



Nov. 13, 2017

Sumitomo Corporation

Sumitomo Corporation Participates in Generic Pharmaceutical Business in the U.S.

Sumitomo Corporation (head office: Chuo-ku, Tokyo; Representative Director, President and Chief Executive Officer: Kuniharu Nakamura), through Sumitomo Corporation of Americas (head office: New York, the United States; Representative: Shingo Ueno; hereinafter "SCOA"), will make an investment in the business of Upsher-Smith Laboratories, LLC (head office: Minnesota, the United States; CEO: Rusty Field; "USL"), an American generic pharmaceutical company. All stake of USL are held by Sawai America LLC (Note), the subsidiary of Sawai Pharmaceutical Co., Ltd. (head office: Yodogawa-ku, Osaka; President: Mitsuo Sawai; "Sawai Pharmaceutical"). SCOA plans to acquire a 20% stake in Sawai America LLC.

The generic pharmaceutical market in the United States is expected to continue growing well into the future as the use of generic drugs is encouraged as a means of curbing medical expenditures against the background of an increasing aging population. USL is a pharmaceutical company that has been engaged in research and development, manufacture and sale of generic medications in the United States. USL is currently selling about 30 product items, mainly in solid oral dosage forms, and has 30 drug pipelines (drugs under development). It also boasts strong development and sales capabilities as well as a solid customer base, which it has cultivated through owning and operating the business over many years. In May 2017, USL became a subsidiary of Japanese generic pharmaceutical manufacturer Sawai Pharmaceutical and is currently adding Sawai Pharmaceutical's generics to its product portfolio, promoting business deployment by leveraging the advantages of both companies.

Sumitomo Corporation through this acquisition is entering into the generic pharmaceutical business in the United States, which constitutes the world's largest pharmaceutical market. In addition to helping Sawai Pharmaceutical

the Sumitomo Corporation Group's global network and expertise to put new products on the market. Sumitomo Corporation and SCOA also seek to contribute to promoting physical and mental human health by widely supplying high-quality generic medications in the United States.

Note: Sawai America Inc., the current holder of all stake of USL, is scheduled to convert into a limited liability company (Sawai America LLC) before the said acquisition by SCOA.

■Profile of Upsher-Smith Laboratories, LLC

Established : 1919

Head office address : 6701 Evenstad Drive, Maple Grove, Minnesota 55369, USA

Representative : Rusty Field, President and CEO

Net sales : USD397 million (2016)

Number of employees : Approx. 600

Business : Manufacture and sale of generic medications

■Profile of Sawai Pharmaceutical Co., Ltd.

Established : 1948

Head office address : 5-2-30, Miyahara, Yodogawa-ku, Osaka

Representative : Mitsuo Sawai, President

Net sales : JPY132.4 billion (for the year ended March 2017, consolidated)







Number of employees : 2,502 (for the year ended March 2017, consolidated)

Business : Manufacture and sale of generic medications

<Reference data>

■Sumitomo Corporation's Material Issues

Sumitomo Corporation Group positions "Six Material Issues to Achieve Sustainable Growth with Society" as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth by resolving these issues through our business activities. This Project especially contributes to "Establishing a Foundation for Comfortable and Enriching Lifestyles".

Six Material Issues	
	<p>Achieving Harmony with the Global Environment</p> <p>To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.</p>
	<p>Contributing to the Development of Local Communities and Industries</p> <p>We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.</p>
	<p>Establishing a Foundation for Comfortable and Enriching Lifestyles</p> <p>We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.</p>
	<p>Providing Diverse "Accessibility"</p> <p>We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.</p>
	<p>Developing Human Resources and Promoting Diversity</p> <p>In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.</p>
	<p>Enhancing Governance</p> <p>We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.</p>

Related Information

- ▶ About Us: Mineral Resources, Energy, Chemical & Electronics Business Unit
- ▶ Our Business: Mineral Resources, Energy, Chemical & Electronics Business Unit

Inquiries

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