies and data utilization to contribute to the creation of new value through digital technology or data utilization.

[Attached Documents]

Business Report

(From April 1, 2024 to March 31, 2025)

1. Matters Regarding the Current Circumstances of the Group

(1) Group Business Progress and Results

During the fiscal year ended March 31, 2025, the world economy showed an overall recovery trend, supported by steady U.S. economic performance driven by increased consumer spending, despite signs of a slowdown in economic recovery in China and some other regions. However, the economic outlook remained uncertain primarily due to growing geopolitical risks, increasing volatility in financial markets, and the unclear future direction of U.S. tariff policies. In the Japanese economy, while business remained on track toward moderate recovery, weak domestic demand continued to be a concern.

In the pharmaceutical sector, while the government continued its efforts to curb medical expenses, the business environment showed signs of improvement due to the utilization of digital technology and drug price system reform. However, partly because of the increasing difficulty in developing new drugs and soaring research and development expenses, the selection and concentration of business was accelerated.

The Group finds itself in a very difficult situation, having recorded significant losses in the previous fiscal year. This is attributable to the decline in revenue from LATUDA[®] (atypical antipsychotic), which had peak sales of over 200.0 billion JPY before losing exclusivity in 2023 in the U.S., as well as the lower-than-expected revenue growth of ORGOVYX[®] (therapeutic agent for advanced prostate cancer), MYFEMBREE[®] (therapeutic agent for uterine fibroids and endometriosis), and GEMTESA[®] (therapeutic agent for overactive bladder) (collectively, the “three key products”) in North America.

Against this backdrop, the Group has pursued business activities aimed at achieving an early turnaround and renewed growth by implementing fundamental structural reforms across the organization while working to expand the business of existing products, including the three key products.

In Japan, in the psychiatry & neurology area, the Group focused on the provision of medical information mainly on LATUDA[®] and LONASEN[®] Tape (atypical antipsychotic), while the exclusivity period for TRERIEF[®] (therapeutic agent for Parkinson’s disease) expired in June 2024. The Company entered into a co-promotion collaboration partner agreement with Janssen Pharmaceutical K.K. for XEPLION[®] and XEPLION TRI[®] (both long-acting antipsychotic medication). Co-promotion activities subsequently launched in February 2025. In the diabetes area, the Group remained focused on bolstering sales of TWYMEEG[®], Equa[®], whose exclusivity period expired in December 2024, and EquMet[®] (all three therapeutic agents for type 2 diabetes).

In North America, the Group focused on expanding sales of the three key products and RETHYMIC[®] (cultured thymus tissue for pediatric congenital athymia). In December 2024, the Group terminated the joint development and commercialization of MYFEMBREE[®] with Pfizer Inc. (“Pfizer”) to transition to independent commercialization.

In Asia, the Group continued working to expand sales of MEROPEN[®] (carbapenem antibiotic), one of its mainstays there.

As part of its fundamental structural reform, the Group offered an early retirement program to its employees in Japan, aiming to establish a profitable structure in its Japan business, following the restructuring of its group companies in North America in the previous fiscal year.

In the regenerative medicine and cell therapy business, the Company transferred part of the shares it held in RACTHERA Co., Ltd. (“RACTHERA”) and S-RACMO Co., Ltd. (“S-RACMO”), which are responsible for promotion and research and development of this business, and for contract development

of manufacturing methods and contract manufacturing, respectively, to Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical”), its parent company. By maximizing synergies within the Sumitomo Chemical Group, the Company will strive to accelerate early development and global expansion of this business.

In addition to the above, the Company transferred its frontier business to FrontAct Co., Ltd. in May 2024, and entered into an agreement to transfer all shares of this new subsidiary to Sawai Group Holdings Co., Ltd. in March 2025.

While working to improve performance through these undertakings, the Group also strove to strengthen its financial base by repaying a portion of existing borrowings with the proceeds from the sale of shares in Roivant Sciences Ltd. (“Roivant”), and entering into new syndicated loan agreements for refinancing purposes.

With a view to achieving sustainable growth by concentrating its management resources on focus areas, the Company concluded an agreement in April 2025 stipulating that the Asian business of its subsidiaries, Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd., along with their respective subsidiaries, would be transferred to Marubeni Global Pharma Corporation.

Highlights of the Group’s consolidated financial results (IFRS) for the fiscal year under review are as follows:

	FY2024 (Billions of JPY)	FY2023 (Billions of JPY)	Change (Billions of JPY)	Rate of Change
Revenue	398.8	314.6	84.3	26.8%
Core operating profit	43.2	(133.0)	176.1	— %
Operating profit	28.8	(354.9)	383.7	— %
Profit before taxes	17.6	(323.1)	340.7	— %
Net profit	23.6	(314.9)	338.6	— %
Net profit attributable to owners of the parent	23.6	(315.0)	338.6	— %

(Notes) 1. The Group has adopted the International Financial Reporting Standards (IFRS) for preparing its consolidated financial statements.

2. Core operating profit is calculated by excluding certain items from operating profit, such as impairment losses, business structure improvement expenses, and changes in fair value of contingent consideration.

■ **Revenue increased by 26.8% year-on-year to 398.8 billion JPY.**

Revenue showed an increase primarily owing to sales expansion of the three key products in North America, as well as the effects of the one-time recording as revenue of deferred revenue associated with an upfront payment following the transition to independent commercialization of MYFEMBREE®, and foreign currency translation resulting from the year-on-year depreciation of the Japanese yen.

■ **Core operating profit (loss) was 43.2 billion JPY, compared with (133.0) billion JPY for the previous fiscal year.**

Core operating profit (loss) showed a significant improvement, marking a return to profitability due to increased revenue and significant reductions in selling, general and administrative expenses, as well as research and development expenses. These reductions resulted from Group-wide streamlining

efforts, including the reduction of research and development investments through selection and concentration, along with the manifestation of positive effects of business structure improvement following the restructuring of the group companies in North America. Another factor contributing to this improvement was the recording of revenue from the partial transfer of the Company's shares in RACTHERA.

■ **Operating profit (loss) was 28.8 billion JPY, compared with (354.9) billion JPY for the previous fiscal year.**

Operating profit (loss) showed a significant improvement primarily due to reductions in impairment losses and expenses for business structure improvement, in addition to the improvement in core operating profit (loss).

■ **Profit (loss) before taxes was 17.6 billion JPY, compared with (323.1) billion JPY for the previous fiscal year.**

Profit (loss) before taxes saw a substantial improvement due to the significant improvement in operating profit (loss), although financial income/costs—a balance of financial income after the deduction of financial costs—decreased primarily due to the recording of foreign exchange losses from the yen's appreciation.

■ **Net profit (loss) was 23.6 billion JPY, compared with (314.9) billion JPY for the previous fiscal year.**

Net profit (loss) showed a significant improvement due to the improvement in profit (loss) before taxes.

■ **Net profit (loss) attributable to owners of the parent was 23.6 billion JPY, compared with (315.0) billion JPY for the previous fiscal year.**

Net profit (loss) attributable to owners of the parent, which is the amount of net profit (loss) less the portion attributable to non-controlling interests, showed a significant improvement, marking a return to profitability.

Business performance by reportable segment is as follows.

“Core segment profit” is each segment profit calculated by deducting from “core operating profit” any items such as research and development expenses and gains and losses on business transfers, which are managed globally and thus cannot be allocated to individual segments.

1. Japan

■ **Revenue decreased by 12.9% year-on-year to 99.8 billion JPY.**

Despite sales growth of TWYMEEG®, LATUDA®, and authorized generic products, among others, revenue declined due to decreased sales of TRERIEF® and Equa® primarily owing to the loss of exclusivity, as well as the impact of NHI drug price revisions.

