

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

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 Listing: Tokyo Stock Exchange
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 Scheduled date to commence dividend payments: N/A
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded to the nearest millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	143,208	5.3	21,472	24.4	20,859	22.2	25,456	175.4
December 31, 2023	136,056	10.4	17,263	17.7	17,071	17.2	9,243	(14.2)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended						
December 31, 2024	25,456	88.5	13,904	29.3	201.29	200.69
December 31, 2023	13,501	24.5	10,754	(31.1)	102.75	102.47

Note: 1. The Company has classified its U.S. Business as a discontinued operation since the third quarter of FY2023. 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 the 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, 2024.

(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
	Millions of yen	Millions of yen	Millions of yen	%
As of				
December 31, 2024	360,088	193,525	193,525	53.7
March 31, 2024	382,024	218,030	212,662	55.7

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	65.00	—	65.00	130.00
Fiscal year ending March 31, 2025	—	78.00	—		
Fiscal year ending March 31, 2025 (Forecast)				27.00	—

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

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 indicated dividend per share for the fiscal year ended March 31, 2024 and interim dividend per share for the fiscal year ended March 31, 2025 are based on the number of shares before the share split. Cash dividends for the fiscal year ending March 31, 2025 (Forecast) 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 ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Equity attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	183,900	4.0	23,600	26.7	22,900	25.4	26,400	92.8	212.07

Note: 1. Revisions to the forecast most recently announced: None

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 indicated basic earnings per share for the fiscal year ended March 31, 2025 is calculated assuming that the share split was implemented at the beginning of the fiscal year ended March 31, 2025.

*** Notes**

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

Newly included: None

Excluded: 3 companies (Sawai America Holdings Inc., Sawai America LLC, Upsher-Smith Laboratories, LLC)

Note: Details regarding the transfer of the shares of the U.S. Business are described in “Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale and a Discontinued Operation” at “(5) Selected Notes to Condensed Quarterly Consolidated Financial Statements” in Section 2 “Condensed Quarterly Consolidated Financial Statements and Selected Notes” on page 13 of the attachment.

(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 December 31, 2024	131,469,417 shares
As of March 31, 2024	131,410,017 shares

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

As of December 31, 2024	12,913,703 shares
As of March 31, 2024	1,098 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	126,465,658 shares
Nine months ended December 31, 2023	131,394,984 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 and outstanding (including treasury stock) at the end of period, number of treasury stock at the end of the period, and average number of shares outstanding in the period have been calculated assuming that the stock split took place at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The Third Quarter earnings conference for institutional investors and analysts is scheduled for February 14, 2025. Presentation and related materials of the conference will be promptly posted on our website.

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1. Financial Highlights for the nine months ended December 31, 2024

(1) Operating Results

Sawai Group Holdings Co., Ltd. (the “Company”) and subsidiaries (collectively, “Sawai”) has 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. The financial figures for FY2023 given here for year-on-year comparison have also been adjusted to reflect this change.

During the nine months ended December 31, 2024, revenue increased to JPY143,208 million (by 5.3%), operating profit increased to JPY 21,472 million (by 24.4%), profit before tax increased to JPY 20,859 million (by 22.2%), and profit attributable to owners of parent increased to JPY 25,456 million (by 88.5%) compared to the nine months ended December 31, 2023.

(Millions of yen, except percentages)				
	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change	Change (%)
Revenue	136,056	143,208	7,152	5.3
Operating profit	17,263	21,472	4,210	24.4
Profit before tax	17,071	20,859	3,789	22.2
Profit attributable to owners of parent	13,501	25,456	11,955	88.5

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 we formulated a new medium-term management plan, “START 2024,” for the first three years toward realizing that vision. In addition, we have formulated and announced the next three-year medium-term management plan, “Beyond 2027,” in June 2024 (hereinafter, the “Medium-term Plan”). 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 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. As a result, according to a flash report on the Japanese government’s National Health Insurance (NHI) drug price survey in September 2024, the latest volume-based share of generic drugs was 85.0%. 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. 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 a further accelerating shift to generic drugs.

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, the National Health Insurance (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 will be 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. In addition, to ensure a stable supply of generic drugs, the Japanese government is planning to implement support measures (programs) for companies that systematically work to improve productivity with a view to abolishing the inefficient small-volume mixed-lot production system. The government also aims to establish a legal framework for securing a stable generic-drug supply.

