

August 5, 2025

**Sumitomo Chemical Announces an Expansion of the Production Capacity
of its Regenerative Medicine and Cell Therapy CDMO Subsidiary**
*Construction of a Third Manufacturing Facility Completed
and Starting Construction of a Fourth Manufacturing Facility
to Further Expand Business*

Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical” or “the Company”) hereby announces that S-RACMO Co., Ltd. (“S-RACMO”), a subsidiary 66.6% owned by Sumitomo Chemical and 33.4% by Sumitomo Pharma, has completed construction of its third regenerative medicine and cell therapy manufacturing facility, known as CRAFT (*1) (“the Facility”). S-RACMO implemented this project as part of capital investment to increase its production capacity, which needs expansion to meet strong customer demand. The capacity has now approximately doubled, and will support the sustainable growth of S-RACMO’s CDMO (*2) business. Construction of a fourth manufacturing facility is planned to further expand business.

S-RACMO is a CDMO business company that undertakes the development of manufacturing methods and the manufacturing of products in the field of regenerative medicine and cell therapy. Since its founding in 2020, the company has worked to build up and upgrade its capabilities as a regenerative medicine and cell therapy CDMO by leveraging Sumitomo Chemical’s knowhow related to basic technologies for iPS and ES cells and the contract manufacturing of pharmaceuticals, as well as Sumitomo Pharma’s expertise in the development of advanced manufacturing methods and formulations cultivated through many years of research and multiple projects for regenerative medicine and cell therapies. In regard to financial performance, it has consistently achieved profitability and increased profits for four consecutive years since fiscal 2021.

S-RACMO has received multiple business inquiries regarding contract manufacturing projects that utilize the Facility. Accordingly, S-RACMO plans to invest an additional amount of approximately 15 billion yen to upgrade equipment at its existing facilities and build a new fourth manufacturing facility (“the Investment Plan”). For the Investment Plan, the company will also utilize the 2024 Supplementary Budget Subsidies for Investments in Regenerative Medicine, Cell Therapy, and Gene Therapy Manufacturing Facilities (*3) program of the Japanese government’s Ministry of Economy, Trade and Industry, and will work to undertake the contract development and manufacturing for new products in a timely manner while also developing expert talent who engage in development, manufacturing, and quality management.

In addition, S-RACMO will also undertake the manufacturing of allogeneic iPS cell-derived dopaminergic neural progenitor cells (“the Product”) being developed for Parkinson’s disease by RACTHERA, another Sumitomo Chemical subsidiary, which is 66.6% owned by the Company and 33.4% by Sumitomo Pharma. As announced today (*4), Sumitomo Pharma and RACTHERA have applied for manufacturing and marketing authorization for the Product in Japan, with Sumitomo Pharma as the applicant. As part of the

Investment Plan stated above, S-RACMO will also enhance the manufacturing system for the Product, and the Sumitomo Chemical Group will work together to contribute to the treatment of Parkinson's disease.

Sumitomo Chemical has positioned the regenerative medicine and cell therapy CDMO business led by S-RACMO as one of the core businesses of its Advanced Medical Solutions Sector, and the Company is working to cultivate this sector from a medium- to long-term perspective as the Group's next growth area that will follow agriculture-related and ICT-related businesses, which are positioned as the Group's current growth drivers.

The Sumitomo Chemical Group will continue to strive together as one to advance the expansion of its regenerative medicine and cell therapy business and to contribute to the development and implementation of innovative new therapeutics.

- (*1) Center for Regenerative Medicine and Future Therapy (CRAFT)
- (*2) Contract Development and Manufacturing Organization, a contract business that undertakes the development of manufacturing methods for products and their manufacturing for customers
- (*3) The Subsidies for Investments in Regenerative Medicine, Cell Therapy, and Gene Therapy Manufacturing Facilities is a subsidy program of the Japanese government that aims to secure capacity in Japan to smoothly manufacture regenerative medicine, cell therapy, and gene therapy products by providing support for CDMOs' efforts to enhance contract manufacturing operations in Japan and develop manufacturing talent. Among the applicants selected to receive expense subsidies, large corporations and equivalent organizations are able to receive subsidies of up to 50% of their approved expenses. (Link to website in Japanese: <https://cdmo-hojo.jp/>)

Reference:

“S-RACMO Selected for the 2024 Supplementary Budget Subsidies for Investments in Regenerative Medicine, Cell Therapy, and Gene Therapy Manufacturing Facilities,”

S-RACMO news release in Japanese dated July 16, 2025:

<https://www.s-racmo.co.jp/cms/wp-content/uploads/2025/07/b6625c638265b846cebabfae1385a1f5.pdf>

- (*4) “Announcement of a Subsidiary's Submission of the Application of Manufacturing and Marketing Authorization for an iPS Cell-Derived Product for Parkinson's Disease in Japan,” Sumitomo Chemical news release dated August 8, 2025:
https://www.sumitomo-chem.co.jp/english/news/files/docs/20250805_2e.pdf



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Official YouTube

(English Translation of the Press Release from S-RACMO)

August 5, 2025
S-RACMO Co., Ltd.

