


G Corporate governance

Directors and Audit & Supervisory Board Members (as of June 30, 2021)

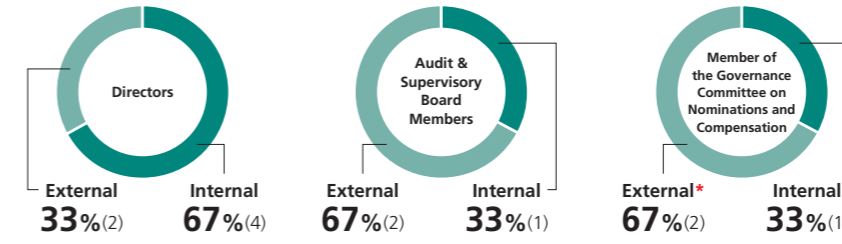
 <p>Mitsuo Sawai Representative Director, Chairman and Group Chief Executive Officer</p> <p>Born in 1956 April 1982 January 1989 June 2000 June 2008 June 2020 April 2021</p> <p>Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Kirin Co., Ltd.) Joined Sawai Pharmaceutical Co., Ltd. Director, Deputy Vice President of Sales Division, and General Manager of Sales Planning Department of Sawai Pharmaceutical Co., Ltd. Representative Director and President of Sawai Pharmaceutical Co., Ltd. Representative Director and Chairman of Sawai Pharmaceutical Co., Ltd. (incumbent) Representative Director, Chairman and Group Chief Executive Officer of Sawai Group Holdings Co., Ltd. (incumbent)</p>	 <p>Kenzo Sawai Representative Director, Deputy Chairman and Group Chief Branding Officer</p> <p>Born in 1968 April 1995 April 2001 June 2010 June 2017 June 2020 April 2021</p> <p>Joined Sumitomo Pharmaceuticals Co., Ltd. (currently Sumitomo Dainippon Pharma Co., Ltd.) Joined Sawai Pharmaceutical Co., Ltd. Director, Vice President of Corporate Strategy Department of Sawai Pharmaceutical Co., Ltd. Chairman of Upsher-Smith Laboratories, LLC President, Representative Director of Sawai Pharmaceutical Co., Ltd. (incumbent) Representative Director, Deputy Chairman and Group Chief Branding Officer of Sawai Group Holdings Co., Ltd. (incumbent)</p>	 <p>Kazuhiko Sueyoshi Representative Director, President, Group Chief Operating Officer and Group Chief Administrative Officer</p> <p>Born in 1957 April 1980 April 2012 June 2017 June 2018 April 2021</p> <p>Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Joined Sawai Pharmaceutical Co., Ltd. General Manager of Controller Department Executive Administration, Upsher-Smith Laboratories, LLC Director, Senior Executive Officer, Vice President of Corporate Administration Division of Sawai Pharmaceutical Co., Ltd. Acting Vice President of Corporate Administration Division of Sawai Pharmaceutical Co., Ltd. (incumbent), Representative Director, President, Group Chief Operating Officer (incumbent)</p>
 <p>Toru Terashima Director, Senior Executive Officer, and Group Chief Quality & Safety Officer</p> <p>Born in 1959 April 1984 October 1984 January 2016 June 2017 June 2019 April 2021</p> <p>Joined Sumitomo Chemical Company, Limited Joined Sumitomo Pharmaceuticals Co., Ltd. (currently Sumitomo Dainippon Pharma Co., Ltd.) Joined Sawai Pharmaceutical Co., Ltd. Director, Corporate Officer, Vice President of Reliability Assurance Division of Sawai Pharmaceutical Co., Ltd. Director, Senior Executive Officer, Vice President of Reliability Assurance Division (incumbent) of Sawai Pharmaceutical Co., Ltd. Director, Senior Executive Officer, and Group Chief Quality & Safety Officer of Sawai Group Holdings Co., Ltd. (incumbent)</p>	 <p>Masatoshi Ohara External Director</p> <p>Born in 1951 April 1979 August 1986 January 1988 April 2017 June 2019 April 2021</p> <p>Registered as a lawyer at Osaka Bar Association Joined Kikkawa Sogo Law Offices (currently Kikkawa Law Offices) Attorney registered in the State of New York, the U.S. Partner of Kikkawa Law Offices (incumbent) The President of Osaka Bar Association, the Vice President of Japan Federation of Bar Associations Director of Sawai Pharmaceutical Co., Ltd. Director of Sawai Group Holdings Co., Ltd. (incumbent)</p>	 <p>Nawomi Todo External Director</p> <p>Born in 1959 June 1984 July 1984 January 2002 January 2007 June 2015 April 2021</p> <p>Obtained medical license Staff Doctor at Osaka University Hospital Staff Doctor at Osaka-tetsusyou Health Insurance Society (incumbent) Obtained Certified Occupational Physician Qualification of Japan Medical Association Director of Sawai Pharmaceutical Co., Ltd. Director of Sawai Group Holdings Co., Ltd. (incumbent)</p>
 <p>Tadao Tsubokura Full-time Audit & Supervisory Board Member</p> <p>Born in 1961 July 2008 April 2012 June 2018 April 2021</p> <p>Joined Sawai Pharmaceutical Co., Ltd. General Manager, Controller Department of Sawai Pharmaceutical Co., Ltd. General Manager, General Affairs Department of Sawai Pharmaceutical Co., Ltd. Full-time Audit & Supervisory Board Member of Sawai Pharmaceutical Co., Ltd. Full-time Audit & Supervisory Board Member of Sawai Group Holdings Co., Ltd. and Auditor of Sawai Pharmaceutical Co., Ltd. (incumbent)</p>	 <p>Takanobu Tomohiro External Audit & Supervisory Board Member</p> <p>Born in 1958 April 1991 April 1994 June 2016 April 2020 April 2021</p> <p>Registered as an attorney Joined Kogoshi Takizawa Law Office (currently, Kobe-Kaito Law Office) Partner of Kobe-Kaito Law Office (incumbent) Audit & Supervisory Board Member of Sawai Pharmaceutical Co., Ltd. President, Hyogo-ken Bar Association Audit & Supervisory Board Member of Sawai Group Holdings Co., Ltd. (incumbent)</p>	 <p>Junichi Hirano External Audit & Supervisory Board Member</p> <p>Born in 1955 July 2013 July 2014 July 2015 August 2016 June 2017 April 2021</p> <p>Director, Co-ordination Division, Second Large Enterprise Examination Department, Osaka Regional Taxation Bureau District Director, Higashi Yodogawa Tax Office Established a certified tax accountant office Audit & Supervisory Board Member of Sawai Pharmaceutical Co., Ltd. Audit & Supervisory Board Member of Sawai Group Holdings Co., Ltd. (incumbent)</p>

