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Purpose of this report

Strengthening the management capabilities and competitive advantages to ensure stable supply

A strong operational foundation that supports a stable supply is our highest priority as the industry environment undergoes significant change. This section introduces our strategies and initiatives for accurately assessing market conditions and fulfilling our responsibility to ensure stable supply.

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Developing human resources for our business objectives

Development of the human resources to support our business is essential to the medium- and long-term enhancement of corporate value. This section introduces our approach to talent development and the initiatives we are undertaking to strengthen our human capital.

▸ P. 25 Ensuring a stable supply system
▸ P. 36 Human capital strategy

Maintaining product quality by fostering a compliance-focused culture

Compliance with applicable laws and regulations and the implementation of management practices based on GQP and GMP are essential to ensuring product quality and a stable supply. This section introduces our initiatives to foster a culture of compliance in manufacturing and quality operations and our efforts to strengthen corporate governance.

▸ P. 25 Ensuring a stable supply system
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Dedicated to building a healthier future for all

The Sawai Group corporate philosophy of "dedicated to building a healthier future for all" embodies our desire to contribute to the health of as many people as possible as a comprehensive healthcare group which develops sustainably alongside society, with the generic drugs business as our core business.
We will mobilize the strengths of all Group employees to pursue the challenge of meeting the expectations of all stakeholders.

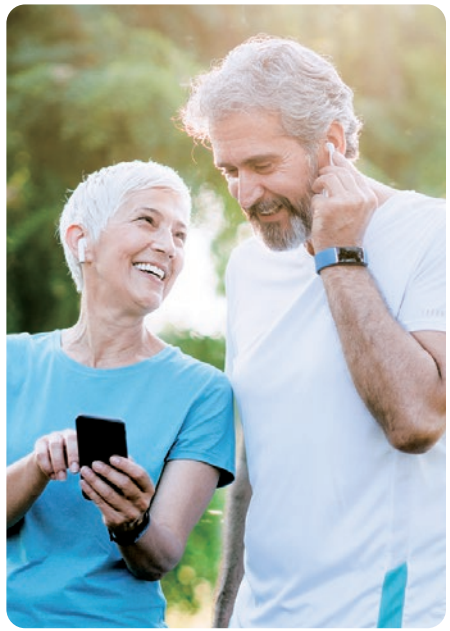
Sawai Group Mind



The Sawai Group will serve every stakeholder wholeheartedly.

The Sawai Group will continue the challenge to improve access to healthcare for more people.

The Sawai Group aspires to play a pivotal role in healthcare through its contribution to society.









Not only **"always putting patients first"** but also striving to succeed in **"dedicated to building a healthier future"** for all people

2000
Listed on second section of Tokyo Stock Exchange.

2003
Listed on first section of Tokyo Stock Exchange.

2006
Completed new premises combining Head Office and research laboratories in Yodogawa-ku, Osaka.

2007
Formulated Corporate Philosophy and Code of Conduct.

2019
Celebrated 90th year in business.

2021
Sawai Group Holdings Co., Ltd. established.
Trust Pharmatech Co., Ltd. established.



Note: Does not include purchased products

1929–

Sawai Pharmacy founded in Asahi-ku, Osaka as local pharmacy

Sawai Pharmaceutical's history starts almost 100 years ago. Hanpei Sawai and Noyo Sawai (a pharmacist) established Sawai Pharmacy, Sawai Pharmaceutical's predecessor. At that time, there were few pharmacies, and Sawai Pharmacy supported the health of residents by providing drugs as a local pharmacy.



1965–

Transformed into manufacturer of prescription medications and then into a leading GE company

In response to changes in the drug market due to the introduction of a universal medical care insurance system, Sawai transformed itself from a manufacturer of over-the-counter medications into a manufacturer of prescription medications. By supplying one product after another that meet the needs of healthcare professionals, we have built a foundation to grow into a leading company in the generic drug (GE) industry.



2003–

Contributed to spreading and expanding GE as a company listed on the First Section of the Tokyo Stock Exchange

In line with the basic policies of expanding market share, further strengthening the management structure, and building a solid Sawai brand, Sawai continued to grow, boosted by the tail wind of government policies to promote the use of generic drugs. We also strengthened our production and development capabilities, which included construction of the Kanto and Sanda Nishi factories and a new development center.



2021–

Transformed into GE manufacturer that continues to be selected with an eye toward industry reorganization

Sawai transitioned to a holding company structure in 2021 in order to strengthen its existing businesses and foster new businesses, as well as to strengthen the governance function that supports both. As a part of the social infrastructure, we will strive to ensure a stable supply of inexpensive, high-quality generic drugs while further enhancing our industry-leadin g production capacity and sales volume.