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 our six factories 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., 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 contract manufacturing products of Sawai Pharmaceutical. This new company will continue its efforts to build a solid production system with a view to becoming capable of manufacturing 25 billion or more tablets a year as soon as possible. Furthermore, 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, the Company 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. We are therefore committed to establishing a system for a stable product supply for 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 our products, mainly low-priced ones, while working to further improve production efficiency. Sawai Pharmaceutical had its three products deriving from two APIs, including Zonisamide OD Tablets, added to the NHI drug price list in June 2024, and its ten products deriving from five APIs, including Rivaroxaban Tablets and Rivaroxaban OD Tablets, in December 2024.

In the field of product development, Sawai Pharmaceutical has selected six (6) technologies in three (3) 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. Of these, MALCORE® technology won the Asahi Kasei Young Scientist Award in June 2024. Sawai Pharmaceutical also devotes efforts in the field of packaging materials, including developing the thinnest moisture-proof PTP sheet and replacing aluminum foil pillow bags used for some products to achieve environmentally friendly production. One of the results of those efforts is Zonisamide OD tablets TRE [Sawai] winning the Accessible Design Packaging Award of Japan Packaging Contest 2024 in August 2024. Moreover, in July 2024, Sawai released QualityHug®, which received the Good Design Award in October 2024, as a new technology that helps foster safety awareness among patients and provides them with peace of mind. We will continue these kinds of R&D efforts to provide patient-friendly 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 their use of our PHR products and services. We will continue to utilize digital technology to further enhance people's lifestyles and well-being. 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 and a licensing agreement with CureApp to sell DTx for the treatment of alcoholism in August 2024, 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 143,208 million (an increase of 5.3% year on year) and an operating profit of JPY 21,472 million (an increase of 24.4% year on year).

(2) Financial Position

Assets

As of December 31, 2024, current assets amounted to JPY 211,848 million, a decrease of JPY 28,136 million from March 31, 2024. The decrease was mainly due to an increase of JPY 9,503 million in cash and cash equivalents as described at “Cash Flows” below, an increase of JPY 10,171 million in inventories caused mainly by production expanded to increase our capacity for a stable supply, an increase of JPY 3,439 million in trade and other payables, while assets held for sale caused by the shift of our U.S. Business decreased by JPY 55,293 million. Non-current assets as of December 31, 2024 amounted to JPY 148,240 million, an increase of JPY 6,201 million from March 31, 2024. The increase was mainly due to an increase of JPY 6,972 million in property, plant and equipment resulting from the construction of a new solid formulation building at Sawai Pharmaceutical's Daini Kyushu Factory.

Total assets as of December 31, 2024 were JPY 360,088 million, a decrease of JPY 21,935 million compared to the balance as of March 31, 2024.

Liabilities

As of December 31, 2024, current liabilities amounted to JPY 89,472 million, a decrease of JPY 4,146 million from March 31, 2024. The decrease was mainly due to an increase of JPY 6,229 million in (short-term) loans payable in accordance with funding plans, an increase of JPY 6,115 million in income taxes payable, while a decrease JPY 16,268 million in liabilities directly related to assets held for sale. Non-current liabilities as of December 31, 2024 was JPY 77,091 million, an increase of JPY 6,716 million from March 31, 2024, primarily due to an increase of JPY 4,075 million in bonds and borrowings resulting from the issuance of bonds and the execution of borrowings.

Total liabilities as of December 31, 2024 were JPY 166,563 million, an increase of JPY 2,570 million compared to the balance as of March 31, 2024.

Equity

Total equity as of December 31, 2024 was JPY 193,525 million, a decrease of JPY 24,505 million compared to the balance as of March 31, 2024, primarily due to the net profit for the nine months ended December 31, 2024, the acquisition of treasury shares, the payment of dividends of surplus, and the sales of shares of a consolidated subsidiary. As a result, the ratio of equity attributable to owners of parent to total assets as of December 31, 2024 became 53.7% (down from 55.7% as of March 31, 2024).

(3) Cash Flow

Cash and cash equivalents as of December 31, 2024 increased by JPY 9,503 million to JPY 35,871 million, compared to the balance as of March 31, 2024.

The results of cash flow for each activity, including the cash flow of the discontinued operation, are as follows:

Cash flows generated from operating activities was JPY 10,409 million for the current period (decrease by JPY 3,827 million from the same period of the previous year) which mainly consists of profit before tax (JPY 20,859 million), depreciation and amortization (JPY 11,307 million), increase in trade and other receivables (JPY 11,607 million), and increase in inventories (JPY 10,267 million).

