

The logo for Sawai, featuring the word "sawai" in a bold, teal, lowercase sans-serif font.

Sawai Group Holdings Co., Ltd.

# **FY2024 Financial Results for the 3rd Quarter and 9 Months**

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February 14, 2025

4887, TSE Prime

## ■ Results for 9M FY2024

- Both core operating profit and operating profit made steady growth in line with the forecasts announced on November 8, 2024
- Revenue increased 5.3% year on year, and core operating profit increased 15.7% year on year.
  - (+) Increased sales of products launched in FY2023 and FY2024
  - (+) Increased sales of existing products, primarily the items eligible for the selective treatment system and the items whose limited shipment was lifted
  - (+) Reflected the impact of rising costs on prices, mainly on low priced generics
  - (-) Increased fixed costs, such as labor cost, to recruit and further develop talents to drive growth

## ■ Supply status

- Current number of limited or suspended shipment items: 123 items against 650 regular shipment items (as of February 14, 2025)  
Reviewed products under shipment limitation as needed in consideration of factors such as the supply status of other companies, as well as demand, supply, and inventory status of limited shipment items.

## ■ Production volume

- Production volume for 9M FY2024, including the volume of contract manufacturing, was approximately 12.6 billion tablets (compared with the initial annual plan for FY2024 of 17.7 billion tablets; progress rate: 71.0%)  
Production volume for FY2024 is expected to fall slightly below the plan, affected mainly by the production schedule due to the self-assessment of approval certificates\*; however, this will not have a significant impact on Sawai's overall sales plan.

\* Self-assessment to confirm whether there are discrepancies between the certificates of approval and actual operations

# Overview of Financial Results for 9M FY2024

- Revenue increased 5.3% year on year for 9M FY2024 and 13.7% year on year for Q3 alone.
- Core operating profit increased 15.7% year on year for 9M FY2024 and 41.3% year on year for Q3 alone.
- The financial results for 9M FY2024 remained favorable due to the success of the proactive lifting of the limited shipment, propositions that accurately grasp trends in selective treatment, and new product measures.
- Profit attributable to owners of the Company increased significantly year on year due mainly to the recording of gain on sale of shares of subsidiaries and associates of 14,692 million yen (profit after tax of 11,151 million yen) in the discontinued operations.

(JPY, MM)

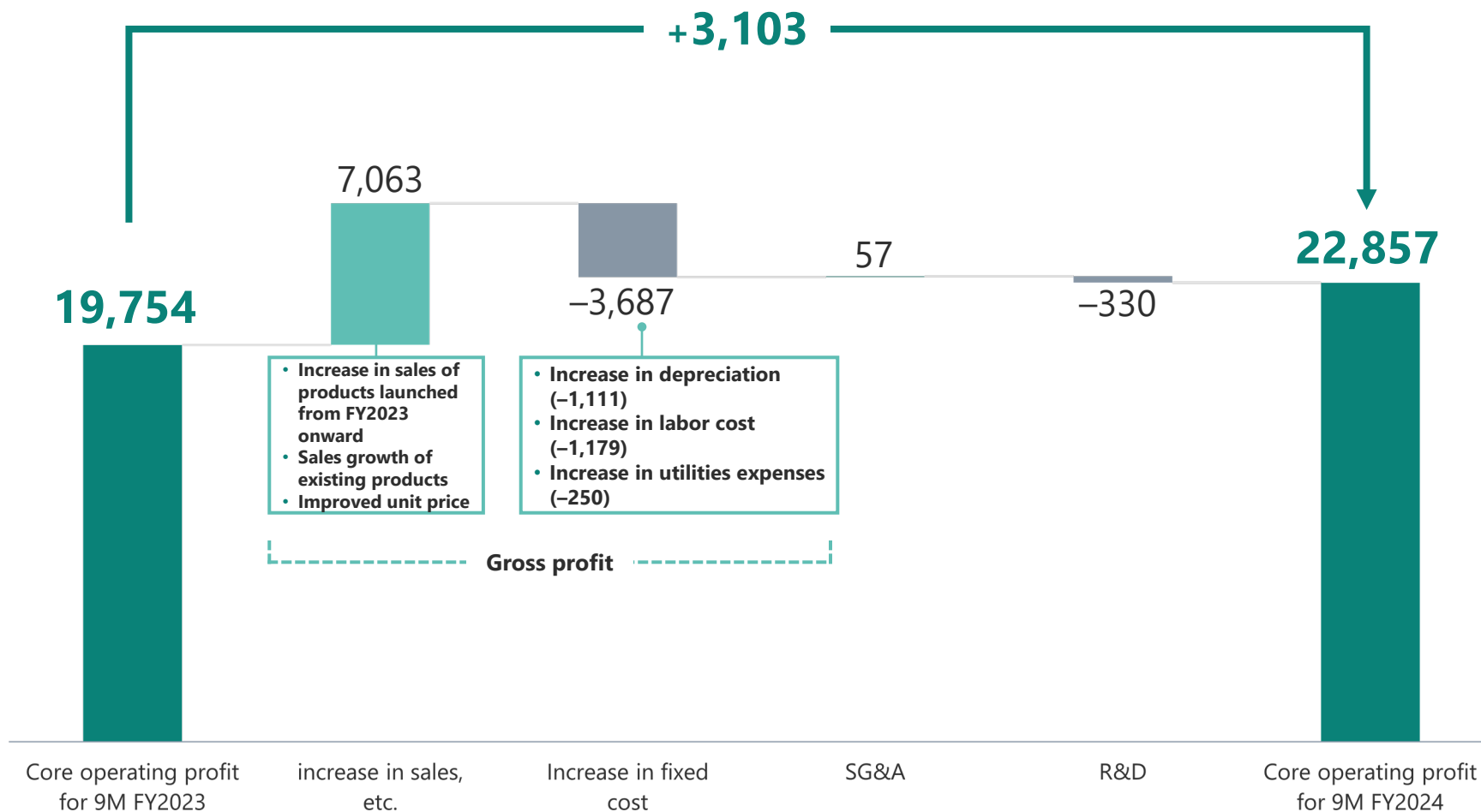
|  | 9M FY2023    | 9M FY2024      | YoY change |         |
|--|--------------|----------------|------------|---------|
|  |              |                | %          | Amount  |
| Revenue                                      | 136,056      | <b>143,208</b> | +5.3%      | +7,152  |
| Gross profit                                 | 41,873       | <b>45,222</b>  | +8.0%      | +3,349  |
| Core operating profit                        | 19,754       | <b>22,857</b>  | +15.7%     | +3,103  |
| Operating profit                             | 17,263       | <b>21,472</b>  | +24.4%     | +4,210  |
| Profit before tax                            | 17,071       | <b>20,859</b>  | +22.2%     | +3,789  |
| Profit attributable to owners of the Company | 13,501       | <b>25,456</b>  | +88.5%     | +11,955 |
| Basic earnings per share (EPS)               | 102.75       | <b>201.29</b>  | +95.9%     | +99     |
| Average rate                                 | US\$1 = ¥143 | US\$1 = ¥153   |            |         |

