Growing production capacity

Significantly increased production capacity with completion of the new solid dosage form facility

Construction of a new solid dosage form facility, which had been underway since 2022 at the Daini Kyushu Factory, was completed in July 2024, and shipments began in December of the same year. With the completion of the new facility, the Sawai Group's annual production capacity has increased by two billion tablets, from 18.5 billion to 20.5 billion. At the new facility, we plan to gradually scale up production to 900 million tablets in fiscal 2025 and 1.6 billion tablets in fiscal 2026. An additional 1.5 billion tablets will be added after the completion of Step 2, scheduled for 2027, bringing the Group's total annual production capacity to 22 billion tablets. This will firmly establish a top-level production capacity in Japan's generic drug industry.

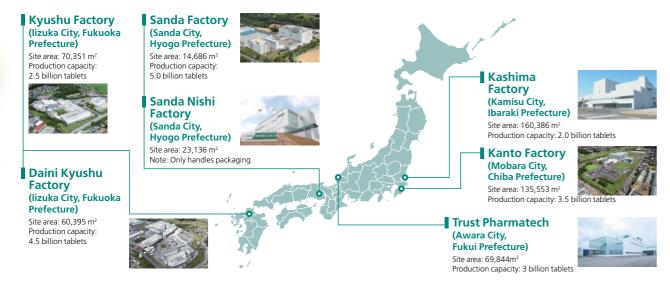
The new solid dosage form building features state-ofthe-art systems for manufacturing and management, preventing human errors and improper shipping. Specifically, we have introduced a manufacturing execution system (MES) that centrally manages all processes from receiving to shipping, and a laboratory information management system (LIMS) that serves as an integrated management hub for quality testing and facilities. In addition, an advanced intermediate product AS/RS (automated storage and retrieval system) has been adopted to optimize space utilization through high-bay rack storage, improving operational efficiency through automated vertical conveyance and automated storage/retrieval operations, and directly connect the warehouse to the manufacturing rooms, significantly reducing transport time. In addition, the use of dual stacker cranes to eliminate conveyors dramatically improves production efficiency.

Lifting of limited shipments and measures to ensure stable supply

In response to recent pharmaceutical supply concerns, the Group has made the expansion of production capacity and the lifting of limited shipments a matter of utmost priority. It is our social responsibility to ensure the stable delivery of safe, high-quality products to all those who need generic drugs, and we are taking the initiative in lifting limited shipments. In particular, we have been proactively lifting limited shipments since July 2024, successfully doing so for more than 120 items so far.

Along with the new solid dosage form facility at the Daini Kyushu Factory, the mainstay of the expansion of production capacity will be at Trust Pharmatech, which is online as of April 2023. Though Trust Pharmatech has an annual production capacity of 3 billion tablets, items transferred from other factories only resulted in 880 million tablets produced in fiscal 2024. In addition to the return to Trust Pharmatech of human resources trained at Sawai Pharmaceutical factories, we will further increase the utilization rate from fiscal 2025 onward and reach our maximum production capacity as soon as possible through aggressive recruitment activities

Production facilities



Message from responsible officer

Making utmost efforts to build a solid supply system for stable supply and greater quality

Toshiya Hasuo Senior Executive Officer, Group Chief Production Officer (GCPO)



Sawai Pharmaceutical is fully committed to providing a stable supply of high-quality generic drugs based on its corporate philosophy of "always putting patients first." In our medium-term business plan, we have established a priority theme to achieve steady growth and business sustainability in the generic drug market, setting the target of a solidified Sawai quality and supply system in our Manufacturing Division policy for fiscal 2025.

As part of our efforts to reinforce the production system, the new solid dosage form facility at the Daini Kyushu Factory has begun shipments as of December 2024, with plans to increase production in stages in accordance with future capital investment. In addition, Trust Pharmatech will continue efforts to transfer items from other factories to further improve its utilization rate.

To maximize this production capacity, we also focus on securing and training human resources. In April 2025, we welcomed 190 new graduates to the Manufacturing Division to strengthen our organizational foundation. We also recruit many mid-career employees and provide them with mindset training to reinstill how important our social mission is and our role in pharmaceutical manufacturing. By reminding them that the world needs them, we motivate factory employees who usually have little interaction with people outside the Group.

Voice from the frontlines

Keisuke Tokumaru

Production Department, Kyushu Factory



Through mindset training, I learned the importance of communication and what I should be mindful of to make communication more effective. Going forward, I will strive to communicate information smoothly and accurately, while acting as a bridge between processes to deepen coordination between those that come before and after

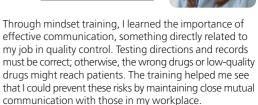
Being able to hear directly from medical representatives in the training and get raw insights from people working directly with patients and healthcare professionals reminded me that trust is the most important thing for the role we play in manufacturing pharmaceuticals. Our mission is to earn the trust of patients and healthcare professionals and never betray that trust. My training experience showed me that pharmaceutical manufacturing is part of our social infrastructure and an indispensable foundation for society. Our work always attracts public attention because of the important role we play in supporting the health and safety of society. It reinforced my desire to take pride in my work supporting

This training program was a valuable opportunity for me to reaffirm my pride and responsibility as someone involved in pharmaceutical manufacturing. I would like to apply what I have learned to my daily work and live up to society's expectations of us.

Voice from the frontlines

Waka Tamaki

Quality Control Department Kashima Factory



I was also particularly impressed by what we heard from the marketing team and realized how difficult it is to regain lost trust. Because factories have little direct contact with patients and healthcare professionals, we can sometimes fall prey to tunnel vision and only do what's right in front of us. However, the training reminded me that minor mistakes and oversights on our part can directly affect the health of patients and trust in our company. Going forward, I will diligently pay attention to each and every action, as well as to the improvement of our work environment, to improve the efficiency of quality control operations and prevent mistakes. I will apply the learnings from this training to my daily work and take pride in the important mission I am tasked with, to safeguard patients and the trust of the company.

Sawai Group Holdings Integrated Report 2025 Sawai Group Holdings Integrated Report 2025 34