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May 15, 2026



Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under IFRS)



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 Listing: Tokyo Stock Exchange
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 Scheduled date of annual general meeting of shareholders: June 25, 2026
 Scheduled date to commence dividend payments: June 26, 2026
 Scheduled date to file annual securities report: June 24, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Scheduled (for institutional investors and analysts)

(Amounts are rounded to the nearest millions of yen)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	201,676	6.7	15,894	292.5	14,273	351.5	10,438	(12.8)
March 31, 2025	189,024	6.9	4,050	(78.3)	3,161	(82.7)	11,969	30.7

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2026	10,438	(12.8)	10,890	-	90.39	90.10
March 31, 2025	11,969	(12.6)	407	(96.9)	96.54	96.25

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	%	%	%
March 31, 2026	5.9	4.0	7.9
March 31, 2025	6.2	0.9	2.1

Note: 1. The Company has classified its U.S. Business as a discontinued operation. Therefore, in this summary, revenue, operating profit and profit before tax include the amount only from the Company's continued operation while profit for the period and profit attributable to owners of parent include the amount from the Company's continued and discontinued operation.
 2. The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. The basic and diluted earnings per share are calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2025.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	359,919	178,556	178,556	49.6	1,546.13
March 31, 2025	354,623	173,854	173,854	49.0	1,505.86

Note: The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Equity attributable to owners of parent per share are calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2025.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	7,433	(22,898)	5,587	28,989
March 31, 2025	27,851	6,480	(32,704)	38,785

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025		78.00		27.00	—	6,340	54.9	3.4
Fiscal year ended March 31, 2026		27.00	—	28.00	55.00	6,352	60.8	3.6
Fiscal year ending March 31, 2027 (Forecast)		28.00	—	28.00	56.00		34.8	

Note: The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. The indicated dividend per share for interim dividend per share for the fiscal year ended March 31, 2025 is based on the number of shares before the share split. Total Annual dividends per share for the fiscal year ended March 31, 2025 are not presented as the amounts cannot be simply combined due to the stock split. When the stock split is not factored in, the year-end dividend will be 53 yen while the annual dividend will be 159 yen.

3. Forecast of consolidated financial results for fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2026	101,000	2.2	13,100	53.5	12,500	57.0	8,900	52.3	77.08
Fiscal year ending March 31, 2027	208,400	3.3	27,200	71.1	26,000	82.2	18,600	78.2	161.09

Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (FrontAct Co., Ltd)

Excluded: None

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	115,487,137 shares
As of March 31, 2025	131,469,417 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,503 shares
As of March 31, 2025	16,018,103 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	115,461,514 shares
Fiscal year ended March 31, 2025	123,982,163 shares

Note: The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024.

Number of issued shares (ordinary shares) have been calculated assuming that the stock split took place at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The year-end earnings conference for institutional investors and analysts is scheduled for May 19, 2026.

Presentation and related materials of the conference will be promptly posted on our website.

Attachment Index

1. Financial Highlights for the Year ended March 31, 2026.....	2
(1) Operating Results.....	2
(2) Financial Position.....	5
(3) Cash Flow	6
(4) Forecast of Consolidated Financial Results and Other Forward-looking Statements.....	6
2. Basic Rationale for Selecting the Accounting Standards	6
3. Condensed Consolidated Financial Statements and Selected Notes	7
(1) Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Comprehensive Income	7
(2) Condensed Consolidated Statements of Financial Position.....	9
(3) Condensed Consolidated Statements of Changes in Equity	11
(4) Condensed Consolidated Statements of Cash Flows.....	12
(5) Selected Notes to Condensed Consolidated Financial Statements	13
(Significant Uncertainty Regarding Going Concern Assumption)	13
(Significant Accounting Policies)	13
(Discontinued Operation)	14
(Segment Information)	15
(Earnings Per Share).....	16

1. Financial Highlights for the Year ended March 31, 2026

(1) Operating Results

Sawai Group Holdings Co., Ltd. (the “Company”) and subsidiaries (collectively, “Sawai”) have adopted International Financial Reporting Standards (IFRS) in order to increase the international comparability of its financial information within the capital market. The Company has classified its U.S. Business as a discontinued operation since the third quarter of FY2023, and the Company lost control of Sawai America Holdings Inc. (SAH), a holding company of Sawai’s U.S. Business, after transferring all shares it had held in that U.S.-based subsidiary, as well as its interests in Sawai America LLC (SAL) and interests in Upsher-Smith Laboratories, LLC (USL) on April 2, 2024. Therefore, in this summary, revenue, operating profit and profit before tax include the amount only from the Company’s continued operation, while the amounts of profit for the period and profit attributable to owners of parent total those of both the continued and discontinued operations.