Listing Certificate

Dedicated to building a healthier future for all

Healthcare services for everyday life

Social issues

- Rising medical expenses
- The hyper-aging society
- Need for affordable and safe drugs
- Supply shortage of drugs
- Increasing interest in QOL

Input
Management capital

- Financial capital ▸ p. 23
- Manufactured capital ▸ p. 25
- Human capital ▸ p. 36
- Intellectual capital ▸ p. 29
- Social and relationship capital ▸ p. 40

Business activities

- Generic drug business ▸ p. 19
- New businesses ▸ p. 7
- Material issues ▸ p. 33
- Sawai Group Vision 2030

Output
Products/services

- Stable supply of high-quality generic drugs
- Health and QOL apps and digital medical devices

Outcome
Value provided to society



Improving healthcare access



Contributing to healthcare financing



Contributing to extension of healthy life expectancy



Developing talent

As the leading generic drug group, the Sawai Group strives to provide a stable supply of high-quality generic drugs and support the healthy lives of people. We are also taking on the challenge of evolving into a comprehensive healthcare group by developing new businesses.

(FY2025)

Performance

Revenue
¥201.7 billion Up 6.7% YoY ↑

Operating profit
¥15.9 billion Up 292.5% YoY ↑

ROE
5.9% Down 0.3 percentage point YoY ↓

ROIC
3.8% Down 0.5 percentage point YoY ↓

Ratio of equity attributable to owners of parent to total assets (Shareholders' equity to total assets)
49.6% Up 0.6 percentage point YoY ↑

Ratio of dividends to equity attributable to owners of parent (DOE)
3.6% Up 0.2 percentage point YoY ↑

Strengths

Production system ▶ p. 25
8 factories nationwide

Production capacity
20.5 billion tablets

Patents ▶ p. 29
78

Research and development expenses ▶ p. 29
¥12.4 billion

Quality assurance audits (GMP audits) ▶ p. 41
115

Number of MRs
Approx. 380

Social impact

Improving healthcare access

Sales volume
17.1 billion tablets

Share of prescription drug distribution volume in Japan
9.0%

Contributing to healthcare financing

Amount of reduction in healthcare costs
¥212.9 billion

Contributing to extension of healthy life expectancy

Personal health record (PHR) management app
Used by approx.
3,000 medical institutions

Fulfilling Sawai Group Vision 2030

Sawai Group Vision 2030

The World We Want to Build

A world where more people can receive healthcare services and live a full life with peace of mind among society.

Our Ideal State

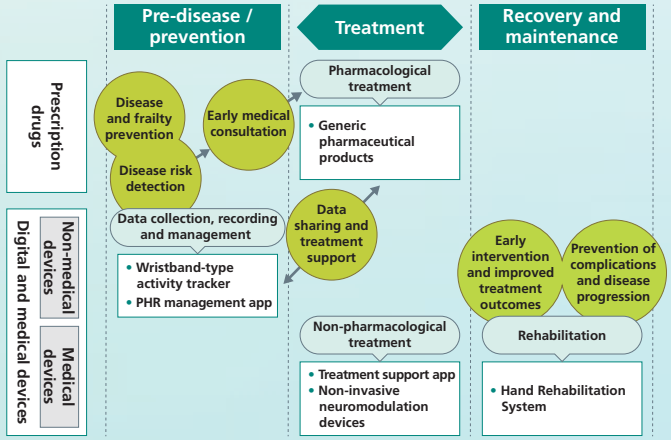
A company with a strong presence that continues to contribute to people's health by providing a multifaceted mix of products and services that meet individual needs based on scientific evidence

▸ p. 15 **Medium-term Business Plan "Beyond 2027"**

▸ p. 33 **Progress on materiality**

The highest responsibility of our core generic drug business is ensuring we deliver a stable supply of our products. We aim to achieve a production capacity of 25 billion tablets by fiscal 2030. We are also accelerating investments in new business areas, including digital healthcare, medical devices, and disease prediction. Our goal is to evolve into a comprehensive healthcare group that supports people from the pre-disease and prevention stages through treatment, recovery, and ongoing health maintenance.

Our business evolution



We are now expanding beyond pharmaceutical treatment by accelerating the development of our digital and medical devices business. Through this business, we aim to deliver optimal care across every stage of the healthcare journey— from the pre-disease and prevention phase through recovery.

Performance results and targets

	FY2025 Actual	Vision 2030 for FY2030
Revenue*	¥201.7 billion	**¥310.0 billion**
Sales volume	17.1 billion tablets	**24.0 billion tablets**
Share of sales	15.8%	**25.0% or more**
Production capacity	20.5 billion tablets	**25.0 billion tablets or more**
ROE	5.9%	**13% or more**
ROIC	3.8%	**10% or more**

*Including new businesses

Japan's aging population and rising demand for medical treatment are expected to drive growth in the generic drugs market by approximately 700 million tablets annually through fiscal 2030. The Sawai Group plans to increase its market share by expanding its production capacity to support growth in sales volume that exceeds the expected market growth.