Completion of the CRAFT Regenerative Medicine and Cell Therapy Manufacturing Facility

S-RACMO Co., Ltd. today announced that, to further expand its business, it has completed construction of its third regenerative medicine and cell therapy manufacturing facility, called CRAFT (Center for Regenerative Medicine and Future Therapy) (“the New Facility”).

To contribute to the early spread and commercialization of regenerative medicine and cell therapies, the company develops manufacturing methods and manufactures products for the regenerative medicine and cell therapy field as a contract development and manufacturing organization (CDMO). Starting with the commercial manufacture of regenerative medicine products, up until now, under contract from outside companies, the company has manufactured various types of iPS cells, somatic cells, and somatic stem cells, both autologous and allogeneic cells, for clinical trials, non-clinical uses, and other applications. By constructing the New Facility, in addition to increasing its production capacity for existing products under contract, the company will strengthen its manufacturing organization to meet the needs of customers in and outside of Japan that are developing regenerative medicine and cell therapies.

The New Facility is located on the same premises as the two existing regenerative medicine and cell therapy manufacturing facilities (SMaRT and FORCE), and their design and specifications leverage the know-how and experience gained from operating multiple facilities. Because these facilities have easy access to Osaka International Airport and Kansai International Airport, manufactured regenerative medicine and cell therapies can be quickly shipped outside Japan as well as to major regions throughout Japan.

In addition, the company plans to invest an additional amount of approximately 15 billion yen to augment its production capacity. In addition to augmenting its existing facilities, such as with additional production equipment and testing facilities, the investment plan also includes a fourth regenerative medicine and cell therapy manufacturing facility. The investment will utilize the 2024 Supplementary Budget Expense Subsidies for Manufacturing Equipment for Regenerative Medicine, Cell Therapies, and Gene Therapies ^{*1} program from the Japanese government’s Ministry of Economy, Trade and Industry, its selection for which the company announced earlier. This will further strengthen the company’s manufacturing capacity and accelerate the expansion of its business.

Using the new facility as well as SMaRT and FORCE, the company will engage in contract manufacturing of high-quality regenerative medicine and cell therapies in compliance with the latest GCTP^{*2} and cGMP^{*3} standards, thereby contributing to the development and commercialization of customers' regenerative medicine and cell therapies.

*1. The Expense Subsidies for Manufacturing Equipment for Regenerative Medicine, Cell Therapies, and Gene Therapies is a program that provides support for developing CDMOs with contract manufacturing locations in Japan and training manufacturing talent to ensure Japan's capabilities to smoothly manufacture regenerative, cellular, and gene therapies. Among the selected applicants, large enterprises and equivalent organizations can receive subsidies of up to 50% for approved expenses.

Reference: S-RACMO's press release dated July 16, 2025 in Japanese:

“Notice Regarding the Company's Selection for the 2024 Supplementary Budget Expense Subsidies for Manufacturing Equipment for Regenerative Medicine, Cell Therapies, and Gene Therapies”

[「令和 6 年度補正 再生・細胞医療・遺伝子治療製造設備支援事業費補助金」採択について](#)

*2. GCTP: Good Gene, Cellular, and Tissue-based Products Manufacturing Practice

*3. cGMP: current Good Manufacturing Practice

Inquiries:

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Reference:

Overview of the Facility	
Name:	Regenerative Medicine and Cell Therapy Manufacturing Facility CPC (CRAFT)
Address:	33-94 Enoki-cho, Suita, Osaka, Japan (on the premises of Sumitomo Pharma's Central Research Laboratories)
Business Description:	Develops manufacturing methods and manufactures products for the regenerative medicine and cell therapy field as a contract development and manufacturing organization
Building area:	1,836 square meters (two floors, steel construction)
Construction start:	July 2024
Completion:	July 2025
Specifications:	<ul style="list-style-type: none"> • Multiple suites with independent air conditioning • Complint with BSL-2 containment level • Manufacturing method study lab and QC testing office in the second floor area

	<ul style="list-style-type: none">• Carbon neutral initiatives: Air conditioning system deploys energy conservation methods (consumes about one-third less energy than conventional facilities)• All electric, reducing CO2 emissions
Total cost:	Approximately 3.7 billion yen

External view of the CRAFT