During the Year ended March 31, 2026, revenue increased to JPY 201,676 million (by 6.7%), operating profit increased to JPY 15,894 million (by 292.5%), profit before tax increased to JPY 14,273 million (by 351.5%), and profit attributable to owners of parent decreased to JPY 10,438 million (by 12.8%) compared to the Year ended March 31, 2025.

(Millions of yen, except percentages)				
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Change (%)
Revenue	189,024	201,676	12,651	6.7
Operating profit	4,050	15,894	11,845	292.5
Profit before tax	3,161	14,273	11,112	351.5
Profit attributable to owners of parent	11,969	10,438	(1,532)	(12.8)

Under a holding company structure, in May 2021, Sawai Group drew up a vision for the future that we would like to aim for by fiscal year 2030, “Sawai Group Vision 2030” and in June 2024, has formulated and announced the three-year medium-term management plan, “Beyond 2027,” (hereinafter, the “Medium-term Plan”), and. Sawai Group Vision 2030 defines the world Sawai wants to build by 2030 as “A world where more people receive healthcare services and live a full life with peace of mind among society” and the ideal state it hopes to reach by 2030 as “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 meets individual needs.” Envisioning that Sawai will further grow, building on “Establishing a trusted corporate foundation,” the Medium-term Plan indicates the key business strategy themes of (1) Achieving steady growth in the generics market, (2) Establishing sustainability of the generics business, and (3) Continuing investment in growth areas and key management base themes of (1) Creating talent that underpins sustainable growth, (2) Working on sustainability initiatives, and (3) Improving capital efficiency.

The “Basic Policy on Economic and Fiscal Management and Reform 2021,” approved by the Japanese Cabinet in June 2021, states, “With the aim of ensuring the reliability of the quality and stable supply of generic drugs as the main pillar, the Government and the private sector will work together to strengthen the manufacturing control system, strengthen the supervision of manufacturing sites, and implement quality inspections of commercial products. The goal is to increase the volume share of generic drugs to 80% or more in all Japanese prefectures by the end of FY2023.” On the occasion of the April 2022 medical fee revision, the evaluation standards were revised in favor of pharmacies dispensing a high percentage of generic drugs and medical institutions using a high percentage of generic drugs in order to further encourage the use of generic pharmaceuticals.

Furthermore, in September 2024, the Medical Insurance Subcommittee of the Social Security Council of the Japanese Ministry of Health, Labour and Welfare (MHLW) revised the Roadmap for Promoting Further Use of Generic Drugs and set the following numerical targets to be met by the end of fiscal 2029: main target – achieving an 80% or more share of generic pharmaceuticals on a volume basis in all Japanese prefectures while basically maintaining a stable supply of pharmaceuticals (continuing from the former Roadmap); the secondary target (1) – increasing the percentage of ingredients (on the basis of the number of their kinds) in which biosimilars account for 80% or more of the total number of ingredients to 60% or more; and secondary target (2) –

increasing the share of generic pharmaceuticals among all pharmaceuticals on a monetary basis to 65% or more. (The Japanese government's September 2024 the National Health Insurance (NHI) drug price survey showed that the share of generic pharmaceuticals among all pharmaceuticals was 62.1% on a monetary basis.) Also, since October 2024, a system for patient-selected additional medical services has been adopted so that additional financial burdens are imposed on patients who use long-listed drugs to which generic alternatives are available, leading to the likelihood of an accelerating shift to generic drugs. As a result, according to a preliminary report on the September 2025 government drug price survey, the latest quantity share of generic drugs reached 88.8%.

Under such circumstances, the entire Japanese drug market has faced the uncertainty of product supply due to health problems caused by pharmaceutical products of a second-tier generic drug company at the end of 2020 and violations committed by a number of generic drug companies, including major ones, against the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. In response to this situation, the Expert Panel on Comprehensive Measures to Achieve Rapid and Stable Supply of Pharmaceuticals, which MHLW convened in August 2022, discussed a wide range of subjects, including the distribution of pharmaceuticals, NHI drug pricing system, and structural problems faced by the Japanese generic pharmaceutical industry. In May 2024, the Study Group on Ideal Industrial Structure for a Stable Supply of Generic Drugs compiled a report. In June, the Japanese Cabinet approved the government's Basic Policies for Economic and Fiscal Management and Reform 2024, which clearly states: "We will work to allay the current concern about the supply of pharmaceuticals, and with a stable supply of pharmaceuticals as a fundamental requirement, we will also promote the generic pharmaceutical industry's structural reforms, which may involve its reorganization, with an eye to achieving the ideal state of the industry, while developing a legal framework for a stable supply."