Skill Matrix

	Current Positions at Sawai	Legal affairs / risk management	Finance, accounting, tax affairs	Production and quality	Marketing and sales	Research, development, technologies	Medicine and pharmaceuticals
● Mitsuo Sawai	Chairman, Representative Director, member of the Governance Committee on Nominations & Remuneration				●		
● Kenzo Sawai	Deputy Chairman, Representative Director				●	●	●
● Kazuhiko Sueyoshi	President, Representative Director	●	●				
● Toru Terashima	Director			●		●	●
◆ Masatoshi Ohara	Independent External Director, Chairman of the Governance Committee on Nominations and Compensation	●					
◆ Nawomi Todo	Independent External Director, member of the Governance Committee on Nominations and Compensation						●
● Tadao Tsubokura	Full-time Audit & Supervisory Board Member		●				
◆ Takanobu Tomohiro	Independent External Audit & Supervisory Board Member	●					
◆ Junichi Hirano	Independent External Audit & Supervisory Board Member		●				

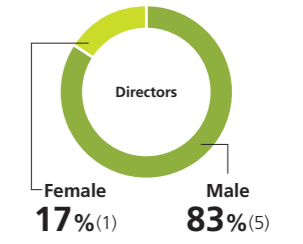
● Internal ◆ External

External Director ratio

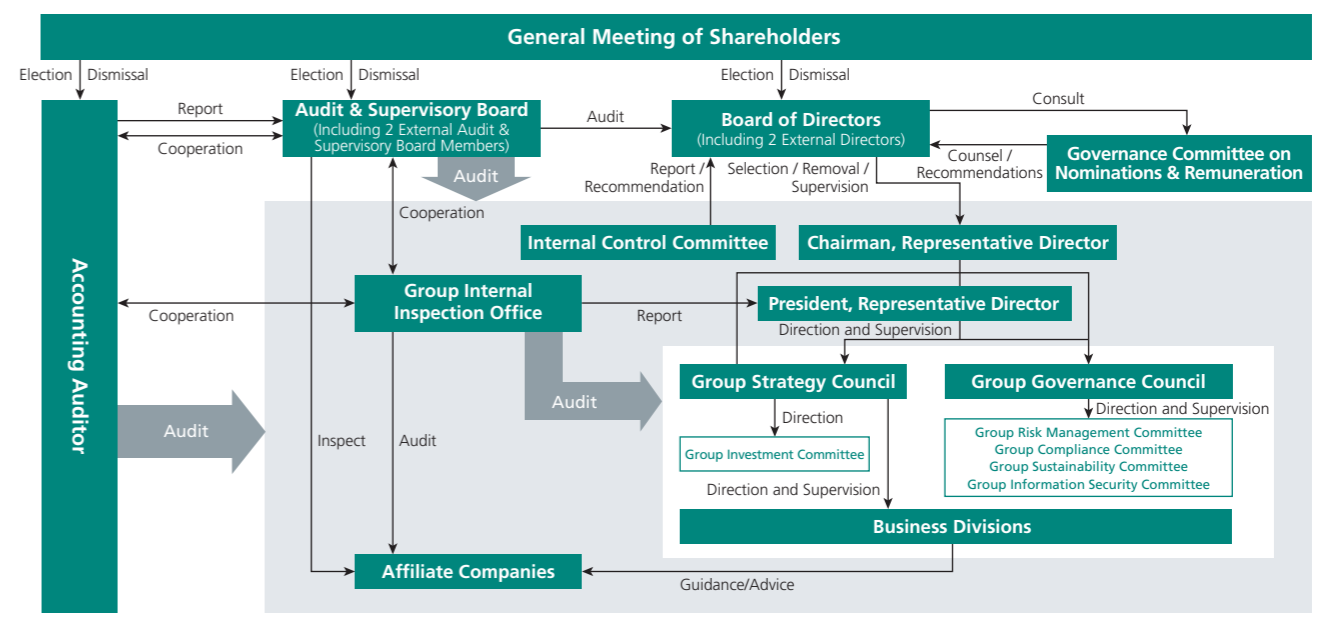


* The Committee Chairman is an External Director

Female Director ratio



Corporate Governance Structure



Governance system

The Board of Directors makes decisions and votes on matters provided for in laws and the articles of incorporation, as well as matters set forth in the Regulations of the Board of Directors, which are of high importance for the Company's business.

As business oversight is an important duty of the Board of Directors, Sawai uses an corporate officer system whereby corporate officers are entrusted with the execution of business in accordance with resolutions passed by the Board of Directors. Executive policy is discussed and decided on at Group Strategy Council, which are attended by the Chairman, President, and corporate officers. Matters that involve sums below a certain threshold or that are of low importance are executed according to the Decision-making Standards Table, which is provided for separately, in the interest of ensuring efficiency and flexibility.