Event showcasing Sawai's proprietary technologies and the future of healthcare

The Sawai Group Innovation Meetup in March 2026 showcased the formulation technologies that the Group has cultivated over many years in the generic drug business, as well as the digital healthcare and medical devices that form a key focus of our new businesses. Hands-on exhibits and presentations allowed internal and external stakeholders to experience new possibilities for healthcare.



Mitsuo Sawai

Representative Director,
Chairman and President,
Group Chief Executive Officer and
Group Chief Operating Officer
Sawai Group Holdings Co., Ltd.

Presentation: AI applications
in the Research and Development Division

Takuro Nishimura

Pharmaceutical Development Department
Sawai Pharmaceutical

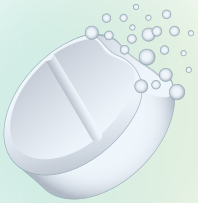
Event Overview

Date: Friday, March 13, 2026,
13:00-17:00
Invitees: Investors, analysts,
and members of the media
Attendees: 33

Date: Saturday, March 14, 2026,
10:30-15:45
Invitees: Employees and their families,
and executives
Number of visitors: 314

Sawai Group Technology

SAWAI HARMOTECH®



Proprietary formulation technologies supporting the Sawai Group's unique value and stable supply

SAWAI HARMOTECH® is Sawai Pharmaceutical's suite of formulation technologies to improve the ease of taking and using medications, developed through extensive analysis of feedback from patients and healthcare professionals. The platform comprises nine proprietary technologies, including orally disintegrating tablet and film coating technologies. These technologies improve the experience of taking medications while also enhancing convenience through better storability and portability. SAWAI HARMOTECH® addresses the needs of patients and healthcare providers by adding new value to pharmaceuticals and helping make medications easier to use.

Sawai Group's contribution to value and supply stability

The Sawai Group's formulation technologies are built on the knowledge and experience accumulated through research and the development of new products. Our researchers tackle new challenges every day by combining expertise in formulation technology, physicochemical analysis, pharmacokinetics, and intellectual property. As we develop and advance our proprietary technologies, SAWAI HARMOTECH® serves as our foundation for adding value to medications and ensuring a stable supply.

Toyohiro Sawada

Senior Executive Officer,
Group Chief Research &
Development Officer (Group CRO)
Sawai Group Holdings Co., Ltd.



Standout products featured at the Innovation Meetup

Supporting healthy lives and expanding treatment options

sawai

The launch of HAUDY* support app for treatment to reduce alcohol consumption

HAUDY is a prescription digital therapeutic designed to support treatment for alcohol dependence. The app, comprising a patient app and a physician app, is prescribed as a tool to help patients change their drinking habits and reduce alcohol consumption. Clinical trials have demonstrated its effectiveness, and HAUDY is covered by Japan's national health insurance system.

Wider adoption of HAUDY is expected to encourage more patients with alcohol dependence to start treatment.

* Product name: CureApp AUD Alcohol Reduction Treatment Support App



Relivion® device offering a new treatment option for migraine

Relivion® is a neuromodulation device that uses electrical stimulation to relieve pain from acute migraine attacks. New drug therapies for migraine continue to emerge, but side effects and other factors make medication unsuitable for many patients. Neuromodulation treatment, which regulates nerve function with electrical, magnetic, or other forms of stimulation, is already established in Europe and the United States as a non-pharmacological treatment option for migraine.

The Sawai Group aims to bring Relivion® to patients as Japan's first non-medication treatment option for migraine.



FrontAct



Takehiko Nomura
Representative Director, President and CEO

Accelerating value creation in digital healthcare as a member of the Sawai Group

FrontAct specializes in digital technologies that address healthcare challenges through biosignal sensing and algorithm-based analysis. We have developed and delivered innovative healthcare services spanning the continuum of care, from the pre-disease and prevention stages through long-term care.

Since joining the Sawai Group in 2025, FrontAct has been building on the Group's business platform and network while collaborating with Group companies to create greater value across both existing and new businesses.



MELTz® hand function rehabilitation device

The MELTz® Hand Rehabilitation System is a medical device that helps restore hand function in patients with hand paralysis, primarily following stroke. The system measures and analyzes the faint electrical signals (biosignals) generated by muscles when patients intend to move, animating a robotic exoskeleton to assist finger and hand movement.

More than 50 medical and rehabilitation facilities have adopted the system. The Sawai Group aims to make MELTz® a widely available treatment option for patients with hand paralysis.



MiMoRy® wrist-worn activity tracker for healthier living

MiMoRy® is a wrist-worn activity monitor equipped with five high-performance sensors. Worn during daily activities, the device automatically captures data on steps, resting heart rate, sleep score, conversational activity, skin temperature, calories burned, and ultraviolet exposure. MiMoRy® is a non-medical device designed to support daily self-care and help users maintain good health.

The device prioritizes essential functions to reduce charging frequency, making it easy for older adults to use. The Sawai Group provides MiMoRy® to companies, research institutions, and local governments.