To achieve this, in FY2025, NHI drug price revisions and upward revisions to the minimum drug prices have made within the scope defined according to the characteristics of each type of drug, from the perspectives of both reducing the burden on the public and thoroughly meeting demand for promoting innovation in drug discovery and for ensuring a stable supply of pharmaceuticals. Furthermore, Basic Policy on Economic and Fiscal Management and Reform 2025 also includes specific measures to ensure a stable supply of generic drugs, including promoting the reorganization of the generic drug industry to eliminate its inefficient small-volume mixed-lot production.

In this context, the Japanese government has been promoting initiatives to ensure that the pharmaceutical industry will break away from its inefficient generic drug production system, including creating the Fund for Generic Drug Manufacturing Infrastructure Development to support companies' efforts to improve productivity and establishing a legal framework to ensure a reliable system for a stable supply of generic drugs. Additionally, in the FY2026 NHI drug price revisions, a new system was introduced to ensure that the prices of authorized generic drugs as of the time of their inclusion in the drug price list equal the prices of the original drugs. This system is expected to contribute to improved accuracy of the supply planning of new market entrants, thereby ensuring a stable supply of drugs.

In this business environment, Sawai, as a leading generic drug manufacturer in Japan, works according to its Medium-term Plan to achieve steady growth and establish the sustainability of the generics business while establishing a trusted corporate foundation with the aim of making a valuable contribution to society in a sustainable manner as social infrastructure.

Given that the Japanese generic drug industry has seen serious quality control violations committed by certain companies, Sawai Pharmaceutical Co., Ltd. ("Sawai Pharmaceutical"), the core company in the Sawai Group, has focused on several issues such as ensuring the good quality of active pharmaceutical ingredients (APIs) in compliance with Good Manufacturing Practice (GMP) standards, maintaining the effectiveness of the quality control system through constant checks on GMP compliance at manufacturing facilities, and exerting manufacturing and quality control based on the internationally accepted Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S) GMP Guide. (The PIC/S is a non-binding, informal cooperative arrangement between Regulatory Authorities in the field of GMP of medicinal products for human or veterinary use.) Furthermore, Sawai has implemented various initiatives to ensure that medical professionals are able to use its products without concern, including disclosing the names of all its manufacturing subcontractors and API suppliers and the dates of audits performed over their operations since FY2021. Sawai also released a video introducing its efforts to improve quality control.

However, Sawai Pharmaceutical revealed that Teprenone Capsules 50 mg “Sawai” manufactured at its Kyushu Plant was inappropriately tested in the dissolution test for stability monitoring for a long time. In addition, in December 2023, Sawai received an administrative penalty from MHLW, Osaka Prefecture and Fukuoka Prefecture, for a violation against the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. The continued inappropriate testing is primarily attributed to human and structural factors. 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 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. We have developed the following measures aimed at preventing any recurrence and are dedicated to rebuilding trust; (1) commence a corporate culture reform project under the direct leadership of the president, (2) re-evaluate existing market products in terms of manufacturing and quality and implement corrective measures and (3) implement recurrence prevention measures in the production division including reintroduction of GMP education for all employees, clarification of the roles and responsibilities of managers and supervisors and recruitment both internally and externally for the quality control and quality assurance divisions within the plant. We are devoting Group-wide efforts to implementing these measures. In December 2024, we established the Kobe Analytical Research Center, which specializes in analytical research on carcinogenic nitrosamine drug substance-related impurities (NDSRIs). From among NDSRIs that can be contained in a minute amount in drugs, the center will focus on those for which testing methods are difficult to develop and those that are high priorities in terms of the need for analysis, and it will develop testing methods for them and use the methods to test them. The center also plans to transfer those testing methods to outside analysis contractors and internal analysis departments.

