
Press Release

March 4, 2024

Sumitomo Pharma Co., Ltd.

Sumitomo Pharma Announces Reduction of Workforce and Other Rationalization Measures of the USA Consolidated Subsidiary

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, Prime Market of TSE) announced today (March 4, 2024) that in light of the current severe business environment and to achieve a recovery in the Group's performance, the Company has decided to implement rationalization measures including personnel reduction at its USA consolidated subsidiary, Sumitomo Pharma America, Inc. ("SMPA"), as below.

1. Reasons for rationalization of personnel reductions, etc.

Sumitomo Pharma hereby announces that, as part of its efforts to improve management and organizational efficiency for future profit structure reform, it has decided to implement a reorganization of SMPA, with the aim of further streamlining its operations in the United States, thereby reducing the workforce at SMPA in accordance with the details described below.

Despite the reorganization of the USA group companies in July 2023 and the rationalization of approximately 500 employees, the growth in revenue of the three key products ("ORGOVYX[®]," therapeutic agent for advanced prostate cancer, "MYFEMBREE[®]," therapeutic agent for uterine fibroids and endometriosis, and "GEMTESA[®]," therapeutic agent for overactive bladder) has not reached the projected targets of the Mid-term Business Plan 2027 (FY2023-FY2027), prompting the Company to conclude that it is imperative to streamline its organizational operations in North America further.

2. Details of rationalization

For the purpose of restructuring to a leaner organization and optimizing the workforce in the North American business, the Company will rationalize the workforce by approximately 400 employees in total in March 2024. In the Sales & Marketing Division, an optimal organizational structure will be implemented for the continued expansion of revenue from the three key products.

3. Financial impact on business performance

In accordance herewith, Sumitomo Pharma Co., Ltd. intends to record business structure improvement expenses in the financial statements for the fiscal year ending March 31, 2024, but the total amount of severance payments, etc., is yet to be determined at this time. The impact of this matter and other expenses on the consolidated financial forecasts for the fiscal year ending March 31, 2024, is currently under review and will be announced as soon as it is determined. Furthermore, the amount of reduction in labor costs and expenses for the fiscal year ending March 31, 2025, as a result of this matter, is currently under review and will be disclosed in the financial results announcement scheduled to be released on May 14.

4. Overview of SMPA

Company Name	Sumitomo Pharma America, Inc.
Head Office Location	Cambridge, Massachusetts, USA
Representative	Myrtle Potter, President and Chief Executive Officer
Description of Business	Manufacturing and sales of pharmaceuticals
Capital	US\$0.01

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