Cash flows generated from investing activities was JPY 12,273 million for the current period (usage of JPY 19,780 million in the same period of the previous year) which mainly consists of acquisition of property, plant and equipment (JPY 16,832 million) and proceeds from the sale of subsidiary shares involving a change in the scope of consolidation (JPY 28,233 million).

Cash flows used in financing activities was JPY 24,059 million for the current period (generation of JPY 9,348 million in the same period of the previous year) which mainly consists of proceeds from long-term loans payable (JPY 35,036 million), repayments of long-term borrowings (JPY 29,771 million), and purchase of treasury shares (JPY 27,000 million).

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

In terms of the forecasts of consolidated financial results for the fiscal year ending March 31, 2025, as follows, there have been no changes to the forecasts announced in our “Notice Regarding Revisions to Forecasts of Business Results” released on November 8, 2024.

	Revenue	Operating profit	Profit before tax	Equity 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, 2025	183,900	23,600	22,900	26,400	212.07

2. Condensed Quarterly Consolidated Financial Statements and Selected Notes
(1) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income

(Condensed Quarterly Consolidated Statements of Income)

	Millions of yen (except per share data)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Continued Operations		
Revenue	136,056	143,208
Cost of sales	(94,183)	(97,986)
Gross profit	41,873	45,222
Selling, general and administrative expenses	(16,853)	(16,552)
Research and development expenses	(7,620)	(7,762)
Other income	112	781
Other expenses	(250)	(217)
Operating profit	17,263	21,472
Finance income	197	144
Finance expenses	(389)	(757)
Profit before tax	17,071	20,859
Income tax expenses	(5,441)	(6,555)
Profit for the period from continued operations	11,629	14,305
Discontinued Operation		
Profit (loss) for the period from the discontinued operation	(2,386)	11,151
Profit for the period	9,243	25,456
Profit (loss) attributable to:		
Owners of parent	13,501	25,456
Non-controlling interests	(4,258)	—
Total	9,243	25,456
Earnings per share (Yen)		
Basic earnings per share		
Continued operations	88.51	113.11
Discontinued operation	14.24	88.18
Basic earnings per share	102.75	201.29
Diluted earnings per share		
Continued operations	88.26	112.77
Discontinued operation	14.20	87.92
Diluted earnings per share	102.47	200.69

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

Millions of yen

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit for the period	9,243	25,456
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	669	113
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	842	(11,666)
Other comprehensive income or loss for the period, net of tax	1,511	(11,553)
Total comprehensive income for the period	10,754	13,904
Total comprehensive income attributable to:		
Owners of parent	14,279	13,904
Non-controlling interests	(3,525)	—
Total	10,754	13,904

(2) Condensed Quarterly Consolidated Statements of Financial Position

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	26,368	35,871
Trade and other receivables	57,205	60,644
Inventories	100,002	110,174
Other financial assets	167	1,992
Other current assets	950	3,168
Subtotal	184,692	211,848
Assets held for sale	55,293	—
Total current assets	239,985	211,848
Non-current assets		
Property, plant and equipment	103,400	110,372
Intangible assets	20,299	23,298
Other financial assets	8,779	4,113
Other non-current assets	541	493
Deferred tax assets	9,020	9,964
Total non-current assets	142,039	148,240
Total assets	382,024	360,088

Millions of yen

	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	45,622	48,152
Borrowings	16,049	22,279
Income taxes payable	1,330	7,445
Refund liabilities	2,455	2,239
Provisions	250	299
Other financial liabilities	4,610	5,290
Other current liabilities	7,034	3,769
Subtotal	77,350	89,472
Liabilities directly related to assets held for sale	16,268	—
Total current liabilities	93,618	89,472
Non-current liabilities		
Borrowings	66,841	70,916
Provisions	93	92
Other financial liabilities	2,858	5,533
Other non-current liabilities	247	243
Deferred tax liabilities	337	307
Total non-current liabilities	70,375	77,091
Total liabilities	163,993	166,563
Equity		
Share capital	10,020	10,053
Capital surplus	37,734	37,767
Retained earnings	149,645	170,744
Treasury shares	(2)	(27,068)
Other component of equity	15,264	2,029
Equity attributable to owners of parent	212,662	193,525
Non-controlling interests	5,369	—
Total equity	218,030	193,525
Total liabilities and equity	382,024	360,088