We are also pursuing even higher efficiency and lower cost for our production and supply systems by utilizing the unique characteristics of each of six factories of Sawai Pharmaceutical throughout Japan with the aim of eliminating the uncertainty of generic drug supply by accommodating growing demand, as well as addressing soaring energy and raw material prices. As part of such efforts, in September 2022, we completed the construction of an injection production facility at the Kyushu Factory site. In July 2024, we also completed the construction of a new solid formulation building, with a maximum production capacity of 3.5 billion tablets, on the premises of the Daini Kyushu Factory site. Additionally, Trust Pharmatech Co., Ltd. (“Trust Pharmatech”), a Sawai Group company established by taking over assets related to production activities from Kobayashi Kako Co., Ltd., including the staff of the relevant departments, has begun the contract manufacturing of products of Sawai Pharmaceutical, working to improve its operating rate. This new company is planning to make a capital investment in Seima Plants No. 2 and No. 3 in order to expand its overall annual production capacity by 2.5 billion tablets. We will therefore continue to work on building a solid production system with a view to enabling our group to manufacture 25 billion or more tablets a year as soon as possible. Additionally, to reduce problems in the tableting process and stabilize the product supply, Sawai has developed parts of manufacturing equipment used in the tableting process, where API powder is compressed into tablets, in collaboration with Yamashita Works Co., Ltd. and Yuken Industry Co., Ltd. These parts of manufacturing equipment are made by using contamination-resistant materials and processing methods, so they are expected to help avoid problems in the tableting process and improve efficiency in the entire manufacturing process. In conjunction with these efforts, Sawai opened and began to operate the East Japan Daini Distribution Center and the West Japan Daini Distribution Center in FY2021 with the aim of further strengthening its product supply system from the aspect of distribution. In addition, in June 2024, Sawai Pharmaceutical disclosed information on its initiatives to maintain a stable product supply in accordance with MHLW’s Guidelines for Disclosures Related to the Stable Supply of Generic Drugs. Furthermore, in September 2025, Sawai Pharmaceutical reached an agreement with Nichi-Iko Pharmaceutical Co., Ltd. to collaborate mainly in integrating both companies’ lineup of generic products. We are therefore committed to establishing a system for a stable product supply throughout the industry.

In terms of marketing, as a countermeasure against the steep rise in costs, we have passed on the cost increases to the prices of some of the products we sell to wholesale distributors, mainly low-priced ones, while working to further improve production efficiency. In addition, in March 2025, Sawai Pharmaceutical concluded an agreement with Eisai Co., Ltd. to take over Eisai’s rights to approval for manufacturing and marketing Warfarin, an oral anticoagulant, in the Japanese market. By expanding our product lineup in the cardiovascular field, we are strengthening our business foundation in that field. Also, in December the same year, we launched nine product varieties of five active ingredients, including 'Dapagliflozin tablets' and 'Lacosamide tablets and Dry Syrup'.

In the field of product development, Sawai Pharmaceutical has selected six (6) technologies in five (5) categories from technologies that can add value to medicines and create harmony in their formulation, such as technologies for making medicines more comfortable to take and for increasing the efficiency of pharmaceutical production. These original formulation technologies are collectively named “SAWAI HARMOTECH®” and have been publicly disclosed. As part of our efforts to help achieve a sustainable society, we are implementing environmentally friendly initiatives, such as introducing mechanically recycled PET film, which is made through the mechanical recycling process of crushing used PET bottles, washing the crushed pieces, melting them at high temperature, decompressing and filtering the resulting substance, etc., as a packaging material for some of our pharmaceutical products.

As a new initiative for the personal health record (PHR) business, since 2022, we have been collaborating with a variety of organizations, including universities, local governments, companies, and medical institutions, to promote the utilization of PHRs. We will leverage the specialist human resources and know-how of FrontAct Co., Ltd. (“FrontAct”), a wholly owned subsidiary of ours acquired from Sumitomo Pharma Co., Ltd. in June 2025, to expand our product lineup and strengthen and grow our business foundation in the digital healthcare business, thereby changing people's lifestyles and health in a better direction through the utilization of digital technology. We will therefore continue to utilize digital technology to further enhance people's lifestyles and well-being. Additionally, in October 2025, FrontAct entered into a partnership agreement with the Tokyo Metropolitan Government, four municipalities in Tokyo (Shinagawa City, Setagaya City, Toshima City, and Chofu City), and the Tokyo Metropolitan Geriatric Hospital on the Project for Mobile App-Assisted Health Promotion among the Elderly with the aim of achieving enhancement and improvement in frailty prevention and health promotion. Furthermore, we concluded a licensing agreement with CureApp, Inc. to gain the right to develop and sell digital therapeutics (DTx) in the field of non-alcoholic steatohepatitis (NASH) in August 2022. In August 2024, we also concluded a sales licensing contract with CureApp for an alcoholism treatment DTx app and commenced sales in September 2025. With the aim of utilizing apps in this field to not only enhance digital-healthcare technology and expertise but also deliver IT-based solutions directly to patients and healthcare professionals. In the medical device business, we focus on Relivion®, a non-invasive neuromodulation device, for which we obtained manufacturing and marketing approval for use in the acute-stage treatment of migraine from the MHLW in December 2023.