The Company also elects chief officers and officers in charge of the corporate functions of each Sawai Group company. These individuals are tasked with directing and supervising these companies and providing regular situation reports to the Board of Directors in order to ensure proper corporate supervision.

Governance Committee on Nominations & Remuneration

Sawai's Governance Committee on Nominations & Remuneration comprises directors elected by approval from the Board of Directors. Committee members with particular vested interests in matters deliberated on by the committee are required to refrain from voting on such matters.

Committee resolutions must be passed by a majority of the committee members in attendance, and a majority of all members able to vote must be in attendance. The primary matters deliberated on by the committee are the election and dismissal of Company leadership and the chief executive officer (CEO); succession plans for the CEO; compensation for Company leadership and corporate officers; and the basic policies, regulations, and procedures involved in these matters. The committee reports the results of its deliberations to the Board of Directors.

The Board of Directors is required to fully respect all advice and suggestions received from the committee.

Improving the operation of the Board of Directors

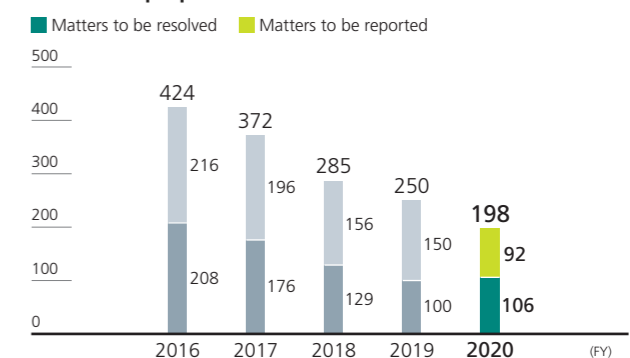
Important matters will now be discussed by the Board of Directors following deliberation by the Group Strategy Council and Group Investment Committee, which was established with the Company's transition to a holding company system. This change will see the Board of Directors

engage in deeper discussions on a narrower range of important topics based on thoroughly prepared materials. We have also changed to a Board of Directors Secretariat system to facilitate a more proactive approach to addressing sustainability issues.

