

Sawai Group Holdings Co., Ltd.

---

## **FY2023 Financial Results for the 1st half**

Nov 10, 2023

4887.T, TSE 1st section

**sawai**

## Consolidated

- **Steady growth was made in line with the forecast.**

## In Japan

- **Sales increased 13.4% and core operating income rose 29.2% year on year.**

(+) Increase in sales of products launched in FY2022 and FY2023

(+) Reflected the impact of rising costs on prices, mainly on low-priced generics

(+) Partial delays in incurring SG&A and R&D expense in Japan

(-) Decline in unit prices due to the NHI drug revision

(-) Impact of soaring prices of energy, API and materials

(-) Cost of recall of several items

- **Status of the products for which shipments have been limited.**

Reviewed products under shipment limitation as needed in consideration of supply status of other companies, supply and demand of limited shipment items, inventory status, etc.

\*The number of items that are limited for shipment is 244, as of Nov. 10, 2023.

(452 and 300 items at the end of Mar. 2022 and Mar. 2023 respectively)

- **The quantity of products manufactured progressed almost as planned.**

Production volume of the first half of FY2023, including the volume of contract manufacturing, was approx. 8.1 billion tablets.

(Annual plan of production volume for FY2023 is approx. 17.1 billion; progress rate: 47.8%)

## In the United States

- **Sales of products launched since FY2021 grew.**

- **Core operating income progressed as planned, while it decreased year-on-year due to the cost associated with the structural changes related to the divestiture of the brand products.**

- **Consolidated:** Steady growth was made in line with the forecast.
- **Japan:** Sales increased by 13.4%, due to growth in sales of products launched since FY2022. Core operating income increased by 29.2% year on year.
- **United States:** Sales of products launched since FY2021 grew. Core operating income progressed as planned, while it decreased year on year due to the cost associated with the structural changes related to the divestiture of the brand products.

JPY, MM

	FY 2022 1H			FY 2023 1H			YoY	FY2023 1H Forecast	Achievement
		Japan	US		Japan	US			
Net Sales	96,414	77,337	19,077	<b>106,789</b>	<b>87,673</b>	<b>19,395</b>	+10.8% (+10,375)	105,700	101.0%
Core Operating Income	11,623	9,822	1,799	<b>13,497</b>	<b>12,688</b>	<b>1,021</b>	+16.1% (+1,874)	9,500	142.1%
Core Operating Income (Excluding Trust Pharmatech)	14,016	12,215	-	<b>16,345</b>	<b>15,536</b>	-	+16.6% (+2,329)	12,200	134.0%
Operating Income	8,817	8,297	519	<b>10,681</b>	<b>11,105</b>	<b>-210</b>	+21.1% (+1,864)	7,000	152.6%
Operating Income (Excluding Trust Pharmatech)	11,196	10,676	-	<b>13,487</b>	<b>13,911</b>	-	+20.5% (+2,291)	9,700	139.0%
Profit before tax	8,707	-	-	<b>10,606</b>	-	-	+21.8% (+1,898)	6,800	156.0%
Profit attributable to owners of the parent	6,660	-	-	<b>8,444</b>	-	-	+26.8% (+1,784)	5,100	165.6%