As a result, the Sawai Group achieved net sales of JPY 201,676 million (an increase of 6.7% year on year) and an operating profit of JPY 15,894 million (an increase of 292.5% year on year).

(2) Financial Position

Assets

As of March 31, 2026, current assets amounted to JPY 200,345 million, a decrease of JPY 478 million from March 31, 2025. The decrease was mainly due to a decrease of JPY 9,797 million in cash and cash equivalents, a decrease of JPY 2,132 million in other financial assets, while an increase of JPY 7,740 million in inventories caused mainly by production expanded to increase our capacity for a stable supply, an increase of JPY 2,676 million in trade and other receivables. Non-current assets as of March 31, 2026 amounted to JPY 159,574 million, an increase of JPY 5,774 million from March 31, 2025. The increase was mainly due to an increase of JPY 3,757 million in property, plant and equipment resulting from the construction of a new solid formulation building at Sawai Pharmaceutical's Daini Kyushu Factory, and an increase of JPY 2,471 million in intangible assets mainly due to the acquisition of the rights to Warfarin.

Total assets as of March 31, 2026 were JPY 359,919 million, an increase of JPY 5,296 million compared to the balance as of March 31, 2025.

Liabilities

As of March 31, 2026, current liabilities amounted to JPY 80,394 million, a decrease of JPY 21,881 million from March 31, 2025. The decrease was mainly due to a decrease of JPY 16,902 million in provisions, and a decrease of JPY 6,827 million in short-term borrowings in accordance with funding plans. Non-current liabilities as of March 31, 2026 was JPY 100,429 million, an increase of JPY 22,475 million from March 31, 2025, primarily due to an increase of JPY 20,512 million in bonds and borrowings resulting from the issuance of bonds and the execution of borrowings.

Total liabilities as of March 31, 2026 were JPY 181,363 million, an increase of JPY 594 million compared to the balance as of

March 31, 2025.

Equity

Total equity as of March 31, 2026 was JPY 178,556 million, an increase of JPY 4,702 million compared to the balance as of March 31, 2025, primarily due to the net profit for the period ended March 31, 2026 and the payment of dividends of surplus. As a result, the ratio of equity attributable to owners of parent to total assets as of March 31, 2026 became 49.6% (up from 49.0% as of March 31, 2025).

(3) Cash Flow

Cash and cash equivalents as of March 31, 2026 decreased by JPY 9,797 million to JPY 28,989 million, compared to the balance as of March 31, 2025.

The results of cash flow for each activity are as follows:

Cash flows generated from operating activities was JPY 7,433 million for the current period (generation of JPY 27,851 million in the same period of the previous year) which mainly consists of profit before tax (JPY 14,273 million), depreciation and amortization (JPY 16,002 million), increase in trade and other receivables (JPY 2,613 million), increase in inventories (JPY 7,561 million), and decrease in provisions (JPY 16,902 million).

Cash flows used in investing activities was JPY 22,898 million for the current period (generation of JPY 6,480 million in the same period of the previous year) which mainly consists of the acquisition of property, plant and equipment (JPY 13,416 million) and the acquisition of intangible assets (JPY 11,055 million).

Cash flows generated from financing activities was JPY 5,587 million for the current period (usage of JPY 32,704 million in the same period of the previous year) which mainly consists of proceeds from long-term borrowings (JPY 20,500 million), repayments of long-term borrowings (JPY 14,971 million), the issuance of bonds (JPY 7,455 million), and payments of dividend (JPY 6,235 million).

(4) Forecast of Consolidated Financial Results and Other Forward-looking Statements

It is expected that, in the fiscal year ending March 2027, although profitability is expected to improve due to upward revisions to the minimum drug prices, and the launch of new products to be marketed, the cost of products will increase due to a surge in energy prices, inflation, and the depreciation of the yen, following the previous fiscal year.

Against this backdrop, under the Medium-Term Plan announced in June 2024, we will concentrate the strengths of the divisions of each of our Group companies, such as Product Development, Production, Reliability Assurance, and Sales, with the aim of achieving steady growth in the Japanese market.

