Establish a fully trustworthy corporate foundation and advancing the medium-term plan A roadmap for continuing growth

The Sawai Group Vision 2030 is to be a comprehensive healthcare corporate group, centered on the generic drug business, providing healthcare services from prevention to treatment by 2030. Our goal is to contribute to all aspects of human health and deliver solutions that address societal challenges and promote the development of a sustainable society.

Beyond 2027 will reestablish our position as a trusted company in the medical industry, enabling the Group to steadily capture opportunities, secure the long-term sustainability of the generic drug business, and realign our business portfolio and capital policy around key performance indicators. Addressing these priorities will set us firmly on the road to fulfilling our long-term vision.

Framework of “Beyond 2027,” our medium-term business plan

Key themes for business strategy

1. Achieving steady growth in the generics market
2. Establishing sustainability of the generics business
3. Continuing investment in growth areas

Key themes for management base

1. Creating talent that underpins sustainable growth
2. Working on sustainability initiatives
3. Improving capital efficiency

Establishing a Trusted Corporate Foundation

Status of “Beyond 2027,” our medium-term business plan

Key themes	Progress in FY2024
1	• Generic drug market share did not increase due to factors including the voluntary recall and inability of timely demand response • Executed the advanced patent strategy and used formulation technologies to launch 13 new products, five of which are the sole item in their market category or that hold a strong competitive advantage
2	• Fulfilled our role in the social infrastructure by maintaining reasonable prices and reduced the impact of drug price revisions • Started measures to further enhance the quality of existing products to reduce risk of recalls
3	• Prepared sales launch of non-invasive neuromodulation devices approved for manufacturing and marketing in fiscal 2023 • Signed a sales license agreement with CureApp Inc. for a digital therapeutic to reduce alcohol consumption with a target market launch in fiscal 2025
1	• Recruited over 200 new graduates (joining April 2025) and over 300 mid-career hires through various recruitment channels • Regularly held town hall meetings hosted by the president of Sawai Pharmaceutical
2	• Developed an ultra-thin moisture-proof PTP sheet, reducing plastic content by 22% • Adopted a Group Human Rights Policy and promoted understanding that respecting for human rights leads to corporate sustainability
3	• Initiated measures to improve capital efficiency; fell short of ROE and ROIC targets, improved cash allocation generally as planned • Repurchased and cancelled (in April 2025) approximately 16 million outstanding shares valued at ¥33 billion

Medium-term business plan status

The three years of Beyond 2027 are the preparation stage for the final push toward realizing our long-term Vision 2030. The plan’s initiatives are building the foundation for a strong leap forward in the next medium-term business plan and positioning the Group for growth in the longer term. Beyond 2027 focuses on investing in the generic drug business growth and synergy areas, realigning our business portfolio and capital policy, and promoting management guided by performance indicators.

In the plan’s initial year of fiscal 2024, the considerable effort we spent on restoring trust in the first half of the year reduced our resources for promoting sales, which ultimately forced us to lower our earnings forecasts for the year. Sales steadily increased for new products released in fiscal years 2023 and 2024 as well as for existing products eligible for the newly introduced Elective Care Scheme; however, we started fiscal 2025 behind the pace needed to attain our targets for fiscal 2026. We are also facing an uphill battle to achieve our profit targets due to higher fixed costs, including in labor costs as we invest in hiring and training talent to drive growth in the future, as well as higher raw material valuation loss and disposal costs.

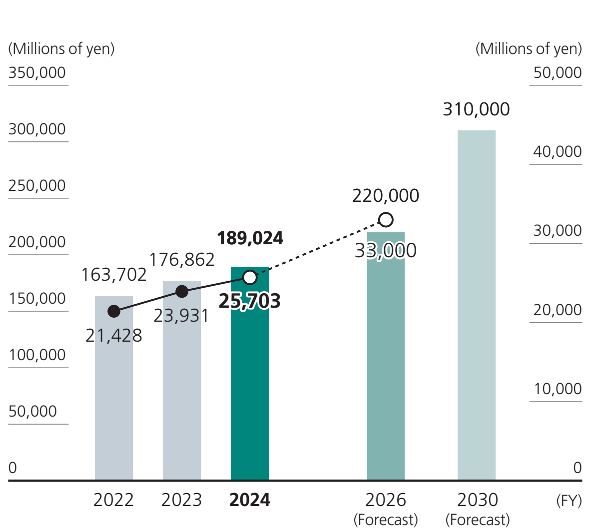
We aim to achieve revenue of ¥220 billion in the current plan’s final year of fiscal 2026 and are resolutely committed to meeting the sales and profit targets for fiscal 2025 to ensure we are positioned for success. We will continue eliminating factors that limit our product shipment capabilities, increase the number of new product offerings from the 13 in fiscal 2024 to 32 by the end of fiscal 2026, and expand market share through increased sales of both new and existing products. We will also secure the sustainability of the generic drug business by continuing our pricing policy that maintains product value and boosting profitability.

While we fully expect costs to keep rising, we will continue investing in growth areas and advancing initiatives to cultivate the human resources essential for sustainable growth to maintain our momentum toward achieving the fiscal 2026 performance targets.

The steps we took in the plan’s first year, fiscal 2023, to improve profitability supported higher capital efficiency in fiscal 2024, as the average unit price rose 5.2% from the previous year. This was achieved by adhering to our pricing policy, which reduced the impact from official drug price revisions by 1%, and by adding new products that strengthened our product mix. We also improved cash flow by selling idle assets and reducing cross-shareholdings, although ROE and ROIC ultimately fell short of the fiscal 2024 targets. The stock split in fiscal 2024 made it easier to invest in the Company, continue actively acquiring and developing human resources, and reduce capital costs as part of our effort to be a trusted company. In this area, we have also made steady progress improving cash allocation efficiency.

We will continue actively investing for new growth to lay the foundation for long-term business growth, achieve the fiscal 2026 targets, and further improve return on capital.

Revenue / Core operating profit



ROE/ROIC