(3) Condensed Quarterly Consolidated statements of Changes in Equity

Nine months ended December 31, 2023

	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, 2023	10,000	37,714	141,642	(2)	12,289	201,643	11,095	212,738
Profit for the period			13,501			13,501	(4,258)	9,243
Other comprehensive income					778	778	733	1,511
Total comprehensive income	—	—	13,501	—	778	14,279	(3,525)	10,754
Issuance of new shares	20	20			(41)	0		0
Acquisition of treasury shares				(0)		(0)		(0)
Dividends			(5,694)			(5,694)		(5,694)
Share based payment					48	48		48
Other			1			1		1
Total transactions with owners	20	20	(5,692)	(0)	7	(5,645)	—	(5,645)
Balance at December 31, 2023	10,020	37,734	149,451	(2)	13,074	210,278	7,570	217,848

Nine months ended December 31, 2024

	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			25,456			25,456	—	25,456
Other comprehensive income					(11,553)	(11,553)	—	(11,553)
Total comprehensive income	—	—	25,456	—	(11,553)	13,904	—	13,904
Issuance of new shares	33	33			(66)	0		0
Acquisition of treasury shares				(27,067)		(27,067)		(27,067)
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)	(27,067)	(1,683)	(33,040)	(5,369)	(38,409)
Balance at September 30, 2024	10,053	37,767	170,744	(27,068)	2,029	193,525	—	193,525

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	17,071	20,859
Profit (loss) before tax from the discontinued operation	(21,136)	14,692
Depreciation and amortization	13,585	11,307
Impairment loss	566	543
Loss recognized on the measurement to the fair value less cost to sell the disposal group constituting the discontinued operation	20,793	—
Financial income	(392)	(151)
Financial expenses	391	692
Gain on sales of shares of subsidiaries and affiliates	—	(14,692)
Gain (loss) on sale and disposal of property, plant and equipment and intangible assets	181	(607)
Increase in trade and other receivables	(12,474)	(11,607)
Increase in inventories	(6,354)	(10,267)
Increase in trade and other payables	1,188	2,349
Increase (decrease) in refund liabilities	1,959	(216)
Increase (decrease) in provisions	(112)	49
Increase in other financial liabilities	541	638
Other	2,817	(5,727)
Subtotal	18,623	7,863
Interest received	189	1
Dividends received	196	139
Interest paid	(369)	(557)
Income taxes paid	(5,819)	(1,244)
Income taxes refund	1,417	4,207
Cash flows generated from operating activities	14,237	10,409
Cash flows from investing activities		
Acquisition of property, plant and equipment	(16,343)	(16,832)
Sale of property, plant and equipment	32	783
Acquisition of intangible assets	(4,984)	(4,732)
Expenditure for purchases of investment securities	(359)	(1,581)
Proceeds from the sale of investment securities	—	6,443
Proceeds from the sale of subsidiary shares involving a change in the scope of consolidation	—	28,233
Other	1,814	(40)
Cash flows (used in) generated from investing activities	(19,780)	12,273
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	18,549	(4,916)
Proceeds from long-term borrowings	—	35,036
Repayments of long-term borrowings	(2,255)	(29,771)
Redemption of bonds	—	9,941
Payments of lease liabilities	(1,223)	(1,262)
Purchase of treasury shares	(0)	(27,000)
Dividends paid	(5,694)	(6,070)
Others	(29)	(18)
Cash flows (used in) generated from financing activities	9,348	(24,059)
Effect of exchange rate change on cash and cash equivalents	582	(181)
Net increase (decrease) in cash and cash equivalents	4,386	(1,558)
Cash and cash equivalents at beginning of the period	33,076	26,368
Cash and cash equivalents included in assets held for sale	(9,164)	11,061
Cash and cash equivalents at end of the period	28,298	35,871

(5) Selected Notes to Condensed Quarterly Consolidated Financial Statements

(Significant Uncertainty Regarding Going Concern Assumption)

Not applicable

(Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale and a Discontinued Operation)

(1) Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale

The components of “Assets held for sale” and “Liabilities directly associated with assets held for sale” are as follows:

	Millions of yen	
	As of March 31, 2024	As of December 31, 2024
Assets held for sale		
Cash and cash equivalents	11,061	—
Trade and other receivables	17,708	—
Inventories	12,311	—
Property, plant and equipment	26,375	—
Intangible assets	6,098	—
Other assets	3,640	—
Cumulative loss recognized on the measurement to the fair value less cost to sell of the disposal group constituting the discontinued operation	(21,900)	—
Total assets held for sale	55,293	—
Liabilities directly associated with assets held for sale		
Trade and other payables	5,406	—
Other liabilities	10,862	—
Total liabilities directly associated with assets held for sale	16,268	—

Assets held for sale and liabilities directly associated with assets held for sale as of the end of FY2023 have been classified so in line with the agreement that Sawai concluded on the transfer of all shares of SAH, a holding company of Sawai’s U.S. Business, as well as its interests in SAL and interests in USL, both of which are subsidiaries of SAH, to Bora, as resolved by the Board of Directors on January 16, 2024. On April 2, 2024, the procedure of transferring all corresponding shares was completed.