In terms of the forecasts of consolidated financial results for the fiscal year ending March 31, 2027, as follows.

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Fiscal year ending March 31, 2027	208,400	27,200	26,000	18,600	161.09

2. Basic Rationale for Selecting the Accounting Standards

Sawai has used International Financial Reporting Standards (IFRS) in order to increase the international comparability of its financial information within the capital market.

3. Condensed Consolidated Financial Statements and Selected Notes

(1) Condensed Consolidated Statements of Income and Condensed Consolidated Statements of Comprehensive Income

(Condensed Consolidated Statements of Income)

	Millions of yen (except per share data)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Continued Operations		
Revenue	189,024	201,676
Cost of sales	(132,673)	(142,882)
Gross profit	56,352	58,793
Selling, general and administrative expenses	(23,518)	(26,056)
Research and development expenses	(12,593)	(12,388)
Other income	845	44
Other expenses	(17,035)	(4,499)
Operating profit	4,050	15,894
Finance income	151	145
Finance expenses	(1,039)	(1,766)
Profit before tax	3,161	14,273
Income tax expenses	(988)	(2,737)
Profit for the period from continued operations	2,173	11,536
Discontinued Operation		
Profit (Loss) for the period from the discontinued operation	9,796	(1,098)
Profit for the period	11,969	10,438
Profit attributable to:		
Owners of parent	11,969	10,438
Earnings per share (Yen)		
Basic earnings per share		
Continued operations	17.53	99.90
Discontinued operation	79.01	(9.51)
Basic earnings per share	96.54	90.39
Diluted earnings per share		
Continued operations	17.47	99.58
Discontinued operation	78.77	(9.48)
Diluted earnings per share	96.25	90.10

(Condensed Consolidated Statements of Comprehensive Income)

Millions of yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit for the period	11,969	10,438
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in fair value of financial assets measured at fair value through other comprehensive income	106	449
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(11,668)	3
Other comprehensive income for the period, net of tax	(11,562)	452
Total comprehensive income for the period	407	10,890
Total comprehensive income attributable to:		
Owners of parent	407	10,890

(2) Condensed Consolidated Statements of Financial Position

Millions of yen

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	38,785	28,989
Trade and other receivables	48,879	51,555
Inventories	109,867	117,607
Other financial assets	2,480	348
Other current assets	812	1,847
Total current assets	200,823	200,345
Non-current assets		
Property, plant and equipment	111,876	115,633
Intangible assets	27,196	29,667
Other financial assets	4,134	4,593
Other non-current assets	463	501
Deferred tax assets	10,132	9,180
Total non-current assets	153,800	159,574
Total assets	354,623	359,919

Millions of yen

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	50,777	49,088
Borrowings	21,503	14,675
Income taxes payable	1,858	1,781
Refund liabilities	1,109	1,155
Provisions	16,992	90
Other financial liabilities	5,237	6,022
Other current liabilities	5,339	8,123
Total current liabilities	102,815	80,934
Non-current liabilities		
Bonds and borrowings	69,836	90,348
Provisions	92	107
Other financial liabilities	7,456	9,285
Other non-current liabilities	432	673
Deferred tax liabilities	137	16
Total non-current liabilities	77,954	100,429
Total liabilities	180,769	181,363
Equity		
Share capital	10,053	10,079
Capital surplus	37,767	4,564
Retained earnings	157,257	161,589
Treasury shares	(33,243)	(3)
Other component of equity	2,020	2,327
Equity attributable to owners of parent	173,854	178,556
Total equity	173,854	178,556
Total liabilities and equity	354,623	359,919

(3) Condensed Consolidated statements of Changes in Equity

Year ended March 31, 2025

	Millions of yen							
	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component of equity	Total		
Balance at April 1, 2024	10,020	37,734	149,645	(2)	15,264	212,662	5,369	218,030
Profit for the period			11,969			11,969		11,969
Other comprehensive income					(11,562)	(11,562)		(11,562)
Total comprehensive income	—	—	11,969	—	(11,562)	407	—	407
Issuance of new shares	33	33			(66)	0		0
Acquisition of treasury shares				(33,241)		(33,241)		(33,241)
Dividends			(6,070)			(6,070)		(6,070)
Changes due to loss of control over consolidated subsidiaries						—	(5,369)	(5,369)
Transfer to retained earnings from capital surplus			1,713		(1,713)	—		—
Share based payment					96	96		96
Total transactions with owners	33	33	(4,357)	(33,241)	(1,683)	(39,215)	(5,369)	(44,584)
Balance at March 31, 2025	10,053	37,767	157,257	(33,243)	2,020	173,854	—	173,854

