

December 25, 2017

Sumitomo Dainippon Pharma Co., Ltd.

**Sumitomo Dainippon Pharma Announces the Results of Its Early Retirement
Program Offer for Japanese Employees**

As announced on September 27, 2017, Sumitomo Dainippon Pharma has offered an early retirement program to its Japanese employees. The results of its offer and impact on financial results are detailed below.

1. Scope of the program for early retirement

- (1) Eligibility: Employees affiliated with the Manufacturing Division as of September 1, 2016 who are aged 45 or older with at least five years' continuous service as of March 31, 2018 (some exceptions)
- (2) Number of applications sought: Not specified
- (3) Application period: From November 15 to December 15, 2017
- (4) Effective date of retirement: March 31, 2018
- (5) Preferential conditions: A special retirement benefit will be paid in addition to the normal retirement benefit. Re-employment support services will also be provided on request.

2. Results of the early retirement program offer

Number of applications received: 86

3. Impact on financial results

The payment for special retirement benefits and re-employment support service expenses arising from this offer is approximately 1.9 billion yen, which will be recorded as business structure improvement expenses under extraordinary loss in the fiscal year ending March 31, 2018. Please note that the consolidated financial forecasts for fiscal 2017 announced on October 30, 2017 factored in 2.5 billion yen as an extraordinary loss on the early retirement program and others.

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