■ **Core segment profit (loss) decreased by 14.6% year-on-year to 11.4 billion JPY.**

Core segment profit showed a decrease as the reduction in selling, general and administrative expenses from cost reduction efforts was outweighed by a decrease in gross profit on account of a revenue decline.

2. North America

■ Revenue increased by 58.3% year-on-year to 251.8 billion JPY.

Revenue showed an increase owing to sales expansion of the three key products and APTIOM® (treatment for antiepileptic), as well as the effects of the one-time recording as revenue of deferred revenue associated with an upfront payment following the transition to independent commercialization of MYFEMBREE®, and foreign currency translation.

■ Core segment profit (loss) was 42.6 billion JPY, compared with (80.2) billion JPY for the previous fiscal year.

The Group posted a core segment profit due to an increase in gross profit from revenue growth and the decrease in selling, general and administrative expenses, primarily resulting from the effects of business structure improvement through the restructuring of the group companies in North America.

3. Asia

■ Revenue increased by 15.5% year-on-year to 47.2 billion JPY.

Revenue showed an increase primarily owing to an increase in sales of MEROPEN® in China.

■ Core segment profit (loss) increased by 30.0% year-on-year to 23.9 billion JPY.

Core segment profit increased as gross profit increased on account of revenue growth.

The status of research and development activities is as follows:

The selection and concentration of development programs were advanced to reduce research and development expenses, while, at the same time, continuing to pursue research and development by securing the seeds of next-generation growth, with a focus on two oncology products nearing launch and the regenerative medicine and cell therapy pipelines. In addition, the Research and Development Division was established in December 2024 by integrating the Drug Research Division, Drug Development Division, and Technology Research & Development Division, aiming to improve performance capacity.

The progress statuses of key development projects during the fiscal year under review are as follows:

1. Psychiatry & Neurology

i. Allogeneic iPS cell-derived dopaminergic neural progenitor cells (product code: CT1-DAP001/DSP-1083)

In Japan, based on the data from the investigator-initiated study by Kyoto University Hospital using non-cryopreserved cells (CT1-DAP001), preparations were made to submit an application for approval for Parkinson's disease during FY 2025.

In the U.S., the University of California San Diego School of Medicine pursued a Phase 1/2 clinical study (investigator-initiated study) for Parkinson's disease using non-cryopreserved cells (CT1-DAP001).

Also in the U.S., a Phase 1/2 clinical study (company-sponsored clinical study) for Parkinson's disease using cryopreserved cells (DSP-1083) was pursued.

ii. Allogeneic iPS cell-derived retinal pigment epithelial cells (product code: HLCR011)

In Japan, a Phase 1/2 clinical study for retinal pigment epithelium tear was pursued.

iii. Allogeneic iPS cell-derived retinal sheet (3-dimensional retina) (product code: DSP-3077)

In the U.S., a Phase 1/2 clinical study for the treatment of retinitis pigmentosa was initiated.

2. Oncology

i. enzomenib (product code: DSP-5336)

In the U.S. and Japan, Phase 1/2 clinical studies for acute leukemia were pursued.
ii. nuvisertib (product code: TP-3654)

In the U.S. and Japan, Phase 1/2 clinical studies for myelofibrosis were pursued.
iii. SMP-3124

In the U.S. and Japan, Phase 1/2 clinical studies for solid tumors were initiated.

3. Others

i. OBGEMSA[®] (generic name: vibegron)

In Europe, regulatory approval for its indication of overactive bladder was obtained by an alliance partner in June 2024.

ii. GEMTESA[®] (generic name: vibegron)

In the U.S., regulatory approval for its additional indication of overactive bladder in men with benign prostatic hyperplasia (BPH) was obtained in December 2024.

The Group conducted a Phase 3 clinical study for overactive bladder in men in China; however, as the expected results were not confirmed, the Group discontinued its development.

iii. Universal influenza vaccine (product code: fH1/DSP-0546LP)

In Belgium, the Group initiated a Phase 1 clinical study for a novel universal influenza vaccine adjuvanted with a TLR7 agonist (immune enhancing agent) developed by the Company.

As a result of the research and development activities mentioned above, research and development expenses for the fiscal year under review amounted to 49.9 billion JPY (down by 55.7% year-on-year). Please note that if the business structure improvement expenses of 1.4 billion JPY recorded during the fiscal year under review were excluded, research and development expenses were 48.5 billion JPY (down by 46.7% year-on-year) on the core basis. The Group manages its research and development expenses globally and so does not allocate such expenses to individual segments.

(2) Capital Investments by the Group

The total amount of capital investments made by the Group during the fiscal year under review was 12.1 billion JPY, and the major capital investment made during the fiscal year under review includes an investment for the construction of a cell-processing center in the U.S.

(3) Financing of the Group

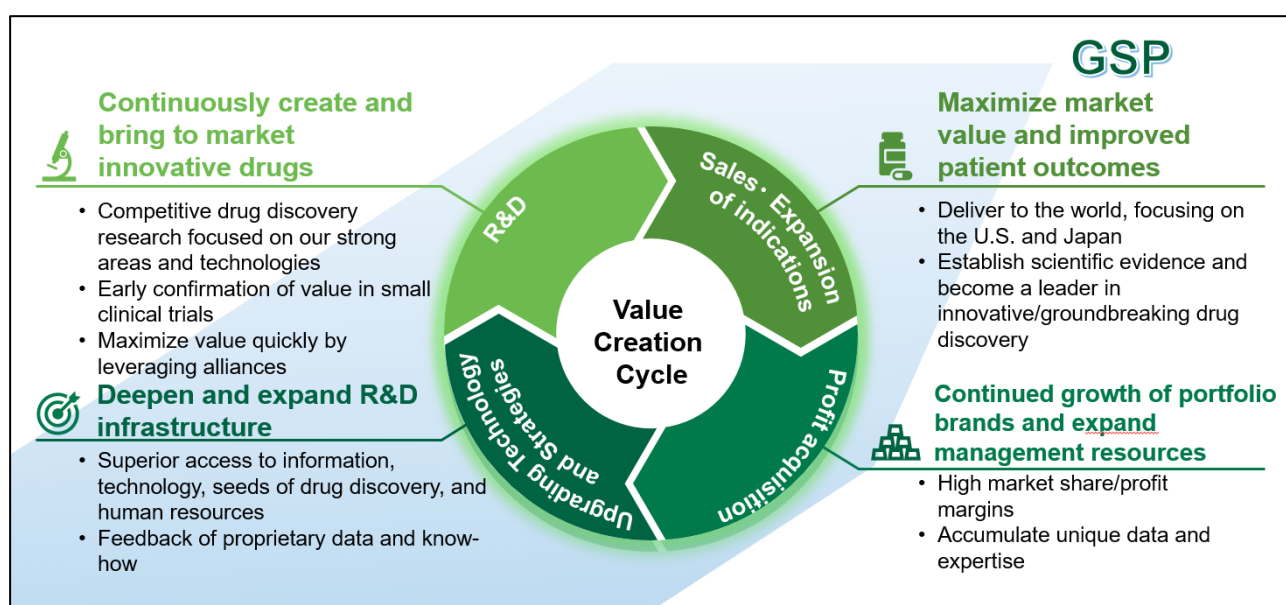
During the fiscal year under review, the Company has applied the proceeds of 98 billion JPY from the sale of Roivant shares to repay the existing borrowings, including a bridge loan for the acquisition of Myovant Sciences Ltd. as a wholly-owned subsidiary implemented in March 2023 and existing borrowings for the strategic alliance with Roivant implemented in December 2019, totaling 331 billion JPY. In addition, the Company has entered into new syndicated loan agreements for the total amount of 233 billion JPY, consisting of a term loan and a commitment line. Under the new syndicated loan agreements, the Company has raised funds of 181.9 billion JPY during the fiscal year under review.