Year ended March 31, 2026

	Millions of yen							
	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component of equity	Total		
Balance at April 1, 2025	10,053	37,767	157,257	(33,243)	2,020	173,854	—	173,854
Profit for the period			10,438			10,438		10,438
Other comprehensive income					452	452		452
Total comprehensive income	—	—	10,438	—	452	10,890	—	10,890
Issuance of new shares	8	8			(15)	0		0
Retirement of treasury shares		(33,240)		33,240		—		—
Dividends			(6,235)			(6,235)		(6,235)
Transfer to retained earnings from capital surplus			130		(130)	—		—
Share based payment	18	30				48		48
Total transactions with owners	26	(33,203)	(6,106)	33,240	(145)	(6,187)	—	(6,187)
Balance at March 31, 2026	10,079	4,564	161,589	(3)	2,327	178,556	—	178,556

(4) Condensed Consolidated Statements of Cash Flows

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	3,161	14,273
Profit (loss) before tax from the discontinued operation	12,955	(1,458)
Depreciation and amortization	15,241	16,002
Impairment loss	3,649	1,736
Financial income	(149)	(158)
Financial expenses	1,051	1,466
Loss (gain) on sales of shares of subsidiaries and affiliates	(12,955)	1,458
Profit (loss) on sale and disposal of property, plant and equipment and intangible assets	(551)	316
Decrease (increase) in trade and other receivables	100	(2,613)
Increase in inventories	(9,961)	(7,561)
Increase (decrease) in trade and other payables	(1,388)	433
Increase (decrease) in refund liabilities	(1,346)	46
Increase (decrease) in provisions	16,741	(16,902)
Increase in other financial liabilities	594	677
Other	(1,644)	2,511
Subtotal	25,499	10,225
Interest received	2	4
Dividends received	142	74
Interest paid	(754)	(1,142)
Income taxes paid	(1,246)	(1,751)
Income taxes refund	4,207	23
Cash flows generated from operating activities	27,851	7,433
Cash flows from investing activities		
Acquisition of property, plant and equipment	(20,567)	(13,416)
Sale of property, plant and equipment	783	10
Acquisition of intangible assets	(6,947)	(11,055)
Expenditure for purchases of investment securities	(1,581)	—
Proceeds from the sale of investment securities	6,443	219
Purchase of subsidiary shares and others resulting in change in the scope of consolidation	—	(301)
Proceeds from the sale of subsidiary shares resulting in change in the scope of consolidation	28,233	1,617
Other	117	26
Cash flows (used in) generated from investing activities	6,480	(22,898)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(5,692)	674
Proceeds from long-term borrowings	35,036	20,500
Repayments of long-term borrowings	(30,858)	(14,971)
Proceeds from the issuance of bonds	9,941	7,455
Payments of lease liabilities	(1,716)	(1,819)
Purchase of treasury shares	(33,320)	—
Dividends paid	(6,070)	(6,235)
Others	(25)	(17)
Cash flows (used in) generated from financing activities	(32,704)	5,587
Effect of exchange rate change on cash and cash equivalents	(271)	82
Net increase (decrease) in cash and cash equivalents	1,356	(9,797)
Cash and cash equivalents at beginning of the period	26,368	38,785
Increase in cash and cash equivalents included in assets held for sale	11,061	—
Cash and cash equivalents at end of the period	38,785	28,989

(5) Selected Notes to Condensed Consolidated Financial Statements

(Significant Uncertainty Regarding Going Concern Assumption)

Not applicable

(Significant Accounting Policies)

The consolidated financial statements have been prepared based on the same policies adopted for the year ended March 31, 2025.

(Discontinued Operation)

The Company has recorded profit/loss related to the U.S. Business under the category of “discontinued operation.”

(1) Discontinued Operation

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Discontinued Operation		
Revenue *1	12,955	—
Expenses*1	—	(1,458)
Profit (loss) before tax on the discontinued operation	12,955	(1,458)
Income tax expenses*2	(3,159)	359
Profit (loss) for the period on the discontinued operation	9,796	(1,098)

Profit (loss) on the discontinued operation attributable to:

Owners of parent	9,796	(1,098)
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*1 A gain of JPY 12,955 million on the transfer of the Company’s shares and interests in the U.S. subsidiary and affiliates was included in fiscal year ended March 31, 2025, and expenses include a loss of JPY 1,458 million on the transfer of the Company’s shares and interests in the U.S. subsidiary and affiliates, which has been recorded in fiscal year ended March 31, 2026.