The disposal group, classified as an asset held for sale related to SAH, is evaluated based on its fair value less cost to sell, which is lower than its book value. The fair value is calculated based on the selling price of the asset and includes an estimated loss related to an antitrust lawsuit due to the U.S. Business classified as a discontinued operation. The fair value is positioned at Level 3 in the fair value hierarchy. In addition, “Other components of equity” in the Consolidated Statements of Financial Position as of the end of FY2023 include JPY 11,706 million as the cumulative amount of other comprehensive incomes (mainly exchange differences on translation of foreign operations) related to the U.S. Business classified as an asset held for sale.

(2) Discontinued Operation

As noted in “(1) Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale,” the Company has recorded profit/loss related to the U.S. Business under the category of “discontinued operation.”

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Discontinued Operation		
Revenue *1	30,276	14,692
Expenses*2	(51,412)	—
Profit (loss) before tax on the discontinued operation	(21,136)	14,692
Income tax expenses*2	(18,750)	(3,540)
Profit (loss) for the period on the discontinued operation	(2,386)	11,151
Profit (loss) on the discontinued operation attributable to:		
Owners of parent	1,872	11,151
Non-controlling interests	(4,258)	—
Total	(2,386)	11,151

*1 A gain of JPY 14,692 million on the transfer of the Company’s shares and interests in the U.S. subsidiary and affiliates was included in the nine months ended December 31, 2024.

*2 The calculations include a loss of JPY 20,793 million recognized on the measurement to the fair value less cost to sell the disposal group constituting the discontinued operation due to the agreement with Bora in the third quarter of FY2023. The income tax expenses include a deferred tax asset of JPY 18,750 million recorded due to the high likelihood that a temporary difference caused mainly by gains and losses recognized in prior years on investments in SAH and the loss recognized on the measurement to the fair value less costs to sell the disposal group constituting the discontinued operation will be removed within a predictable period.

(3) Cash flows from discontinued operation

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities	(1,539)	—
Cash flows from investing activities *	992	28,233
Cash flows from financing activities	(49)	—
Total	(595)	28,233

* 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
Consideration for the transfer *	39,294
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

* 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 JPY 15,310 million from the purchase of treasury shares through a separate of SAH.

(Segment Information)

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

Sawai used to manufacture and sell generic pharmaceutical products in Japan and the U.S., where different manufacturing and marketing strategies are required. Accordingly, Sawai had two operating and reporting segments: the Japan Business segment and U.S. Business segment. However, in response to the Board of Directors' decision made on January 16, 2024 to transfer all shares of SAH to Bora, the U.S. Business segment has been classified as a discontinued operation, leading to Sawai being a single-segment organization only with manufacturing and sale of pharmaceutical and other products from FY2023. On April 2, 2024, the procedure of transferring all corresponding shares was completed.

The manufacturing and sale of pharmaceutical and other products mainly consist of four consolidated subsidiaries: Sawai Pharmaceutical Co., Ltd., Kaken Shoyaku Co., Ltd. and Trust Pharmatech Co., Ltd., which manufacture and sell generic pharmaceutical products, and Medisa Shinyaku Inc., which sells generic pharmaceutical products.

The following table shows revenue for our key therapeutic category:

Products	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cardiovascular drugs	32,993	32,091
Central nervous system drugs	19,119	19,574
Other metabolic drugs	14,052	15,674
Gastro-intestinal drugs	14,669	15,531
Blood/body fluid pharmaceutical products	12,248	13,725
Antibiotics drugs	7,065	8,429
Drugs for respiratory organs	4,540	5,717
Antiallergic drugs	4,523	5,685
Chemotherapeutics	4,491	5,486
Vitamin preparations	5,721	5,467
Antineoplastic agents	4,765	5,035
Drugs for urogenital organs and the anus	4,057	3,963
Other	7,815	6,830
Total	136,056	143,208