(4) Issues to Be Addressed by the Group

The Company posted significant losses for FY2023, resulting in a serious financial condition. In response, in FY2024, the Group implemented a fundamental structural reform across its organization, which involved a major workforce downsizing. On the business front, the regenerative medicine and cell therapy

business has been realigned to establish a cooperative framework among Sumitomo Chemical, RACTHERA, S-RACMO, and the Company and, as part of the selection and concentration strategy, the Asian business and the frontier business were transferred. As a result of these initiatives, the Group achieved its critical goals of turning core operating profit and bottom-line profits positive. Meanwhile, existing borrowings were refinanced to stabilize the financial situation. Nevertheless, the Group remains in a difficult financial condition, as the financial results for FY2024 included one-time revenue. Going forward, the Group will pursue efficient organizational management and work for a higher rate of success in research and development under a new streamlined organizational structure following the major structural reforms. By maintaining the “value creation cycle” expected of an R&D-oriented pharmaceutical company, the Company will make a fresh start to become a resilient entity, aiming anew to establish itself as a “Global Specialized Player (GSP).” In May 2025, the Group announced “Reboot 2027—Reboot for a Strong Sumitomo Pharma,” its action plan leading up to FY2027, in a bid to achieve this goal with the unified efforts of everyone across the Group.

Value Creation Cycle



Note: The Company forms a powerful “value creation cycle” in selected business and technology areas to continuously create innovations and implement them in society. By contributing to the betterment of healthcare and fuller lives of people worldwide in this way to establish the Sumitomo Pharma brand globally, the Company aims to position itself as a GSP.

[FY2025 Activity Policy]

The Group will steer its business under the following policy, regarding FY2025 as the year to prove its true value as an R&D-oriented pharmaceutical company to determine its path toward renewed growth.

1. Expanding revenue

In North America, the Group will continue to place the greatest focus on maximizing the value of the three key products early. For ORGOVYX[®], the Group aims to maintain its strong growth trend with the goal of establishing it as a standard medication for androgen deprivation therapy for patients with advanced prostate cancer. The Group will work to gain a larger market share by running promotional campaigns, including efforts to publicize the change in the pharmaceutical benefit

design, which reduced the upper limit of out-of-pocket costs for patients in January 2025. For MYFEMBREE®, although the joint development and commercialization with Pfizer came to an end at the end of December 2024, the Group will remain committed to promotional activities, focusing on expanding the oral GnRH (Gonadotropin-releasing hormone) market and increasing its penetration in the market by gaining greater recognition and popularity among patients and medical professionals while promoting market share growth for endometriosis. For GEMTESA®, the Group will leverage the receipt of regulatory approval for its additional indication for overactive bladder with BPH in FY2024 to further expand sales, despite an anticipated decline in sales volume due to the entry of generics of competing products.

In Japan, while the exclusivity period of EquMet® will expire in FY2025, the Company started co-promotion collaboration with Janssen Pharmaceutical of XEPLION® and XEPLION TRI® in February 2025. Together with LATUDA® and TWYMEEG®, the Group intends to maximize the value of these priority products.

2. Securing seeds for future business growth

In FY2025, while maintaining tight cost control, the Group will concentrate its resources in enzomenib and nuvisertib (both in the oncology area) and seek partnership opportunities to prioritize the development of these two drugs, with the goal of receiving regulatory approval and maximizing their value early. For enzomenib, the Group will continue to pursue a Phase 2 clinical study for acute myeloid leukemia to apply for approval of its monotherapy and a Phase 1/2 clinical study for its combination therapy, and for nuvisertib, Phase 1/2 clinical studies for myelofibrosis (monotherapy/combination therapy). During the “Reboot 2027” period, the Group aims to receive regulatory approval for and launch enzomenib in Japan and the U.S, and to submit an application for approval for nuvisertib in Japan and the U.S.

In the psychiatry and neurology area, the Group will seek to obtain conditional and time-limited regulatory approval in Japan for allogeneic iPS cell-derived dopaminergic neural progenitor cells for the indication of Parkinson’s disease, while steadily pursuing a Phase 1/2 clinical study in the U.S., aiming to bring the world’s first iPS cell-derived products to market and realize game-changing therapies in collaboration with RACTHERA. For allogeneic iPS cell-derived retinal pigment epithelial cells, the Group will continue to advance a Phase 1/2 clinical study in Japan for the indication of retinal pigment epithelial tear and, for allogeneic iPS cell-derived retinal sheets, a Phase 1/2 clinical study in the U.S. for the treatment of retinitis pigmentosa. For distinguished small molecules, the Group will identify priority products from its early-stage development pipeline to sustain revenue into the 2030s, accelerating initiatives to facilitate a smooth transition to the next phase.

In the Others area, in an effort to steadily develop universal influenza vaccines, the Group will conduct an interim analysis of a Phase 1 clinical study in Belgium, while continuing Phase 1 clinical studies of KSP-1007 in Japan and China in anticipation of its introduction to the Asian market. The research and development of the universal influenza vaccine and KSP-1007 are funded by research and development grants from the Japan Agency for Medical Research and Development (AMED).

Going forward, the Group will forge ahead with business activities as one, remaining committed to doing its utmost to deliver new value to its patients, their families, and caregivers as quickly as possible.

[Elimination of Significant Events on Assumption of Going Concern]

The Group recorded a large net loss attributable to owners of the parent in the previous fiscal year, and breached restrictive financial covenants included in syndicated loan contracts. As a result, the Group found itself in a situation where the maturity of its loans could have been accelerated.

In response, the Group has successfully achieved a turnaround, reporting a net profit attributable to owners of the parent for the fiscal year under review by expanding the business of the three key products and other existing products and carrying out a fundamental structural reform across the Group.

As for the syndicated loan contracts, the Group has resolved the breach of restrictive financial covenants by concluding new syndicated loan contracts, securing a stable source of funding to meet immediate needs.

Based on the above, the Group has concluded that conditions that may cast significant doubt on its ability to continue as a going concern have been eliminated as of the end of the fiscal year under review.

(5) Assets and Income

Assets and Income of the Group

Category	IFRS			
	FY2021 (Fiscal year ended March 2022)	FY2022 (Fiscal year ended March 2023)	FY2023 (Fiscal year ended March 2024)	FY2024 (Fiscal year ended March 2025) (the fiscal year under review)
Revenue (Millions of JPY)	560,035	555,544	314,558	398,832
Operating profit (Millions of JPY)	60,234	(76,979)	(354,859)	28,804
Net profit attributable to owners of the parent (Millions of JPY)	56,413	(74,512)	(314,969)	23,634
Basic earnings per share	141.99 JPY	(187.55) JPY	(792.79) JPY	59.49 JPY
Total assets (Millions of JPY)	1,308,007	1,134,742	907,506	742,604
Total equity (Millions of JPY)	673,569	406,782	156,136	169,479

(Note) Amounts are rounded to the nearest million JPY.

(Reference)

The Company established its policy for strategic shareholding in its Basic Policy on Corporate Governance, as described below:

- The Company shall not hold any shares of other companies except when such shareholding supports the sustainable enhancement of its corporate value, such as establishment or maintenance of corporate alliances and other types of relationships with important business partners and customers.
- The Company shall have the Board of Directors evaluate the reasonableness and the

economic rationale of respective strategic shareholdings on an annual basis, and when the Board of Directors finds any such shareholdings not reasonable, the Company shall proceed to reduce the relevant shareholdings or sell the relevant shares.