*2 Income tax expenses include tax expense related to gain (loss) on the transfer of the Company’s shares and interests in the U.S. subsidiary and affiliates of JPY 3,159 million in fiscal year ended March 31, 2025 and JPY (359) million in fiscal year ended March 31, 2026, respectively.

(2) Cash flows from discontinued operation

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities	—	—
Cash flows from investing activities *	28,233	1,617
Cash flows from financing activities	—	—
Total	28,233	1,617

* On April 2, 2024, the procedure of transferring all corresponding shares was completed. The following table shows the relationship between income and expenditure from the share transfer.

	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Consideration for the transfer *	39,294	1,617
Cash and cash equivalents of assets at the time of loss of control	(11,061)	—
Proceeds from the transfer of shares in the consolidated subsidiary involving changes in the scope of consolidation	28,233	1,617

* As for the consideration for the transfer, the final amount may change since the price adjustment clause and contingent consideration, are stipulated in the Share Transfer Agreement. As the consideration for the transfer, the Company received JPY 23,984 million from Bora for the trading value of the Company's interest and received JPY 15,310 million from the purchase of treasury shares of SAH during the Fiscal year ended March 31, 2025.

(Segment Information)

The operating segments of Sawai are the components for which separate financial information is available, and the Board of Directors, regularly examines the financial information in deciding how to allocate management resources, assessing the Group's past performance and forecasting its future performance.

The segment for the manufacturing and sale of pharmaceutical and other products mainly consist of five consolidated subsidiaries: Sawai Pharmaceutical, Kaken Shoyaku Co., Ltd. and Trust Pharmatech, which manufacture and sell generic pharmaceutical products, Medisa Shinyaku Inc., which sells generic pharmaceutical products, and FrontAct, which mainly manufactures and sells medical devices.

The following table shows revenue for our key therapeutic category:

Products	Millions of yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cardiovascular drugs	42,565	45,796
Central nervous system drugs	25,711	28,140
Other metabolic drugs	20,562	24,955
Gastro-intestinal drugs	20,403	22,310
Blood/body fluid pharmaceutical products	17,823	19,778
Antibiotics drugs	10,668	9,384
Antiallergic drugs	8,898	8,913
Drugs for respiratory organs	6,929	7,613
Vitamin preparations	7,115	7,223
Antineoplastic agents	6,445	6,787
Chemotherapeutics	7,022	5,984
Drugs for urogenital organs and the anus	5,184	5,406
Other	9,699	9,385
Total	189,024	201,676

(Earnings Per Share)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	11,969	10,438
Adjustments to profit (loss) for the period (Millions of yen)	—	(1)
Continued operations (Millions of yen)	2,173	11,535
Discontinued operation (Millions of yen)	9,796	(1,098)
Total	11,969	10,436
Weighted average number of ordinary shares outstanding during the year (Thousands of shares)	123,982	115,462
Basic earnings (loss) per share (Yen)		
Continued operations (Yen)	17.53	99.90
Discontinued operation (Yen)	79.01	(9.51)
Total	96.54	90.39
Diluted earnings per share		
Profit used in the calculation of basic earnings per share (Millions of yen)	11,969	10,436
Adjustments to profit (loss) for the period (Millions of yen)	-	1
Continued operations (Millions of yen)	2,173	11,536
Discontinued operation (Millions of yen)	9,796	(1,098)
Total	11,969	10,438
Weighted average number of ordinary shares outstanding during the period after dilutive effect (Thousands of shares)		
Weighted average number of ordinary shares outstanding during the period (Thousands of shares)	123,982	115,462
Increase in the number of ordinary shares due to stock options (Thousands of shares)	378	367
Increase in the number of ordinary shares due to the system for granting restricted treasury shares as compensation (Thousands of shares)	-	17
Total	124,360	115,845
Diluted earnings per share (Yen)		
Continued operations	17.47	99.58
Discontinued operation	78.77	(9.48)
Total	96.25	90.10

*1 The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. The basic and diluted earnings per share are calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2025.

*2 There were no potential common shares of stock options that were anti-dilutive, not included in the calculation of diluted earnings per share for the years ended March 31, 2025 and 2026, respectively.