

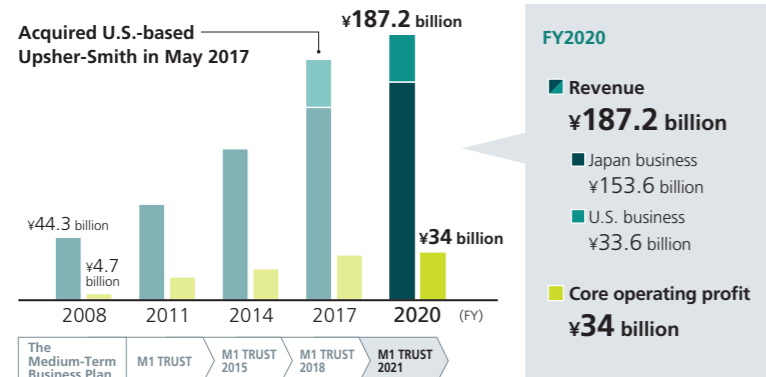
Becoming a healthcare corporate group that contributes to healthier lives, with generic drugs as our core business

As the generic drugs market transitions to stable growth, new business opportunities are emerging for the Sawai Group as we enter an era of 100-year lifespans. To respond with precision to this market environment, we formulated the Sawai Group Vision 2030, our long-term vision, and START 2024, our Medium-Term Business Plan.

Reviewing M1 TRUST 2021, the previous Medium-Term Business Plan (April 2018 to March 2021)

In the Japan business, we focused on establishing a structure capable of responding to changes in the structure of the generic drug industry and strengthening competitiveness. In the U.S. business, we worked to expand pipelines and product lineups and boost manufacturing capacity as a period for establishing the framework to accelerate growth. As a result, we achieved 10% growth in both revenue and core operating profit.

Revenue / Core operating profit



Matters achieved

- Japan business**
 - Ranked No.1 or No.2 in generics in new product sales share
 - Improve production efficiency by consolidating manufacturing sites through plant transfers, etc.
 - Launch the first generic drugs and competitive-Lsuperior new products to market
 - Develop proprietary technologies
- U.S. business**
 - Expansion of pipelines and product lineups
 - Started construction of a new factory to strengthen manufacturing capacity via factory consolidation

Changes in the external environment

In addition to an aging society, there have been advances in technological innovations, such as new modalities, AI, and robots. Meanwhile, with the volume share of generic drugs approaching 80% in Japan, it is thought that growth in the size of the market will slow. Industry reorganization may also accelerate due to falling drug prices driving deteriorating profitability.

Changes in Trends

An aging society, changes in values for prevention/pre-symptomatic illness

- Era of 100-year lifespans
- Increasing medical costs
- Emphasis on prevention of disease and pre-symptomatic illness state
- Increasing home care

Evolution of Technology

Advances in technological innovations such as new modalities, AI, and robots

- New modalities
- AI
- Digital
- Robotics

Overall outlook for the Japanese generics market

- Generic drugs volume share has reached almost 80% for the three years since 2017
- Although growth is expected to slow down in the future, the demand is expected to grow to some extent

Potential for accelerating industry reorganization due to falling drug prices driving deteriorating profitability

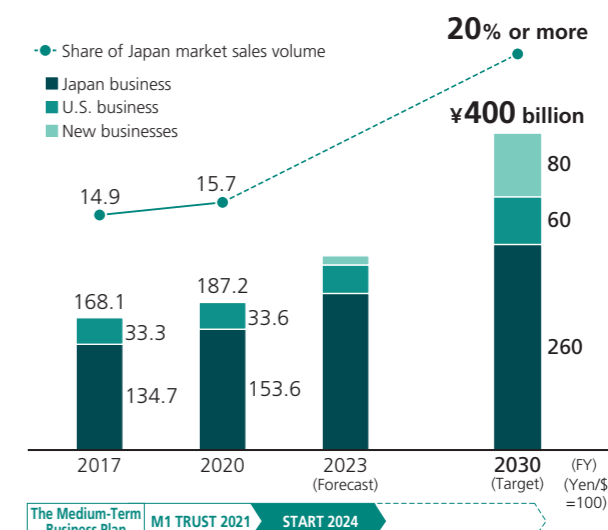
Long-Term Vision Sawai Group Vision 2030

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 based on scientific evidence that meet individual needs

FY2030 quantitative targets

	FY2020	FY2030
Japan business		
Revenue	¥153.6 billion	¥260 billion
Sales volume	13.3 billion tablets	20 billion tablets
Share of sales volume	15.7%	20.0% or more
Production capacity	15.5 billion tablets	23 billion tablets or more
U.S. business		
Revenue	¥33.6 billion	¥60 billion
New businesses		
Revenue	—	¥80 billion
Total revenue	¥187.2 billion	¥400 billion
ROE	5.8%	10% or more



The Medium-Term Business Plan 「START 2024」 (April 2021 to March 2024)

Under START 2024, we have set out three key strategies which are: ① Expanding share in the Japanese generics market; ② Business investment for future growth in the U.S.; and ③ Cultivating new growth areas. We aim to realize our long-term vision in 2030 through the speedy and steady implementation of these strategies.

Generics business		Entry into new businesses
① Expanding share in the Japanese generics market <ul style="list-style-type: none"> Increasing sales of new products Strengthening stable supply capabilities → P. 23 Creating value through business / Japan business	② Business investment for future growth in the U.S. → P. 17 Message from the President	③ Cultivating new growth areas <ul style="list-style-type: none"> Digital medical devices business Orphan drug business (ALS, etc.) Health food business → P. 17 Message from the President