- With respect to exercising voting rights for such strategic shareholdings, the Company shall examine the proposal from the viewpoint of whether it will lead to enhancing not only the corporate value of the relevant issuing company, but also that of the Company.

Based on this Policy, the Company has the Board of Directors evaluate the reasonableness of continuation of its respective strategic shareholdings on an annual basis. Consequently, while the Company held 39 kinds of listed shares as of June 2015, it proceeded to sell some of them thereafter, and held 12 kinds of listed shares as of the end of the previous fiscal year. As of the end of the fiscal year under review, the Company held six kinds of listed shares.

(6) Details of the Principal Businesses of the Group

Manufacturing, processing, purchase, sale, and import and export of pharmaceuticals and the like.

(7) Major Sales Branches, Plants, etc., of the Group

Category	Name	Place	Name	Place	Name	Place
	Osaka Head Office	Osaka	Tokyo Head Office	Chuo-ku, Tokyo		
Branches	Hokkaido-Tohoku Branch	Sendai	Kanto-Koshinetsu Branch	Saitama	Shutoken Branch	Chuo-ku, Tokyo
	Tokai-Hokuriku Branch	Nagoya	Kansai Branch	Osaka	Chugoku-Shikoku Branch	Hiroshima
	Kyushu Branch	Fukuoka				
Plants	Suzuka Plant	Suzuka, Mie	Oita Plant	Oita, Oita		
Research Laboratories	Central Research Laboratories	Suita, Osaka	Osaka Research Center	Osaka		

- (Note)
1. Major subsidiaries, etc. are as described in the section of “Significant Subsidiaries, etc.” below.
 2. 12 Branches were restructured to seven Branches as of December 1, 2024.
 3. The Regenerative & Cellular Medicine Kobe Center became the Kobe Research Center of RACTHERA Co., Ltd. as of February 1, 2025.

(8) Employees

① Employees of the Group

Number of Employees	Increase (Decrease) from the End of the Previous Fiscal Year
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3,832	(1,148)
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- (Note)
1. The number of employees of the Group indicated above is the total number of all persons currently working in the Group, including the seconded employees accepted by the Group, but excluding the employees seconded to other companies.
 2. The number of employees decreased mainly due to decrease in the number of employees of the Company.

② Employees of the Company

Number of Employees	Increase (Decrease) from the End of the Previous Fiscal Year	Average Age	Average Length of Continuous Employment
1,799	(1,109)	43.7	18.4 years

- (Note)
1. The number of the Company's employees indicated above is the total number of all persons currently working in the Company, including the 104 seconded employees accepted by the Company, but excluding the 276 employees seconded to other companies.
 2. The average age and average length of continuous employment were calculated based on the number that excludes the seconded employees accepted by the Company.
 3. The number of employees decreased mainly due to the offering of an early retirement program and the absorption-type company split of the regenerative medicine and cell therapy business (excluding activities related to manufacturing plants) to RACTHERA Co., Ltd.

(9) Parent Company and Significant Subsidiaries, etc.

① Parent Company

The parent company of the Company is Sumitomo Chemical Co., Ltd. holding 205,634,000 shares of common stock of the Company (investment ratio: 51.68%). The business transactions between the Company and Sumitomo Chemical Co., Ltd. are: the lease and rental of certain manufacturing/research facilities for pharmaceuticals, the consignment and undertaking of services in relation thereto, the purchase of raw materials, the joint operation of a joint venture for the regenerative medicine and cell therapy business and financial guarantee by Sumitomo Chemical Co., Ltd.

② Matters concerning Business Transactions with the Parent Company

Among the business transactions between the Company and Sumitomo Chemical Co., Ltd., the financial guarantee by Sumitomo Chemical Co., Ltd. need to be noted in the Notes to Non-Consolidated Financial Statements for the fiscal year under review.

- i. Considerations made so as not to harm the interests of the Company in conducting the business transactions

With respect to the transactions, the Company has paid attention not to harm the interests of the Company by, for example, determining reasonable conditions based on the market

interest rate and generally employed terms and conditions.

- ii. Decision of the Board of Directors of the Company on whether or not the business transaction might harm the interests of the Company, and the reason therefor

The terms and conditions of the business transaction are reasonable and accordingly the Board of Directors decided that the business transaction would not harm the interests of the Company.

- iii. Opinion of the Outside Director(s) when the opinion is different from the decision of the Board of Directors (if applicable)

There was no applicable matter.

③ Significant Subsidiaries, etc.

		Name	Place	Investment Ratio (%)	Principal Businesses
Japan	Subsidiary	Sumitomo Pharma Promo Co., Ltd.	Suita, Osaka	100	Manufacture and sale of medical drugs and the like
	Associates	RACTHERA Co., Ltd.	Chuo-ku, Tokyo	33.4	Research and development of regenerative medicine and cell therapy products and the like
		S-RACMO Co., Ltd.	Suita, Osaka	33.4	Contracted development of manufacturing methods, manufacturing, etc. for regenerative medicine and cell therapy products and the like
Overseas	Subsidiaries	Sumitomo Pharma America, Inc.	U.S.A.	100	Manufacture and sale of medical drugs
		Sumitomo Pharma Switzerland GmbH	Switzerland	100	Holding of intellectual property rights and manufacture and management of medical drugs

		Sumitomo Pharma (China) Co., Ltd.	China	100	A holding company Management of subsidiaries in China and shared service for general administration operations therefor
		Sumitomo Pharma (Suzhou) Co., Ltd.	China	100 (100)	Manufacture and sale of medical drugs

- (Note)
1. The figure indicated in parentheses under the Investment Ratio column indicates the indirect ownership ratio (%) vis-a-vis the total ownership ratio.
 2. RACTHERA Co., Ltd. is listed as a significant associate from the fiscal year under review as a result of the transfer of the Company's regenerative medicine and cell therapy business (excluding activities related to manufacturing plants) through an absorption-type company split (a simplified company split) as of February 1, 2025.
 3. S-RACMO Co., Ltd. is listed as a significant associate from the fiscal year under review as a result of the transfer of the Company's regenerative medicine and cell therapy business (activities related to manufacturing plants) through an absorption-type company split (a simplified company split) as of February 1, 2025.
 4. Sumitomo Pharma UK Holdings, Ltd. is excluded from the Company's significant subsidiaries as a result of the restructuring of subsidiaries in the U.S. and Europe during the fiscal year under review.
 5. Sumitomo Pharma America, Inc. and Sumitomo Pharma Switzerland GmbH became directly-owned subsidiaries as a result of the restructuring of subsidiaries in the U.S. and Europe during the fiscal year under review.

(10) Principal Lenders and the Amounts of Loans

Lender	Outstanding Amount of the Loan
Sumitomo Mitsui Banking Corporation	70,276 million JPY
Sumitomo Mitsui Trust Bank, Limited	34,496 million JPY
The Norinchukin Bank	15,680 million JPY
Mizuho Bank, Ltd.	11,760 million JPY
MUFG Bank, Ltd.	11,760 million JPY
The Hyakujushi Bank, Ltd.	11,760 million JPY

2. Matters Regarding the Shares

- (1) **Total Number of Issuable Shares:** 1,500,000,000 shares
- (2) **Total Number of Issued Shares:** 397,900,154 shares
(including 610,242 treasury stocks)

(3) Number of Shareholders

As of the end of the Fiscal Year Under Review: 44,871

(4) Top Ten Shareholders

Name of Shareholder	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
Sumitomo Chemical Co., Ltd.	205,634	51.76
The Master Trust Bank of Japan, Ltd. (Trust account)	33,887	8.53
Custody Bank of Japan, Ltd. (Trust account)	12,534	3.15
Nippon Life Insurance Company	7,581	1.91
SMBC Trust Bank Ltd. (Trust account for Sumitomo Mitsui Banking Corporation's retirement benefits)	7,000	1.76
Inabata & Co., Ltd.	5,800	1.46
Sumitomo Life Insurance Company	5,776	1.45
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,136	0.79
STATE STREET BANK AND TRUST COMPANY 505001	2,987	0.75
MORGAN STANLEY & CO. LLC	2,906	0.73

- (Note)
1. The numbers of shares held are rounded down to the nearest thousand shares.
 2. The shareholding ratios were calculated after deducting the treasury stocks (610,242 shares).
 3. The 7,000,000 shares of the Company which are held by SMBC Trust Bank Ltd. (Trust account for Sumitomo Mitsui Banking Corporation's retirement benefits) and which were contributed by Sumitomo Mitsui Banking Corporation, were placed in a retirement benefit trust account.