Average rate

US\$1 = ¥134

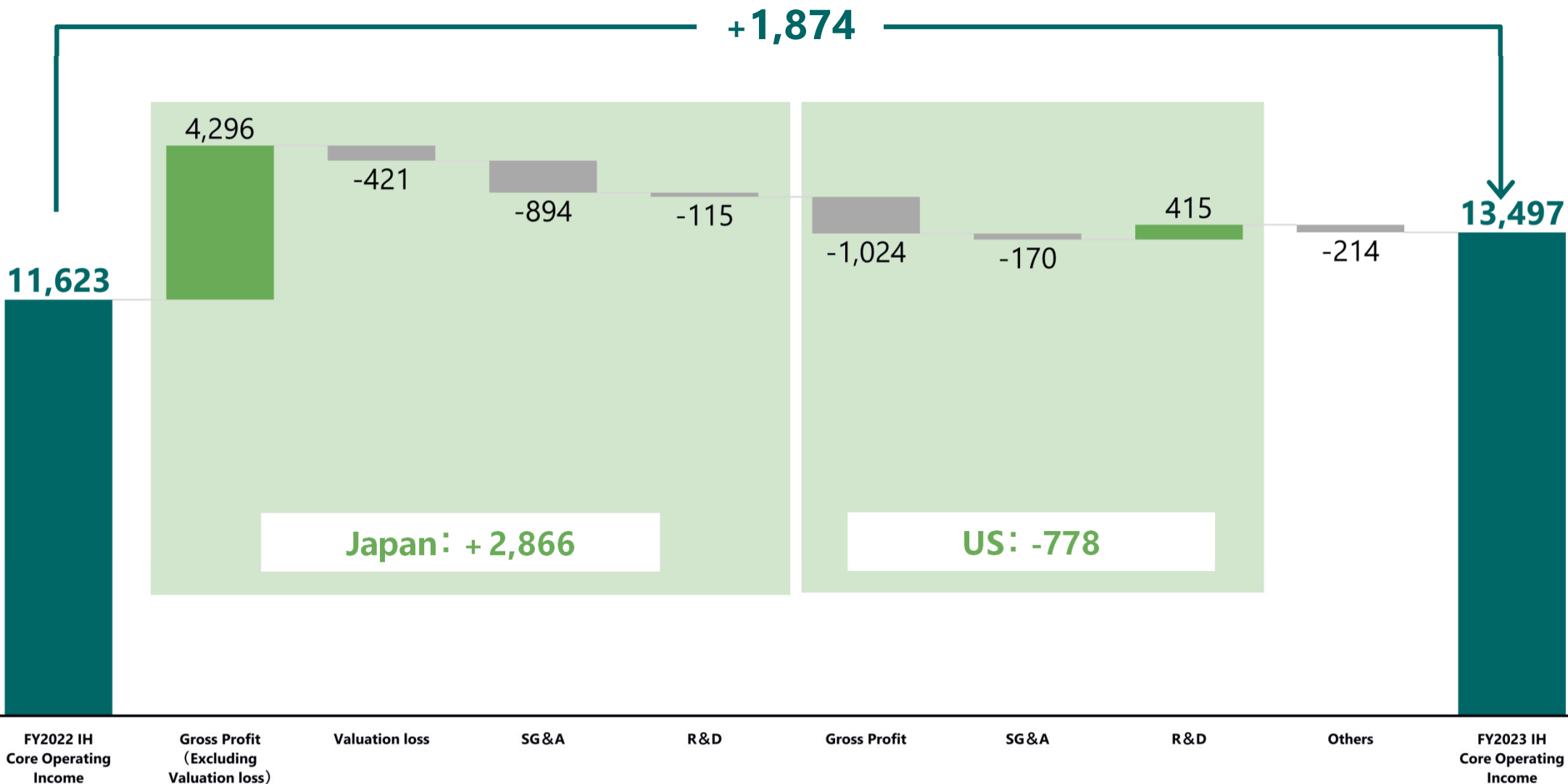
US\$1 = ¥141

- Results by segment in Japan and the U.S. are not consistent with the overall figures, as each segment profit includes inter-segment transactions.

- Core operating income is calculated by excluding profits and losses attributed to non-recurring factors from operating income.

