

December 21, 2016

Sumitomo Dainippon Pharma Co., Ltd.

**Sumitomo Dainippon Pharma Announces Merger of
US consolidated subsidiaries**

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; President: Masayo Tada ;“Sumitomo Dainippon Pharma”) announced today that the Boards of Directors of its consolidated subsidiaries in the United States, Boston Biomedical, Inc. “BBI” and Boston Biomedical Pharma, Inc. “BBP”, had resolved to effect a merger of the two companies.

1. Objective of the merger

BBI is engaged in research and development in the area of oncology, and BBP was established in 2013 for the purpose of sales and marketing of oncology products in North America. Consolidation thereof is aimed at further strengthening cooperation between the research and development function and the sales function in the oncology business activities of the two companies, and at enhancing management efficiency.

2. Overview of the merger

(1).The effective date of the merger

April 1, 2017 (scheduled)

(2). Method of the merger

The merger will take the form of absorption-type merger in which BBI is the surviving company.

3. Outline of companies involved in the merger (As of December 20, 2016)

	Surviving Company	Absorbed Company
Company name	Boston Biomedical, Inc.	Boston Biomedical Pharma, Inc.
Location	Cambridge, Massachusetts, U.S.	Cambridge, Massachusetts, U.S.
Representative	CEO Chiang J. Li	President Kazuo Koshiya
Principal business	Research and development in the oncology area	Sales and marketing of anti-cancer drugs in the U.S.
Capital	US1\$	US1\$
Date of establishment	November 2006	October 2013
Fiscal year-end	March 31	March 31
Major shareholders and their holdings	Sumitomo Dainippon pharma:100%	Dainippon Sumitomo Pharma America Holdings, Inc.(U.S. Holding company wholly owned by Sumitomo Dainippon Pharma):100%

4. The status of the Surviving Company

Company name	Boston Biomedical, Inc.
Location	Cambridge, Massachusetts, U.S.
Representative	CEO Chiang J. Li
Principal business	Research and development in the oncology area, sales and marketing of anti-cancer drugs in the U.S.
Capital	US1\$
Date of establishment	November 2006
Fiscal year-end	March 31
Major shareholders and their holdings	Dainippon Sumitomo Pharma America Holdings, Inc.(U.S. Holding company wholly owned by Sumitomo Dainippon Pharma):100%

Note: In conjunction with this merger, the shares of Surviving Company will be integrated into the stock of U.S. Holding company, Dainippon Sumitomo Pharma America Holdings, Inc.

5. Financial impact on group performance

Because the merger is between two of our consolidated subsidiaries, the impact on our consolidated result will be minimal.

(Reference information: Sales and marketing of anti-cancer drugs)

At present, Sumitomo Dainippon Pharma Group does not have oncological products in North America. We are now conducting several clinical trials of napabucasin (BBI608). As has been announced already, we are aiming to submit an application for approval for the indication of Gastric and Gastro-esophageal junction adenocarcinoma in the United States and Japan in fiscal 2018.

Disclaimer Regarding Forward-looking Statements

The statements made in this press release are forward-looking statements based on management's assumptions and beliefs in light of information available up to the day of announcement, and involve both known and unknown risks and uncertainties.

Actual financial results may differ materially from those presented in this document, being dependent on a number of factors.

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