3. Matters Regarding the Directors and Audit & Supervisory Board Members of the Company

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Position	Name	Responsibilities, Principal Duties, and Significant Concurrent Positions
Representative Director, President and CEO	Toru Kimura	Chairperson of the Board of RACTHERA Co., Ltd. Chairperson of the Board of S-RACMO Co., Ltd. Chairperson of the Board of the Japan Epilepsy Research Foundation
Representative Director	Motoyuki Sakai	Executive Vice President Global Corporate Strategy; Global Finance; Legal & Compliance; Intellectual Property; Human Resources; External Affairs; Corporate Governance; IT Management & Data Analytics Administration
Member, Board of Directors	Tsutomu Nakagawa	Executive Officer North America Business Chair, President and CEO of Sumitomo Pharma America, Inc. Chair and Managing Director of Sumitomo Pharma Switzerland GmbH
Member, Board of Directors	Hiroshi Niinuma	Director and Executive Vice President of Sumitomo Chemical Co., Ltd.
Member, Board of Directors (Outside Director)	Saeko Arai	Professor at the Faculty of Business Administration of Hakuoh University President of Acuray, Inc. Outside Audit & Supervisory Board Member of YKK Corporation Outside Audit & Supervisory Board Member of Kao Corporation Member of the contract supervisory committee of the Government Pension Investment Fund (GPIF)
Member, Board of Directors (Outside Director)	Nobuhiro Endo	Outside Director of Japan Exchange Group, Inc. Outside Director of Tokio Marine Holdings, Inc. Outside Director of Nisshin Seifun Group Inc. Outside Director of Kikkoman Corporation
Member, Board of Directors (Outside Director)	Minoru Usui	Outside Director of IHI Corporation
Member, Board of Directors (Outside Director)	Koji Fujimoto	Specially Appointed Professor at Institute of Science Tokyo Senior URA of the Center for Medical Innovation, Institute of Science Tokyo

Full-Time Audit & Supervisory Board Member	Takashi Kutsunai	
Full-Time Audit & Supervisory Board Member	Hisayoshi Kashima	
Outside Audit & Supervisory Board Member	Yoshio Iteya	Partner at Anderson Mori & Tomotsune Specially Appointed Professor at Hitotsubashi University School of Law Outside Audit & Supervisory Board Member of FUJIFILM Holdings Corporation
Outside Audit & Supervisory Board Member	Mayumi Mochizuki	Professor Emeritus at Keio University
Outside Audit & Supervisory Board Member	Daishiro Michimori	Visiting Attorney of Shimada Hamba & Osajima

- (Note)
1. Directors Motoyuki Sakai, Tsutomu Nakagawa and Hiroshi Niinuma were newly elected at the 204th Annual Shareholders' Meeting held on June 25, 2024 and assumed the offices thereafter.
 2. Directors Saeko Arai, Nobuhiro Endo, Minoru Usui and Koji Fujimoto are Outside Directors as defined in Item 15, Article 2 of the Companies Act.
 3. Audit & Supervisory Board Members Yoshio Iteya, Mayumi Mochizuki and Daishiro Michimori are Outside Audit & Supervisory Board Members as defined in Item 16, Article 2 of the Companies Act.
 4. Audit & Supervisory Board Member Hisayoshi Kashima has a considerable amount of knowledge in finance and accounting affairs, having served in responsible positions of the department of global finance of the Company. Audit & Supervisory Board Member Daishiro Michimori has a considerable amount of knowledge in finance and accounting affairs, having served in various responsible positions at the Ministry of Finance and as the Regional Commissioner of the Tokyo Regional Taxation Bureau.
 5. The Company designated Directors Saeko Arai, Nobuhiro Endo, Minoru Usui and Koji Fujimoto and Audit & Supervisory Board Members Mayumi Mochizuki and Daishiro Michimori as Independent Directors/Audit & Supervisory Board Members as defined by Tokyo Stock Exchange, Inc., and reported the same to the said exchange.
 6. As of April 1, 2025, there were changes in the Position, Responsibilities, Principal Duties, and Significant Concurrent Positions of the Directors as follows:

Position	Name	Responsibilities, Principal Duties, and Significant Concurrent Positions
Representative Director, President and CEO	Toru Kimura	Director of Sumitomo Pharma America, Inc. Chairperson of the Board of RACTHERA Co., Ltd. Chairperson of the Board of S-RACMO Co., Ltd. Chairperson of the Board of the Japan Epilepsy Research Foundation
Representative Director	Motoyuki Sakai	Executive Vice President Global Corporate Strategy; Global Finance Administration External Affairs; Corporate Governance; IT Management & Data Analytics Director of Sumitomo Pharma America, Inc.
Member, Board of Directors	Tsutomu Nakagawa	Managing Executive Officer North America Business Chair, President and CEO of Sumitomo Pharma America, Inc. Chair and Managing Director of Sumitomo Pharma Switzerland GmbH

(2) Matters Regarding the Outside Directors and Outside Audit & Supervisory Board Members

- ① The Relationships between the Company and the Companies or Organizations Where the Outside Directors and Outside Audit & Supervisory Board Members Concurrently Hold Significant Positions

There is no significant trading relationship between the Company and the companies or organizations where the Outside Directors and Outside Audit & Supervisory Board Members concurrently hold significant positions.

- ② The Principal Activities of the Outside Directors and Outside Audit & Supervisory Board Members

Category	Name	Principal Activities
Outside Directors	Saeko Arai	She attended all twenty-one (21) meetings held by the Board of Directors during the fiscal year under review, and made statements at those meetings, primarily based on her extensive experience as a corporate executive and from the professional standpoint of a certified public accountant. She attended all ten (10) meetings held by the Nomination and Compensation Committee during the fiscal year under review, and made statements at those meetings from an

		independent and objective standpoint. She also attended all five (5) meetings held by the Supervisory Committee for Conflict of Interests in Transactions between Group Companies during the fiscal year under review, and made statements at those meetings from the standpoint of protecting the interests of minority shareholders.
	Nobuhiro Endo	He attended eighteen (18) meetings out of the twenty-one (21) meetings held by the Board of Directors during the fiscal year under review, and made statements at those meetings, primarily based on his extensive experience and a broad perspective as a corporate executive. He attended nine (9) meetings out of the ten (10) meetings held by the Nomination and Compensation Committee during the fiscal year under review, and made statements at those meetings from an independent and objective standpoint. He also attended all five (5) meetings held by the Supervisory Committee for Conflict of Interests in Transactions between Group Companies during the fiscal year under review, and made statements at those meetings from the standpoint of protecting the interests of minority shareholders.
	Minoru Usui	He attended all twenty-one (21) meetings held by the Board of Directors during the fiscal year under review, and made statements at those meetings, primarily based on his extensive experience and broad perspective as a corporate executive. He attended all ten (10) meetings held by the Nomination and Compensation Committee during the fiscal year under review, and made statements at those meetings from an independent and objective standpoint. He also attended all five (5) meetings held by the Supervisory Committee for Conflict of Interests in Transactions between Group Companies during the fiscal year under review, and made statements at those meetings from the standpoint of protecting the interests of minority shareholders.
	Koji Fujimoto	He attended all twenty-one (21) meetings held by the Board of Directors during the fiscal year under review, and made statements at those meetings, primarily