Major Discussions Following the Transition to a Holding Company System

Director	Comment
External Director A	Business execution authority should be fully transferred to operating companies so that subsidiaries can quickly make decisions about and execute on the businesses they handle.
External Director B	Although some success has been achieved in the generic pharmaceuticals business, uncertainty over the future business environment suggests that we should implement a flexible organization in the form of a holding company and develop new businesses that are not bound by existing businesses.
Audit & Supervisory Board Member C	To fulfill its supervisory obligation, the Board of Directors for the holding company should design an appropriate system that accounts for things such as matters to be resolved, matters to be reported, and Board of Directors meeting frequency.

Number of proposals



Director compensation

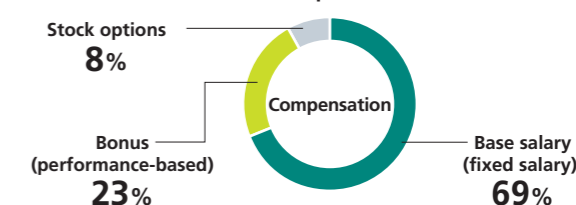
Decisions concerning Director compensation are reported to the Board of Directors upon deliberation of matters concerning Director compensation at meetings of the Governance Committee on Nominations and Compensation.

Compensation for Directors (excluding External Directors) consists of a base salary (fixed salary), bonus (performance-based compensation), and stock options. Base salary and bonuses are generally paid at a 3:1 ratio. Stock options generally account for at least 10% of total compensation and are granted based on Director position and years of service, and in accordance with the separately determined internal regulations of the Company.

The compensation limit for Directors as defined in the articles of incorporation is ¥670 million per year (not including employee salaries). The articles of incorporation

also stipulate a compensation limit for Audit & Supervisory Board Members of ¥50 million per year. The compensation system, including for Director compensation, will be reviewed every three years, in principle, based on a comprehensive accounting of market trends concerning Director compensation, the Company's performance trends, and cost of living trends.

Distribution of Director Compensation



Distribution of compensation for Directors and Audit & Supervisory Board Members (A & SB Members)

Classification	Total compensation (Millions of yen)	Total compensation by category (Millions of yen)			Number of eligible persons
		Fixed salary	Performance-based compensation	Stock options	
Directors (not including external directors)	299	205	70	24	5
A & SB Members (not including external A & SB Members)	18	18	-	-	2
External Directors and A & SB Members	25	25	-	-	4

Message from an External Director



Building a growth company by thinking not only about pharmaceuticals but also about what we can do for everyone's health

Nawomi Todo External Director

The global COVID-19 pandemic that broke out in 2019 forced us to re-acknowledge the difficulty and importance of maintaining a healthy lifestyle. Furthermore, in the interest of achieving sustainability, Sawai has been holding discussions for some time around making the company about more than just pharmaceuticals, and in April 2021, we established Sawai Holdings based on our corporate philosophy of "always putting healthier lives first." Previously, Sawai has pushed forward as a leading company in generic pharmaceuticals, guided by its corporate philosophy of "always putting patients first." Now, one could say that we have been reborn as a company that thinks about not only pharmaceuticals but also about what we can do for everyone's health. Based on this corporate philosophy, we are working hard to satisfy the expectations of our stakeholders.

Furthermore, recent years have seen a growing expectation for companies to provide working environments where everyone with the desire to work can do so free of discrimination based on gender or SOGI*. To facilitate efforts to achieve these goals as a company, I will share my views as is appropriate to an External Director.

Sawai has always worked with a strong sense of conscience and responsibility to effect good product quality management, while never engaging in wrongdoing. This has never seemed more important than it does now. A company cannot grow without a dedication to good corporate governance. With a confidence that diligent effort is the best path to winning people's trust, I will make every effort to see that Sawai Holdings continues to be a growth company.

* SOGI: Sexual Orientation & Gender Identity.