# Core Operating Income Analysis

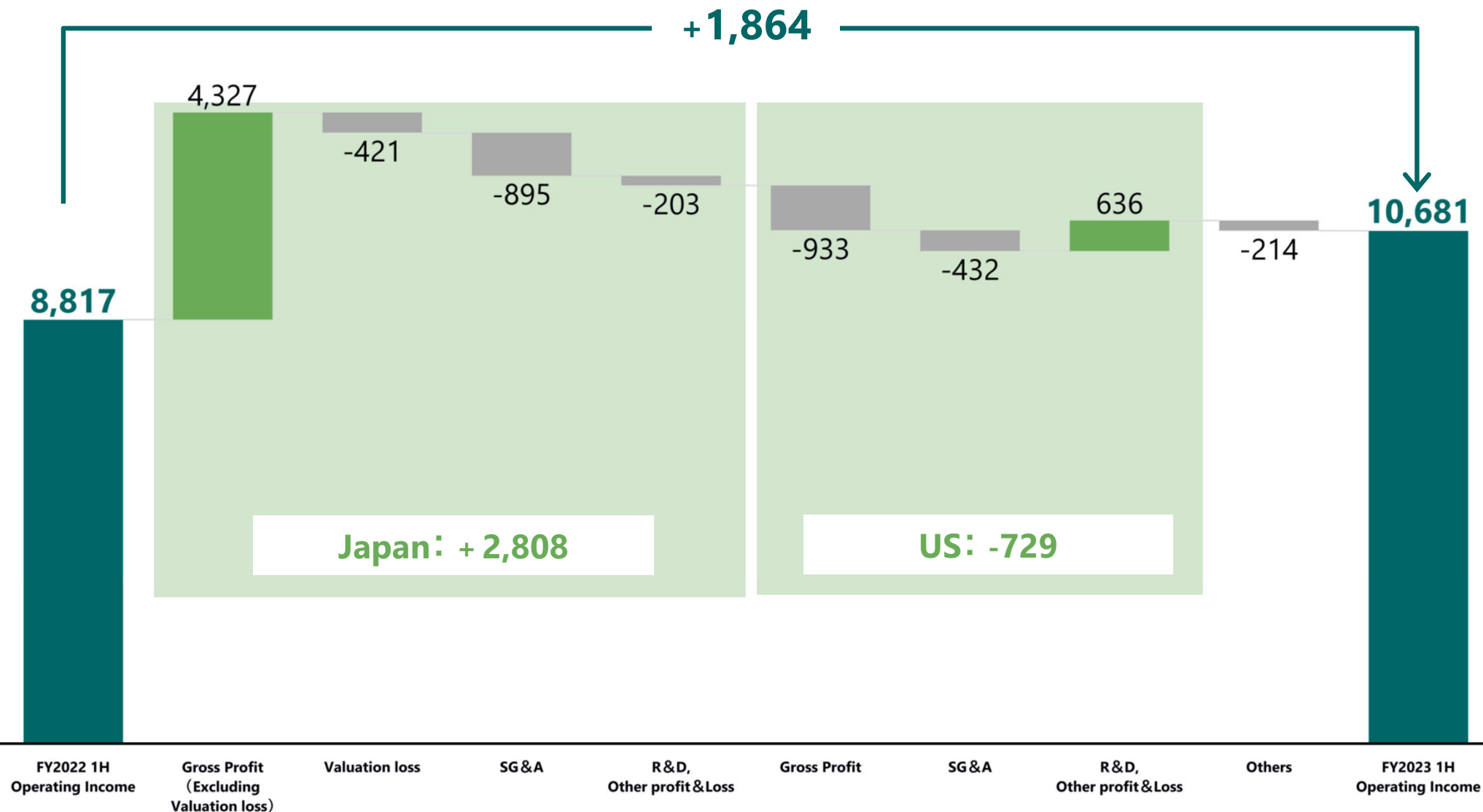
JPY, MM



- Results by segment in Japan and the U.S. are not consistent with the overall figures, as each segment profit includes inter-segment transactions.

# Operating Income Analysis

JPY, MM



- Results by segment in Japan and the U.S. are not consistent with the overall figures, as each segment profit includes inter-segment transactions.

# Sales by Channel in Japan

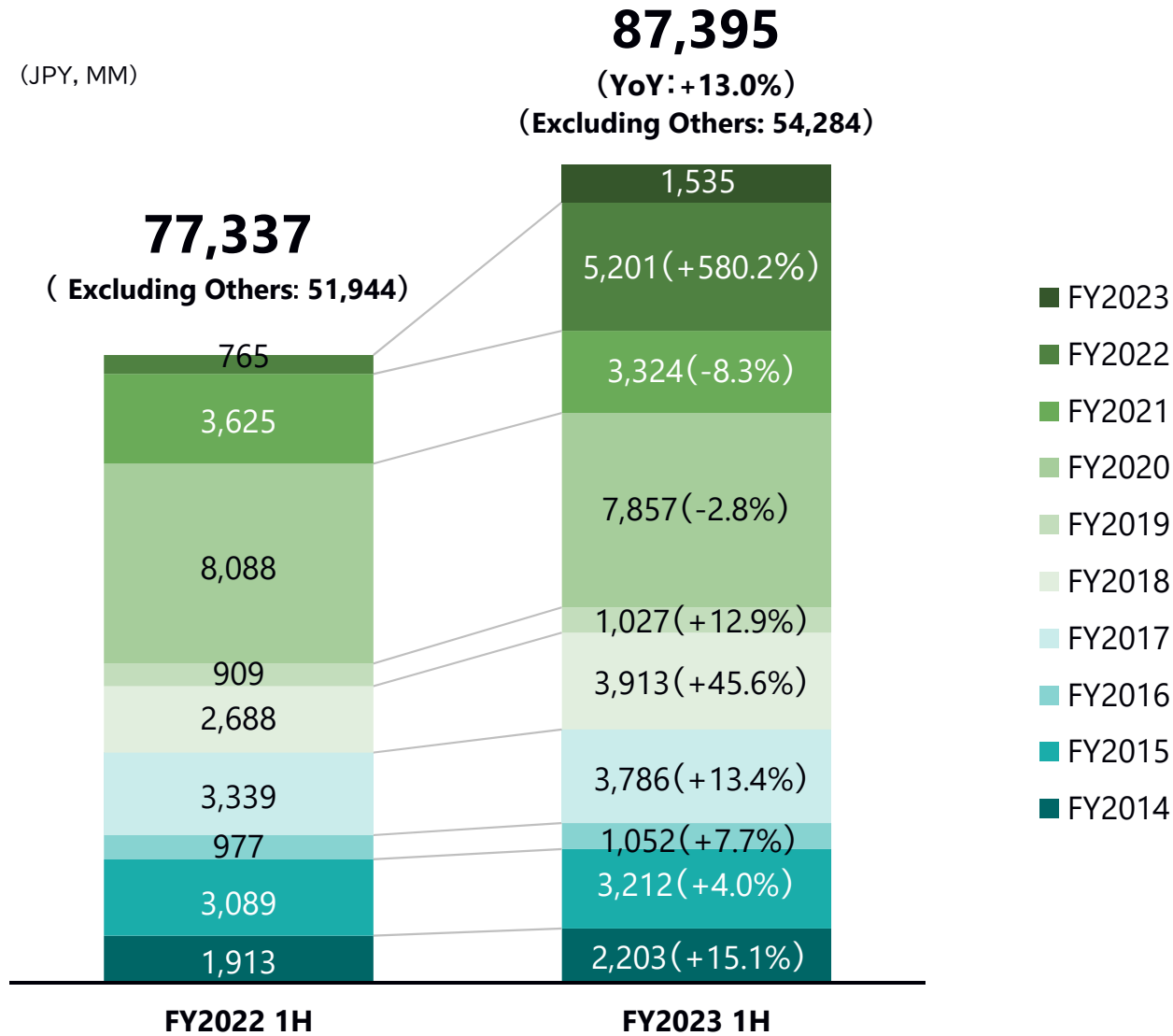
- Sales increased due to the steady growth of main products and products launched since FY2022.