		based on his extensive experience and broad perspective in the healthcare field at administrative organizations. He attended all ten (10) meetings held by the Nomination and Compensation Committee during the fiscal year under review, and made statements at those meetings from an independent and objective standpoint. He also attended all five (5) meetings held by the Supervisory Committee for Conflict of Interests in Transactions between Group Companies during the fiscal year under review, and made statements at those meetings from the standpoint of protecting the interests of minority shareholders.
Outside Audit & Supervisory Board Members	Yoshio Iteya	He attended all twenty-one (21) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review. He made statements at those meetings, primarily from the professional standpoint of an attorney.
	Mayumi Mochizuki	She attended all twenty-one (21) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review. She made statements at those meetings, primarily from the professional standpoint of a pharmacologist.
	Daishiro Michimori	He attended all twenty-one (21) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review. He made statements at those meetings, primarily from the professional standpoints of an expert in financial and accounting affairs and of an attorney.

(3) Remuneration and the like for Directors and Audit & Supervisory Board Members

① The Total Amount of Remuneration and the like by Type and the Number of Officers Concerned

Category of Officer	Total Amount of Remuneration and the like (Millions of JPY)	Amount of Remuneration and the like (Millions of JPY)			Number of Officers Concerned
		Base remuneration	Performance-linked remuneration (bonuses)	Other remuneration	
Directors (excluding Outside Directors)	126	126	—	—	8

Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	50	50	—	—	2
Outside Directors and Outside Audit & Supervisory Board Members	98	88	—	10	7

- (Note)
1. The amount of remuneration and the like for Directors that was determined by resolution at the 201st Annual Shareholders' Meeting held on June 24, 2021, does not exceed 700 million JPY annually, and the number of Directors concerned under this resolution was nine (9).
 2. The amount of remuneration and the like for Audit & Supervisory Board Members that was determined by resolution at the 185th Annual Shareholders' Meeting held on June 29, 2005, does not exceed 100 million JPY annually, and the number of Audit & Supervisory Board Members concerned under this resolution was four (4).
 3. The total amount of remuneration and the like for twelve (12) Directors is 186 million JPY, and the total amount of remuneration and the like for five (5) Audit & Supervisory Board Members is 88 million JPY.
 4. The Directors (excluding Outside Directors) include four (4) Directors who retired upon the conclusion of the 204th Annual Shareholders' Meeting held on June 25, 2024.
 5. As for base remuneration for Directors (excluding Outside Directors), reduction was made from April 2024 to March 2025 by 30% for the Representative Director, President and CEO, and by 20% for other Directors (by 10% for April 2025) in light of a challenging business situation. From April 2025 to June 2025, reduction was made by 30% for the Representative Director, President and CEO, and by 20% for other Directors. From July 2025 to June 2026, reduction will be made by 10% for the Representative Director, President and CEO.
 6. As for performance-linked remuneration (bonuses) for Directors (excluding Outside Directors), such remuneration based on the performance of the fiscal year under review will not be paid in light of the challenging business situation.
 7. Other remuneration for the Outside Directors and Outside Audit & Supervisory Board Members indicates the amount of remuneration for activities as members of any relevant committees.

② The Policy for Determining Remuneration and the like for Directors, etc.

The Company has the Nomination and Compensation Committee as the consultative body to the Board of Directors for enhancing the objectivity and independence of the functions of the Board of Directors relating to matters such as the nomination of candidates for Directors and Audit & Supervisory Board Members and decisions regarding remuneration for Directors. As a system of remuneration for Directors, the Company has provided as described below the policy for

determining remuneration and the like for individual Directors, and the policy was determined by the Board of Directors based on the recommendation from the Nomination and Compensation Committee after the Board of Directors sought such recommendation and the Nomination and Compensation Committee deliberated the relevant matters.

i. System of remuneration and the like

Remuneration for the Directors (excluding Outside Directors) consists of base remuneration and performance-linked remuneration (bonuses), and this system is established to serve as an incentive for achieving sustainable growth and enhancing the corporate value of the Group. Part of the base remuneration is the remuneration to be contributed to the Sumitomo Pharma Officers Shareholders' Association for the purpose of acquiring shares of the Company. The Directors continue to hold the shares they acquire through the said Association during their term of office and for one year after their retirement. Through such measures, the Directors' willingness to contribute to the increase of corporate value in the medium- to long-term is enhanced and value sharing with shareholders is promoted.

Remuneration for the Outside Directors consists of base remuneration only, and the Company adopts a remuneration system where the business performance of the Company is not linked thereto, for the purpose of securing the supervisory function and independence of the Outside Directors.

The base amounts are set with respect to the base remuneration and performance-linked remuneration (bonuses) according to each position, such as Representative Director. The ratios of the base amount of the base remuneration and the performance-linked remuneration (bonuses) of the Directors (excluding Outside Directors) are set to be 70% for the base remuneration and 30% for the performance-linked remuneration (bonuses), with respect to the total amount of the remuneration (when the performance-linked elements described in ii below and individual performance are all considered standard). The total amount of the remuneration and the like shall be not more than 700 million JPY annually as approved at the Shareholders' Meeting.

ii. Method of calculating the amount of performance-linked remuneration (bonuses)

The amount of the performance-linked remuneration (bonuses) for the Directors (excluding Outside Directors) is calculated based on the performance-linked elements and individual performance, and is calculated to be within the scope of zero to 200% of the base amount.

The performance-linked elements are evaluated by the Nomination and Compensation Committee based on the degree of achievement of targets, using as indicators the "core operating profit," which was set as a profit indicator showing recurring profitability of a company within the Group and serves as an original performance management indicator; "R&D results" which are the base of the business activities of the Group and important to its continuous growth; and "operating cash flow" which serves as the investment fund for R&D and related activities. The individual performance is evaluated by the Nomination and Compensation Committee based on the degree of achievement of performance targets of each Director (excluding Outside Directors). Among the performance-linked elements,

a target of one billion JPY was set for “core operating profit” for FY2024, and the result was 43.2 billion JPY. However, the performance-linked remuneration (bonuses) based on the performance of the fiscal year under review will not be paid in light of the challenging business situation.

iii. Method of determining remuneration and the like

Remuneration and the like for individual Directors are determined by the Board of Directors based on the recommendation from the Nomination and Compensation Committee after the Board of Directors seeks such recommendation and the Nomination and Compensation Committee deliberates the relevant matters. When the Board of Directors determines to delegate the decision-making thereof to the Representative Director, President and CEO, the Representative Director, President and CEO shall determine the same, respecting and in accordance with the recommendation made by the Nomination and Compensation Committee to the Board of Directors.

Upon the delegation by the Board of Directors, Representative Director, President and CEO Toru Kimura, who oversees business operations as a whole and has a good understanding of the state of the execution of duties by all Directors (excluding Outside Directors), determined the said remuneration and the like for the fiscal year under review, and the Nomination and Compensation Committee confirmed that the said remuneration and the like was in accordance with the system of remuneration for Directors. Accordingly, the Board of Directors has determined that the decision of the said remuneration and the like was in accordance with the above policy.

