

May 11, 2017

Sumitomo Dainippon Pharma Co., Ltd.

Sumitomo Dainippon Pharma Announces Dividends (Including Special Dividends) of Surplus

Sumitomo Dainippon Pharma Co., Ltd. announced today that, in its meeting held on May 11, 2017, the Board of Directors decided to propose distribution of dividends of surplus, including special dividends, with the record date of March 31, 2017, to the 197th general shareholders' meeting scheduled for June 22, 2017, as indicated below.

1. Details of Dividends of Surplus

	Amount determined	Latest dividend forecast (announced on May 11, 2016)	Previous year results (year ended March, 2016)
Record date	March 31, 2017	March 31, 2017	March 31, 2016
Dividend per share	¥11.00 (ordinary dividend of ¥ 9.00) (special dividend of ¥ 2.00)	¥9.00	¥9.00
Total dividend amount	4,370 million yen	—	3,575 million yen
Effective date	June 23, 2017	—	June 24, 2016
Dividend resource	Retained earnings	—	Retained earnings

2. Reasons

The customary allocation of a portion of the Company's profits to its shareholders in an appropriate manner is one of the Company's most important management policies. In addition to placing high importance on distribution of surplus in a manner that reflects the Company's performance, the Company seeks to make decisions on dividends from a comprehensive perspective, while actively investing in its future growth, ensuring a solid management base, and enhancing its financial status in order to further increase its corporate value. The Company believes that it is important to allocate profits to its shareholders consistently. In FY2016 (year ended March 31, 2017), the Company achieved a record-high operating income of 50.0 billion yen, owing primarily to expanded sales of LATUDA[®], thereby meeting the target for the FY2017 (year ending March, 2018), which was laid out in the 3rd Mid-Term Business Plan, one year ahead of schedule. Given the abovementioned basic policy on profit distribution to shareholders and earnings results of the FY2016, the Company decided to propose to the 197th general shareholders' meeting payment of 11 yen per share as the year-end dividend, which comprises an ordinary dividend of 9 yen and a special dividend of 2 yen, thus making the annual dividend of 20

yen per share.

(Reference) Description of Dividends for the Year

Record date	Dividend per share		
	End of 2nd quarter	Year-end	Full Year
Results FY 2016 (year ended March 31, 2017)	¥9.00	¥11.00	¥20.00
Reference: Results FY 2015 (year ended March 31, 2016)	¥9.00	¥9.00	¥18.00

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