Medical institutions		FY2022 1H		FY2023 1H			YoY	
Channel	Total, Nationwide	# of Customers	Sales Share	# of Customers	Coverage Rate	Sales Share	# of Customers	Sales Growth
Hospital	8,153	7,984	10.0%	<b>7,997</b>	<b>98.1%</b>	<b>10.9%</b>	+13	+23.1%
DPC Hospital	1,761	1,760	6.1%	<b>1,757</b>	<b>99.8%</b>	<b>7.0%</b>	-3	+28.3%
Clinic	110,628	37,949	8.7%	<b>38,884</b>	<b>35.1%</b>	<b>9.0%</b>	+935	+16.3%
Pharmacy	90,258	60,676	80.3%	<b>61,199</b>	<b>67.8%</b>	<b>79.0%</b>	+523	+10.3%
Dispensing	63,592	60,398	79.8%	<b>60,901</b>	<b>95.8%</b>	<b>78.6%</b>	+503	+10.4%
Drug Stores, etc	26,666	278	0.5%	<b>298</b>	<b>1.1%</b>	<b>0.4%</b>	+20	-9.8%
Others	-	-	1.0%	-	-	<b>1.1%</b>	-	+8.6%
<b>Total</b>	<b>209,039</b>	<b>106,609</b>	<b>100.0%</b>	<b>108,080</b>	<b>51.7%</b>	<b>100.0%</b>	<b>+1,471</b>	<b>+12.1%</b>

\*DPC: Diagnosis Procedure Combination, a fixed payment system for inpatients

# Sales by Product Launch Year, Japan

- Sales of products launched since FY2022 grew.



- Sales of products launched since FY2021 increased steadily due to the launch of new products and other factors.
- Steady progress as planned. (Sales progress rate: 50.6%)

## By Segment

JPY, MM

	FY2022 1H		FY2023 1H		前年同期比
	売上収益	構成比	売上収益	構成比	
Generic products	11,644	61.0%	<b>13,293</b>	<b>68.5%</b>	+14.2%
Main products*1	5,042	26.4%	<b>5,320</b>	<b>27.4%</b>	+5.5%
New products launched since FY2021*2	824	4.3%	<b>2,226</b>	<b>11.5%</b>	+170.0%
Others	5,778	30.3%	<b>5,747</b>	<b>29.6%</b>	-0.5%
Specialty products*3	7,433	39.0%	<b>6,102</b>	<b>31.5%</b>	-17.9%
Total	19,077	100.0%	<b>19,395</b>	<b>100.0%</b>	+1.7%

\*1 Klor-Con®, Chlorpromazine, Qudexy® XR

\*2 Excluding Isotretinoin Capsules (Private Label)

\*3 Zembrace® Symtouch®, Tosymra®, Vigadrone®, Isotretinoin Capsules (Private Label)

## By therapeutic areas

JPY, MM

	FY2022 1H		FY2023 1H		前年同期比
	売上収益	構成比	売上収益	構成比	
Central nervous system	9,693	50.8%	<b>9,313</b>	<b>48.0%</b>	-3.9%
Cardiovascular	4,897	25.7%	<b>5,342</b>	<b>27.5%</b>	+9.1%
Dermatologic agents	2,349	12.3%	<b>1,868</b>	<b>9.6%</b>	-20.5%
Hormone preparations	749	3.9%	<b>765</b>	<b>3.9%</b>	+2.1%
Antineoplastic agents	305	1.6%	<b>446</b>	<b>2.3%</b>	+46.6%
Others	1,083	5.7%	<b>1,660</b>	<b>8.7%</b>	+53.2%
Total	19,077	100.0%	<b>19,395</b>	<b>100.0%</b>	+1.7%

Average rate

US\$1 = ¥134

US\$1 = ¥141



# Progress towards FY2023 Forecasts, Consolidated

- Net sales are on track to achieve forecast.
- Profits exceeded the annual forecast due to partial delays in incurring SG&A and R&D expense in Japan. Our full-year forecast remains unchanged as expenses are expected to be recorded in the second half of FY2023.