4. Accounting Auditor

(1) Name

KPMG AZSA LLC

(2) Amount of Remuneration and the like

	Amount to be paid (Millions of JPY)
Consideration to be paid for the services (audit attestation services) described in Paragraph 1 of Article 2 of the Certified Public Accountants Act (Act No. 103 of 1948)	137
Total amount of fees to be paid in cash or otherwise by the Company or Subsidiaries of the Company	137

- (Note)
1. The Audit & Supervisory Board of the Company has determined to consent to the amount of the remuneration and the like for the Accounting Auditor after performing necessary verifications on the details of the Accounting Auditor’s audit plan, status of performance of accounting audit duties, and the appropriateness of the basis for calculating the remuneration.
 2. Under the Audit Agreement between the Company and the Accounting Auditor, there is no distinction between the remuneration and the like for an audit under the

Companies Act and the Financial Instruments and Exchange Act. Moreover, the two amounts cannot be substantially distinguished from each other. Thus, the amount of remuneration and the like related to the audit attestation services reflects the total sum of these two kinds of amounts.

3. In addition to the above, 43 million JPY was paid during the fiscal year under review as additional remuneration pertaining to audits for the previous fiscal year.
4. Significant subsidiaries located abroad were audited by auditing firms other than the Accounting Auditor of the Company.

(3) Policy for the Determination of the Dismissal or Non-Reelection of the Accounting Auditor

The Audit & Supervisory Board of the Company is entitled to dismiss the Accounting Auditor pursuant to Article 340 of the Companies Act. In addition, in case the Audit & Supervisory Board finds substantial concerns with respect to the continuation of the performance by the Accounting Auditor of its duties, the Audit & Supervisory Board will determine the content of a proposal regarding the dismissal or non-reelection of such Accounting Auditor in accordance with the policy for the determination of the dismissal or non-reelection of the Accounting Auditor separately provided for. Based on the determination made by the Audit & Supervisory Board of the Company, the Board of Directors of the Company will submit the proposal to the Shareholders' Meeting as a matter to be resolved.

Consolidated Statement of Financial Position

(As of March 31, 2025)

(millions of JPY)

Item	Amount As of March 31, 2025	(Reference) Amount As of March 31, 2024	Item	Amount As of March 31, 2025	(Reference) Amount As of March 31, 2024
Assets			Liabilities		
Non-current assets	489,436	637,937	Non-current liabilities	332,522	235,896
Property, plant and equipment	46,648	57,895	Bonds and borrowings	258,982	133,367
Goodwill	197,406	199,783	Other financial liabilities	15,818	12,738
Intangible assets	172,509	195,652	Retirement benefit liabilities	6,534	11,150
Other financial assets	44,148	161,711	Other non-current liabilities	24,638	40,430
Income taxes receivable	6,765	6,846	Deferred tax liabilities	26,550	38,211
Retirement benefit assets	14,727	11,322	Current liabilities	240,603	515,474
Investments accounted for using the equity method	5,588	360	Borrowings	46,440	285,517
Other non-current assets	1,111	2,129	Trade and other payables	38,544	67,720
Deferred tax assets	534	2,239	Other financial liabilities	32,916	14,101
			Income taxes payable	1,577	1,348
			Provisions	71,999	79,546
			Other current liabilities	45,663	67,242
Current assets	253,168	269,569	Subtotal	237,139	515,474
Inventories	94,222	115,350	Liabilities directly associated with assets held for sale	3,464	—
Trade and other receivables	74,840	81,023	Total liabilities	573,125	751,370
Other financial assets	16,840	7,085	Equity		
Income taxes receivable	2,886	16,216	Equity attributable to owners of the parent	169,479	156,063
Other current assets	10,902	18,997	Share capital	22,400	22,400
Cash and cash equivalents	23,116	29,047	Treasury shares	(682)	(682)
Subtotal	222,806	267,718	Retained earnings	46,784	(22,665)
Assets held for sale	30,362	1,851	Other components of equity	97,525	157,010
			Other comprehensive income associated with assets held for sale	3,452	—
			Non-controlling interests	—	73
			Total equity	169,479	156,136
Total assets	742,604	907,506	Total liabilities and equity	742,604	907,506

(Note) All amounts are rounded to the nearest million JPY.

Consolidated Statement of Profit or Loss

(April 1, 2024 to March 31, 2025)

(millions of JPY)

Item	Amount Year ended March 31, 2025	(Reference) Amount Year ended March 31, 2024
Revenue	398,832	314,558
Cost of sales	153,437	126,577
Gross profit	245,395	187,981
Selling, general and administrative expenses	180,605	429,538
Research and development expenses	49,865	112,637
Other income	18,356	7,490
Other expenses	3,572	8,132
Share of profit (loss) of investments accounted for using the equity method	(905)	(23)
Operating profit (loss)	28,804	(354,859)
Finance income	2,307	36,022
Finance costs	13,500	4,277
Profit (loss) before taxes	17,611	(323,114)
Income tax expenses	(6,024)	(8,185)
Net profit (loss)	23,635	(314,929)
Net profit(loss) attributable to:		
Owners of the parent	23,634	(314,969)
Non-controlling interests	1	40
Net profit (loss) total	23,635	(314,929)

(Note) All amounts are rounded to the nearest million JPY.

Non-consolidated Statement of Financial Position

(As of March 31, 2025)

(millions of JPY)

Item	Amount As of March 31, 2025	(Reference) Amount As of March 31, 2024	Item	Amount As of March 31, 2025	(Reference) Amount As of March 31, 2024
Assets			Liabilities		
Current assets	107,709	117,468	Current liabilities	85,774	365,278
Cash and time deposits	11,382	3,716	Accounts payable	8,861	14,623
Accounts receivable	34,543	27,566	Short-term borrowings	42,780	225,000
Merchandise and finished goods	37,706	43,672	Short-term loans from affiliates	9,072	7,518
Work-in-process	1,629	3,189	Current portion of long-term borrowings	4,000	60,000
Raw materials and supplies	10,188	12,111	Accounts payable-other	10,193	52,745
Advance payments	370	165	Accrued expenses	614	938
Prepaid expenses	204	669	Income taxes payable	91	142
Short-term loans to affiliates	2,653	646	Deposits received	6,111	446
Accounts receivables – other	9,809	12,314	Reserve for bonuses	3,185	3,535
Income taxes receivable	175	13,420	Others	867	331
Allowance for doubtful accounts of affiliates	(950)	—	Long-term liabilities	278,735	171,759
Fixed assets	415,708	527,944	Bonds	120,000	120,000
Property, plant and equipment	29,936	40,066	Long-term borrowings	140,000	14,000
Buildings	19,983	22,773	Long-term accounts payable-other	468	198
Structures	454	533	Long-term deposits payable	5,996	5,265
Machinery and equipment	5,276	6,462	Deferred tax liabilities	4,496	21,278
Vehicles	44	56	Provision for retirement benefit liabilities	7,748	11,018
Tools, furniture and fixtures	2,705	3,788	Others	27	—
Land	825	4,357	Total Liabilities	364,509	537,037
Construction in progress	649	2,097	Net assets		
Intangible assets	5,606	8,577	Shareholders' equity	151,205	45,018
Software	2,009	2,639	Share capital	22,400	22,400
Marketing rights	1,481	2,064	Capital surplus	15,861	15,861
Patent rights	1,772	3,011	Legal capital surplus	15,860	15,860
Others	344	863	Other capital surplus	1	1
Investments and other assets	380,166	479,301	Retained earnings	113,626	7,439
Investment securities	22,823	149,740	Legal retained earnings	5,288	5,288
Investment in affiliates	153,018	1,501	Other retained earnings	108,338	2,151
Amount invested in capital of affiliates	7,492	5,144	General reserve	275,510	275,510
Long-term loans to affiliates	192,327	366,278	Retained earnings carried forward	(167,172)	(273,359)
Long-term prepaid expenses	352	579	Treasury shares	(682)	(682)
Prepaid pension cost	2,902	1,191	Valuation, translation adjustments and others	7,703	63,357
Others	1,267	1,443	Unrealized gains on available-for-sale securities, net of tax	7,703	63,357
Allowance for doubtful receivables	(15)	(19)	Total net assets	158,908	108,375
Allowance for doubtful accounts of affiliates	—	(46,556)	Total liabilities and net assets	523,417	645,412
Total assets	523,417	645,412			

(Note) All amounts are rounded to the nearest million JPY.

