



Sawai Pharmaceutical Forms Strategic Alliance with Sumitomo Corp in the US Generics Market

Building a Global Trusted Generics Company

[November 13, 2017, Tokyo] Sawai Pharmaceutical Co. Ltd. ("Sawai"), a leading Japanese generic drug manufacturer, announced today to sell a 20% stake in its US subsidiary, SAWAI AMERICA INC. ("SAI"), the parent company of Upsher-Smith Laboratories, LLC ("USL"), the U.S. generics drug company Sawai acquired earlier this year, to Sumitomo Corporation of Americas ("SCOA"), a subsidiary of Sumitomo Corporation ("SC"), one of Japan's leading general trading houses ("Transaction"). Through this investment, Sawai and SC formed a strategic alliance in the generic pharmaceuticals business in the US.

Under the agreement signed today, SAI will first be transformed into a Limited Liability Company (LLC) and renamed to SAWAI AMERICA, LLC ("SAL") and then SCOA will acquire a 20% stake in SAL. Sawai will also establish SAWAI AMERICA HOLDINGS INC., the interim holding company in the U.S., which will be the parent company of SAL by the time the Transaction is executed.

SCOA will acquire the stake for consideration of \$211 million. This consideration will be adjusted reflecting the profit yielded by USL during the period between Sawai's acquisition of USL and closing of the Transaction. The Transaction is expected to close by the end of March 2018.

Sawai has been expanding the generic drug business in Japan in order to respond to the policy agenda advocated by the Government of Japan to increase the market share of generic prescriptions to 80% in terms of volume. Sawai also aims to strengthen its global business network, as stipulated in its Medium-term Business Plan, to achieve further growth moving forward. In June 2017, Sawai acquired USL and made a full scale entry into U.S., the world's largest generic pharmaceuticals market.

SC is a major organizer of multinational projects, an expediter of ideas, an important international investor and financier, and a powerful force for distribution of products and global communications through a network of offices worldwide. Its core business units include Tubular Products, Environment and Infrastructure, Steel and Non Ferrous Metals, Transportation and Construction Systems, Chemicals and Electronics, Media and IOT Applications, Real Estate, Mineral Resources and Energy, and Food.

"SC's investment in SAI and their management participation in USL will facilitate to leverage SC's experience, knowledge and network in the global business arena in such areas as sourcing of active pharmaceutical ingredients (APIs) and product introduction" said Mitsuo Sawai, President of Sawai. "We will continue to enhance our global presence including the U.S. business to accelerate growth with our goal to become "a Globally Recognized Generics Company" by leveraging the strengths and uniqueness of the three companies, namely Sawai, USL and Sumitomo Corp."

SAI will continue to be a consolidated subsidiary of Sawai. No change is planned for performance forecast.

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About Sawai Pharmaceuticals Co., Ltd.

Founded in 1929, Sawai Pharmaceutical Co., Ltd. has grown into one of the leading generics companies in Japan. Guided by its corporate philosophy, “Patients First,” Sawai markets more than 700 high-quality generic products and reliably delivers them to patients throughout Japan. In 2017, Sawai acquired US-based Upsher-Smith Laboratories, LLC marking its first step in overseas expansion to become a globally recognized generic pharmaceutical company. For more information, visit : <https://www.sawai.co.jp/en/>

About Sumitomo Corporation

Sumitomo Corporation is a leading Fortune 500 global trading and business investment company with 107 locations in 65 countries and 22 locations in Japan. The entire SC Group consists of more than 800 companies and nearly 70,000 personnel. SC conducts commodity transactions in all industries utilizing worldwide networks, provides related customers with various financing, serves as an organizer and a coordinator for various projects, and invests in companies to promote greater growth potential. SC’s core business areas include Metal Products, Transportation and Construction Systems, Environment and Infrastructure, Media, Network, Lifestyle Related Goods and Services, Mineral Resources, Energy, and Chemical and Electronics. For more information, please visit: <http://www.sumitomocorp.co.jp/english/>

About Upsher-Smith Laboratories, LLC

Upsher-Smith Laboratories, LLC is a trusted U.S. pharmaceutical company that has strived to deliver quality, affordable generic medications for nearly a century. In June 2017, Upsher-Smith was acquired by Sawai Pharmaceutical Co., Ltd., a large publicly traded generics company in Japan that had been seeking entry into the U.S. market. Upsher-Smith and Sawai share a strikingly similar family history and hold many of the same cherished goals and values—most importantly, the philosophy of always putting patients first.

Upsher-Smith will continue to do those things it does best, which is provide a consistent supply of quality, affordable medications and invest in its historically strong industry relationships. Ultimately, Upsher-Smith believes the acquisition by Sawai represents a tremendous opportunity to leverage each other for growth worldwide and embark together on an exciting new chapter in generics. For more information, visit www.upsher-smith.com.