(JPY, MM)

	FY2023 Forecast			FY2023 1H Actual			Progress rate for full-year forecasts
		Japan	US		Japan	US	
Net Sales	217,200	180,500	36,700	<b>106,789</b>	<b>87,673</b>	<b>19,395</b>	49.2%
Core Operating Income	19,900 <sup>*3</sup>	16,300	3,600	<b>13,497</b>	<b>12,688</b>	<b>1,021</b>	67.8%
Core Operating Income (Excluding Trust Pharmatech)	25,300	21,700	-	<b>16,345</b>	<b>15,536</b>	-	64.6%
Operating Income	15,100	13,500	1,600	<b>10,681</b>	<b>11,105</b>	<b>-210</b>	70.7%
Operating Income (Excluding Trust Pharmatech)	20,500	18,900	-	<b>13,487</b>	<b>13,911</b>	-	65.8%
Profit before tax	14,800	-	-	<b>10,606</b>	-	-	71.7%
Profit attributable to owners of the parent	11,300	-	-	<b>8,444</b>	-	-	74.7%

Average rate

US\$1 = ¥135

US\$1 = ¥141

\*1 Results by segment in Japan and the U.S. are not consistent with the overall figures, as each segment profit includes inter-segment transactions.

\*2 Core operating income is calculated by excluding profits and losses attributed to non-recurring factors from operating income.

\*3 Adjust the followings from operating income

- Japan: SG&A expenses 300, R&D expenses 2,500

- US : SG&A expenses 1,600, R&D expenses 400

- Total production is progressing as follows:

## Trust Pharmatech

### • Production Volume Forecast

- Steady progress in procedures for transferring items to Trust Pharmatech.
- Due to a change in the production plan, the production volume for this fiscal year is expected to be approximately 300 million tablets.

### • Human Resource Development / Compliance

- Building a system that enables employees of Trust to conduct Human Resource training, which was previously promoted with Sawai's support.
- GMP and other compliance-related activities similar to Sawai Pharmaceutical's plants.
- Continuous improvement of individual product responses.

## Daini Kyushu Factory

- Due to delays in construction and other factors, the plan is to start operations in July 2024.

### • Schedule



- First generic ANDA<sup>\*1</sup> approval and launch for US market under Paragraph IV <sup>\*2</sup> in November.

## Product

Product name	Pitavastatin Tablets 1mg / 2mg / 4mg
Brand products	LIVALO®
Therapeutic Area	HMG-CoA Reductase Inhibitors
Launch	November, 2023

## Process

Feb. 2017	Received approval from the U.S. Food and Drug Administration (FDA).
Nov. 2023	Launch Pitavastatin on the U.S. market

The launch was realized through our major R&D advantages, i.e., patent research/analysis and product development capabilities. Continue to reinforce these capabilities to deliver affordable generic drugs to patients.

\*1: Application for approval of generic drugs.

\*2: A filing that asserts that the patent is invalid, unenforceable, or will not be infringed by the manufacture, use, or sale of the drug product for which the ANDA is submitted.

## Digital medical devices business

### | SWD001 (non-invasive neuromodulation device)

- Acute treatment of migraine : Applied for marketing and manufacturing approval in December 2022. Preparing for launch.
- Depression : To be considered after completion of the study in the U.S.

### | SWD002 (DTx for NASH)

- Digital Therapeutic App for NASH\* that entered into a development and marketing license agreement with CureApp, Inc. Phase 3 study is scheduled to start in FY2023.

\*NASH: non-alcoholic steatohepatitis

### | SaluDi (Personal Health Record (PHR) App)

- Concluded an agreement with Iizuka City, Fukuoka Prefecture, Hitachi Systems, Ltd., and two other companies for the implementation of a demonstration project on the formation of healthy towns based on inter-industry collaboration based on PHR services.
- Promoting introduction to medical facilities with the purpose of strengthening cooperation with regional medical care and the generic drugs business.

(As of the end of Sep. 2023: adopted by 824 medical facilities)

## Health food business

### | Foods with Functional Claims

- Continue to market two products, "Triple Seikatsu Shukan (Triple lifestyle habit)" and "Kukkiri Ryoku Ai".
- Continue to develop products and services in the pre-disease and prevention fields.

## New Drug Businesses (Orphan diseases)

### | Orphan Drugs

- Strengthening the internal evaluation structure and continuing to consider expanding the pipeline.

# Recurrence Prevention Measures to Sawai Pharmaceutical's Inappropriate Testing of Teprenone Capsules 50 mg

## Overview of the Inappropriate Testing

- Teprenone Capsules 50 mg “Sawai” were found to have been inappropriately tested in the dissolution test for stability monitoring.
- Sawai Pharmaceutical has established a special investigation committee, including external GMP experts and lawyers, to investigate the facts, determine the causes, and consider measures to prevent recurrence.

## How the Incident Came to Light and Subsequent Response

April 2023	Out-of-specification (OOS) results were obtained in the dissolution test during the stability monitoring of the product and an investigation into the cause was initiated.
May 2023	Receipt of a report that the dissolution test for stability monitoring of the product employed a method that differed from the one specified in the approval document.
May to June 2023	To determine the necessity of recall of the product, dissolution tests of the representative reference products <sup>*1</sup> were conducted. <small>*Samples stored for testing and inspection in cases where defects are identified in the shipped product, e.g., for reconfirming the product's quality after shipping.</small>
June 2023	Establishment of Special Investigation Committee
July 2023	Although the dissolution test of the reference products complied with the approved specifications, it was concluded that it would be difficult to ensure the quality of the product within its expiration date, and a voluntary recall of all batches within the expiration date was initiated.
	Inspection to Kyusyu factory by Fukuoka Prefecture
August 2023	Upon inspection by Fukuoka Prefecture, Sawai was informed that Teprenone Capsules 50 mg was not in compliance with GMP.
October 2023	Receipt of a report from the Special Investigation Committee

# Recurrence Prevention Measures to Sawai Pharmaceutical's Inappropriate Testing of Teprenone Capsules 50 mg

## ■ Cause Analysis

We believe the following human and structural factors contributed to the inappropriate testing had been continuously implemented.