Non-consolidated Statement of Profit or Loss

(April 1, 2024 to March 31, 2025)

Item	(millions of JPY)	
	Amount Year ended March 31, 2025	(Reference) Amount Year ended March 31, 2024
Net sales	136,412	98,205
Cost of sales	60,097	61,232
Gross profit	76,315	36,973
Selling, general and administrative expenses	64,712	86,977
Operating profit (loss)	11,603	(50,004)
Non-operating income	10,446	48,224
Interest and dividend income	9,654	19,227
Foreign exchange gains	—	28,233
Others	792	764
Non-operating expenses	10,021	4,747
Interest expenses	4,348	3,106
Donations	271	515
Losses on disposal of fixed assets	331	293
Losses on investments in partnership	652	487
Foreign exchange losses	1,990	—
Others	2,429	346
Ordinary income (loss)	12,028	(6,527)
Extraordinary income	115,090	22,800
Gains on sales of property, plant and equipment	4,614	—
Gains on sales of investment securities	62,620	16,129
Gains on sales of shares of affiliates	572	6,671
Reversal of allowance for doubtful accounts of affiliates	46,556	—
Gains on sales of commercial rights	728	—
Extraordinary loss	13,127	594,841
Losses on sales of property, plant and equipment	991	—
Losses on valuation of investment securities	—	247
Loss on valuation of shares of affiliates	4,284	556,823
Provision of allowance for doubtful accounts of affiliates	950	37,771
Business structure improvement expenses	5,858	—
Impairment losses	1,044	—
Profit (loss) before taxes	113,991	(578,568)
Income tax expenses – current	203	386
Income tax expenses – deferred	7,601	9,166
Net profit (loss) total	106,187	(588,120)

(Note) All amounts are rounded to the nearest million JPY.

Independent Auditor's Report

May 9, 2025

To the Board of Directors of Sumitomo Pharma Co., Ltd.:

KPMG AZSA LLC
Osaka Office, Japan

Hiroyuki Matano
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masato Tateishi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takuya Hasegawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity and the Notes to Consolidated Financial Statements of Sumitomo Pharma Co., Ltd. and its consolidated subsidiaries (collectively referred to as “the Group”), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentences of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other

information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentences of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentences of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under IFRS.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentences of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent Auditor's Report

May 9, 2025

To the Board of Directors of Sumitomo Pharma Co., Ltd.:

KPMG AZSA LLC
Osaka Office, Japan

Hiroyuki Matano
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masato Tateishi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takuya Hasegawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the Non-consolidated Statement of Financial Position, the Non-consolidated Statement of Profit or Loss, the Non-consolidated Statement of Changes in Equity and the Notes to Non-Consolidated Financial Statements, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Sumitomo Pharma Co., Ltd. ("the Company") as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other

information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report by the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board prepared this audit report with regard to the performance of duties of Directors of the Company for the 205th fiscal year from April 1, 2024 to March 31, 2025, upon deliberation based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

1. Auditing Method adopted by Audit & Supervisory Board Members as well as the Audit & Supervisory Board and details thereof

- (1) The Audit & Supervisory Board established the audit policies, audit plans, assignment of duties, and other matters, and received reports from each Audit & Supervisory Board Member on the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board received reports from Directors, other related persons, and the Accounting Auditor on the status of the performance of their duties, and requested explanations as necessary.
- (2) In conformity with Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plans, assignment of duties, and other matters, each Audit & Supervisory Board Member, by having meetings in person and also utilizing online meeting systems via the Internet, etc., endeavored to communicate with Directors, the internal auditing division, other employees and the Accounting Auditor, among others, endeavored to collect information and maintain and improve the audit environment, and conducted audits through the methods described below:
 - ① Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors, employees and other related persons on the status of the performance of their duties, requested explanations as necessary, examined important approval documents, etc., and inspected the status of the business operations and assets of the head offices and other principal offices. With respect to subsidiaries, Audit & Supervisory Board Members regularly received reports concerning their business, and endeavored to keep track of the status of the business operations and assets by communicating and exchanging information with Directors, Audit & Supervisory Board Members and other related persons of each of the major domestic and overseas subsidiaries.
 - ② With regard to the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complies with all laws, regulations and the Articles of Incorporation of the Company, that is described in the Business Report, and other systems prescribed in Paragraphs 1 and 3, Article 100 of the Regulations for Enforcement of the Companies Act as systems necessary for ensuring the appropriateness of the business operations of a group of enterprises consisting of a stock company and its subsidiaries, and the system (internal control system) developed based on such resolutions, Audit & Supervisory Board Members regularly received reports from Directors, employees and other related persons on the status of their construction and implementation, requested explanations as necessary and represented opinion.
 - ③ Audit & Supervisory Board Members regularly received reports from the Accounting Auditor on the status of its performance of duties and requested explanations as necessary. Audit & Supervisory Board Members were notified by the Accounting Auditor that "a system to ensure the proper performance of the duties" (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) had been established in accordance with "Quality Control Standards for Audits" (Business Accounting Council) and other relevant standards, requested explanations as necessary, and monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit.

Audit & Supervisory Board Members examined the Business Report and its supporting schedules, the non-consolidated financial statements (Non-consolidated Statement of Financial Position, Non-consolidated Statement of Profit or Loss, Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements) and their supporting schedules, as well as the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements) for the fiscal

year under review in accordance with the above methods.

2. Results of Audit

(1) Results of audit of the Business Report and other documents

- ① We confirm that the Business Report and supporting schedules accurately represent the position of the Company according to the laws, regulations and the Articles of Incorporation of the Company.
- ② We have not found any improper conduct or any material evidence of violations of any laws, regulations or Articles of Incorporation of the Company in relation to the performance of duties by Directors.
- ③ We confirm that the resolutions adopted by the Board of Directors with respect to the internal control system are appropriate. In addition, we have not found any matters that should be noted regarding the contents of the Business Report and the performance of duties by Directors in relation to the internal control system.
- ④ With respect to the business transactions with the parent company, etc., described in the Business Report, we have not found any matters that should be noted in relation to the considerations made not to harm the interests of the Company in conducting the business transaction and the decision of the Board of Directors of the Company on whether or not the business transaction might harm the interests of the Company, and the reason therefor.

(2) Results of audit of financial statements and supporting schedules

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, Accounting Auditor of the Company, are appropriate.

(3) Results of audit of consolidated financial statements

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, Accounting Auditor of the Company, are appropriate.

May 12, 2025

The Audit & Supervisory Board, Sumitomo Pharma Co., Ltd.

Takashi Kutsunai, Full-time Audit & Supervisory Board Member (seal)

Hisayoshi Kashima, Full-time Audit & Supervisory Board Member (seal)

Yoshio Iteya, Outside Audit & Supervisory Board Member (seal)

Mayumi Mochizuki, Outside Audit & Supervisory Board Member (seal)

Daishiro Michimori, Outside Audit & Supervisory Board Member (seal)

END