The human factors include (1) a prevalent disregard for stability monitoring; (2) an inclination to unquestioningly follow superiors' instructions; (3) a lack of understanding of Good Manufacturing Practices (GMP) among those conducting the tests.

The structural factors include (1) an inadequate supervisory system for quality control and assurance; (2) insufficient management of test records; and (3) overwork and understaffing in the quality control department responsible for overseeing these processes.

## ■ Recurrence Prevention Measures

We commit to implementing the following measures aimed at preventing any recurrence.

1. Commence a corporate culture reform project under the direct leadership of the president
2. Re-evaluate existing marketed products in terms of manufacturing and quality and implement corrective measures
3. Measures at Operation
  - Reintroduce and continuously provide GMP education for all employees
  - Clarify the roles and responsibilities of managers and supervisors, including responsible officers
  - Promote recruitment both internally and externally for the quality control and quality assurance divisions within the plant



# Reference Materials

- Listed one ingredient and two products in the NHI drug price in December 2023.

Therapeutic Area	Product name	Brand products
Antineoplastic drugs	Lenalidomide capsule 2.5mg, 5mg	Revlimid®



# Comparison of Sales Volume by Therapeutic Area, Japan

- Sales of cardiovascular drugs, central nervous system drugs, and other metabolic drugs have increased steadily due to sales of launched products and mainstay products in recent years.

	FY2022 1H	FY2023 1H	YoY (volume)	YoY (value)
	Comp.	Comp.		
Cardiovascular drugs	27.5%	<b>28.6%</b>	+10.1%	+14.0%
Gastro-intestinal drugs	16.8%	<b>16.0%</b>	+1.5%	+9.3%
Central nervous system drugs	15.1%	<b>15.3%</b>	+7.5%	+14.8%
Other metabolic drugs	8.2%	<b>8.4%</b>	+8.6%	+18.6%
Blood/body fluid pharmaceutical products	8.9%	<b>8.3%</b>	-0.7%	-4.2%
Respiratory organ agents	5.5%	<b>5.6%</b>	+8.0%	+16.1%
Vitamin drugs	5.8%	<b>5.5%</b>	+0.7%	+0.4%
Antiallergic drugs	2.8%	<b>3.0%</b>	+13.4%	+13.9%
Antibiotics drugs	1.9%	<b>2.1%</b>	+17.2%	+26.2%
Others	7.5%	<b>7.2%</b>	+1.1%	+20.7%
Total	100.0%	<b>100.0%</b>	+6.1%	+13.0%

- Launch the following products in the first half of FY2023

Therapeutic Area	Products	Brand products
Central nervous system	Fluphenazine Hydrochloride Tablets 1mg / 2.5mg / 5mg / 10mg	Prolixin®
Agents affecting sensory organs	Brimonidine Tartrate and Timolol Maleate Ophthalmic Solution 0.2% / 0.5%	Combigan®
Gastro-intestinal drugs	Dicyclomine Hydrochloride Capsules, USP 10mg	Bentyl®
Dermatologic agents	Isotretinoin Capsules, USP 10mg / 20mg / 30mg / 40mg	Accutane®
Central nervous system	VIGADRONE® (vigabatrin) Tablets, USP 500 mg	Sabril®
Gastro-intestinal drugs	Mesalamine Extended-Release Capsules, USP 375 mg	Apriso®
Gastro-intestinal drugs	Famotidine for Oral Suspension, USP 40mg / 5ml	Pepcid®

# Consolidated Financial Highlights-1

sawai

## Key Income Statements Data

(JPY, MM)

	FY2022 Actual		FY2023 Actual			FY2023 Forecast				
	1H	/Sales (%)	1H	/Sales (%)	YoY	1H	/Sales (%)	Full Year	/Sales (%)	YoY
Net Sales	96,414	100.0%	<b>106,789</b>	100.0%	+10.8%	105,700	100.0%	217,200	100.0%	+8.4%
Cost of Sales	65,914	68.4%	<b>73,531</b>	68.9%	+11.6%	72,600	68.7%	151,100	69.6%	+9.7%
Gross Profit	30,500	31.6%	<b>33,258</b>	31.1%	+9.0%	33,100	31.3%	66,100	30.4%	+5.5%
SG&A Expenses	15,155	15.7%	<b>16,481</b>	15.4%	+8.7%	17,800	16.8%	34,900	16.1%	+15.7%
R&D Expenses	6,429	6.7%	<b>6,219</b>	5.8%	-3.3%	8,300	7.9%	16,100	7.4%	+0.1%
Other income( expenses)	-99	-	<b>123</b>	0.1%	-	0	-	0	-	-
Core operating income	11,623	12.1%	<b>13,497</b>	12.6%	+16.1%	9,500	9.0%	19,900	9.2%	-13.7%
Core Operating Income (Excluding Trust Pharmatech)	14,016	14.5%	<b>16,345</b>	15.3%	+16.6%	12,200	11.5%	25,300	11.6%	-9.8%
Operating Income	8,817	9.1%	<b>10,681</b>	10.0%	+21.1%	7,000	6.6%	15,100	7.0%	-11.1%
Operating Income (Excluding Trust Pharmatech)	11,196	11.6%	<b>13,487</b>	12.6%	+20.5%	9,700	9.2%	20,500	9.4%	-5.0%
Profit before tax	8,707	9.0%	<b>10,606</b>	9.9%	+21.8%	6,800	6.4%	14,800	6.8%	-11.8%
Profit attributable to owners of the parent	6,660	6.9%	<b>8,444</b>	7.9%	+26.8%	5,100	4.8%	11,300	5.2%	-10.8%
EBITDA *1	18,157	18.8%	<b>20,284</b>	19.0%	+11.7%	16,200	15.3%	34,000	15.7%	-6.7%

\*1 Core operating income + amortization and depreciation expenses included in core operating income

## Key Balance Sheets Data

	As of Sep 30, 2022	As of Sep 30, 2023
Total Assets	381,984	<b>397,727</b>
Equity	214,204	<b>226,454</b>
Ratio of equity attributable to owners of the company to total assets (%)	52.9%	<b>53.8%</b>

## Amounts Per Common Share

	FY2022 1H Actual	FY2023 1H Actual	FY2023 Full Year Forecast
Basic earnings per share	152.09	192.80	257.99
Diluted earnings per Share	151.80	192.28	-
Dividend(interim)	65.00	65.00	130.00

# Consolidated Financial Highlights-2

## Sales and Operating Income by Area, Japan

(JPY, MM)

	FY 2022 Actual		FY2023 Actual			FY2023 Forecast				
	1H	/Sales ( % )	1H	/Sales ( % )	YoY	1H	/Sales ( % )	Full Year	/Sales ( % )	YoY
Net Sales	77,337	100.0%	<b>87,673</b>	100.0%	+13.4%	87,800	100.0%	180,500	100.0%	+10.3%
Cost of Sales	53,877	69.7%	<b>60,307</b>	68.8%	+11.9%	60,700	69.1%	126,800	70.2%	+11.8%
Gross Profit	23,460	30.3%	<b>27,366</b>	31.2%	+16.6%	27,100	30.9%	53,700	29.8%	+6.9%
SG&A Expenses	10,587	13.7%	<b>11,482</b>	13.1%	+8.5%	13,600	15.5%	27,500	15.2%	+23.6%
R&D Expenses	4,607	6.0%	<b>4,800</b>	5.5%	+4.2%	6,300	7.2%	12,700	7.0%	+1.5%
Other income( expenses)	31	0.0%	<b>21</b>	-	-	0	-	0	-	-
Core operating income	9,822	12.7%	<b>12,688</b>	14.5%	+ 29.2%	8,700	9.9%	16,300	9.0%	-23.9%
Core Operating Income (Excluding Trust Pharmatech)	12,215	15.8%	<b>15,536</b>	17.7%	+ 27.2%	11,400	13.0%	21,700	12.0%	-17.9%
Operating Income	8,297	10.7%	<b>11,105</b>	12.7%	+ 33.8%	7,200	8.2%	13,500	7.5%	-15.8%
Operating Income (Excluding Trust Pharmatech)	10,676	13.8%	<b>13,911</b>	15.9%	+ 30.3%	9,900	11.3%	18,900	10.5%	-8.5%
EBITDA *	15,753	20.4%	<b>18,722</b>	21.4%	+ 18.8%	14,900	17.0%	29,500	16.3%	-12.0%

## Sales and Operating Income by Area, US

	FY 2022 Actual		FY2023 Actual			FY2023 Forecast				
	1H	/Sales ( % )	1H	/Sales ( % )	YoY	1H	/Sales ( % )	Full Year	/Sales ( % )	YoY
Net Sales	19,077	100.0%	<b>19,395</b>	100.0%	+1.7%	17,900	100.0%	36,700	100.0%	+0.2%
Cost of Sales	12,037	63.1%	<b>13,287</b>	68.5%	+10.4%	11,900	66.5%	24,300	66.2%	+0.2%
Gross Profit	7,040	36.9%	<b>6,107</b>	31.5%	- 13.2%	6,000	33.5%	12,400	33.8%	+0.2%
SG&A Expenses	4,570	24.0%	<b>5,002</b>	25.8%	+9.5%	4,200	23.5%	7,400	20.2%	-6.5%
R&D Expenses	1,823	9.6%	<b>1,420</b>	7.3%	- 22.1%	2,000	11.2%	3,400	9.3%	-5.0%
Other income( expenses)	-128	-	<b>104</b>	0.5%	-	0	-	0	-	-
Core operating income	1,799	9.4%	<b>1,021</b>	5.3%	- 43.2%	800	4.5%	3,600	9.8%	+119.5%
Operating Income	519	2.7%	<b>-210</b>	-	-	-200	-	1,600	4.4%	+72.1%
EBITDA *	2,402	12.6%	<b>1,774</b>	9.1%	- 26.1%	1,300	7.3%	4,500	12.3%	+54.5%

\* Core operating income is calculated by excluding profits and losses attributed to non-recurring factors from operating income.

# Consolidated Financial Highlights-3

sawai

## Adjusted from Full basis to Core basis

(JPY, MM)

	FY2022 1H Actual				FY2023 1H Actual			
	Full Basis	Adjusting		Core Basis	Full Basis	Adjusting		Core Basis
		Japan	US			Japan	US	
Net Sales	96,414	-	-	96,414	<b>106,789</b>	-	-	<b>106,789</b>
Cost of Sales	-65,914	24	92	-65,799	<b>- 73,531</b>	-6	1	<b>-73,537</b>
Inventory step-up	-2	-	2	-	<b>-1</b>	0	1	-
Others	-114	24	90	-	<b>6</b>	-6	-	-
Gross Profit	30,500	24	92	30,616	<b>33,258</b>	-6	1	<b>33,252</b>
SG&A Expenses	-15,155	298	835	-14,022	<b>- 16,481</b>	299	1,098	<b>- 15,084</b>
Amortization of intangible assets	-1,137	296	841	-	<b>- 1,171</b>	298	873	-
Others	-4	1	-5	-	<b>- 225</b>	0	225	-
R&D Expenses	-6,429	1,235	225	-4,970	<b>- 6,219</b>	1,312	237	<b>- 4,671</b>
Amortization	-947	722	225	-	<b>- 1,159</b>	922	237	-
Impairment loss	-487	487	-	-	<b>- 317</b>	317	-	-
Others	-26	26	-	-	<b>- 73</b>	73	-	-
Other income	280	-213	-67	-	<b>351</b>	- 78	- 272	-
Other expenses	-379	183	197	-	<b>- 228</b>	58	169	-
Operating Income	8,817	1,526	1,281	11,623	<b>10,681</b>	1,584	1,232	<b>13,497</b>

## Selling General and Administrative Expenses

(JPY, MM)

	FY2022 Actual		FY2023 Actual			FY2023 Forecast	
	1H	/Sales (%)	1H	/Sales (%)	YoY	Full year	/Sales (%)
R&D Expenses	6,429	6.7%	<b>6,219</b>	5.8%	-3.3%	16,100	7.4%
Japan	4,607	6.0%	<b>4,800</b>	5.5%	+4.2%	12,700	7.0%
US	1,823	9.6%	<b>1,420</b>	7.3%	-22.1%	3,400	9.0%
Advertisement Expenses	541	0.6%	<b>352</b>	0.3%	-35.0%	2,100	1.0%

## Capital Expenditure & Depreciation and Amortization

	FY2022 1H Actual	FY2023 1H Actual	FY2023 Full Year Forecast
Capital Expenditure	16,891	<b>13,733</b>	28,900
Japan	15,891	<b>13,366</b>	27,800
US	1,000	<b>366</b>	1,100
Depreciation and Amortization	8,617	<b>9,117</b>	19,300
Japan	6,949	<b>7,254</b>	15,700
Manufacturing Division	4,526	<b>4,768</b>	10,300
R&D Division	1,323	<b>1,534</b>	3,600
Administration Div. & Business Div.	1,099	<b>953</b>	1,800
US	1,669	<b>1,863</b>	3,600

## Personnel Information Number of Employees

	FY2022 Actual		FY2023 Actual	
	As of September 30, 2021	Comp.(%)	As of September 30, 2022	Comp.(%)
Japan	2,959	86.5%	<b>3,056</b>	87.5%
Manufacturing Division	2,028	59.3%	<b>2,108</b>	60.4%
R&D Division	299	8.7%	<b>301</b>	8.6%
Administration Div. & Business Div.	632	18.5%	<b>647</b>	18.5%
(MRs)	379	-	<b>373</b>	-
US	462	13.5%	<b>436</b>	12.5%
Total	3,421	100.0%	<b>3,492</b>	100.0%

- The plans, forecasts, strategy and other information regarding the Sawai Group contained in this presentation are based on the Company's assumptions and judgments using information available at the time of publication. Therefore, due to potential risks and uncertainties, there is no guarantee of the accuracy of this information.
- Potential risks and uncertainties include, but are not limited to, the economic environment for prescription drugs, which is the main operating domain of the Sawai Group, market competition and services offered by the Group.

---

Contact  
Information

---

**Sawai Group Holdings Co., Ltd.**  
**Public Relations & Investor Relations Corporate Communications**



ir@sawai.co.jp