\*1 The line items from revenue through profit before tax show the amounts of the Japan business as continuing operations. Profit attributable to owners of the Company shows the combined amount of the continuing operations and the discontinued operations.

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

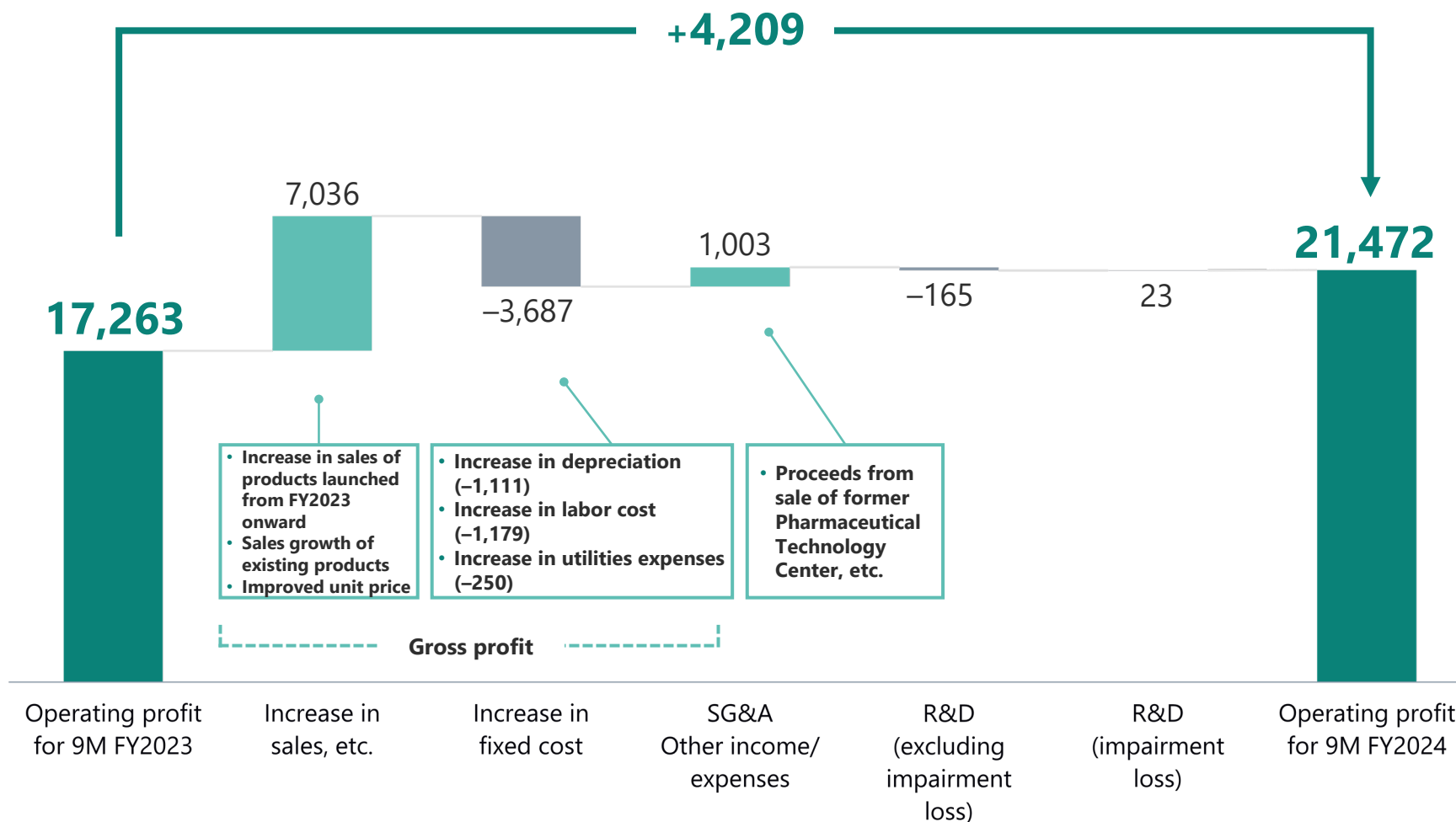
# Core Operating Profit Analysis, Japan

(JPY, MM)



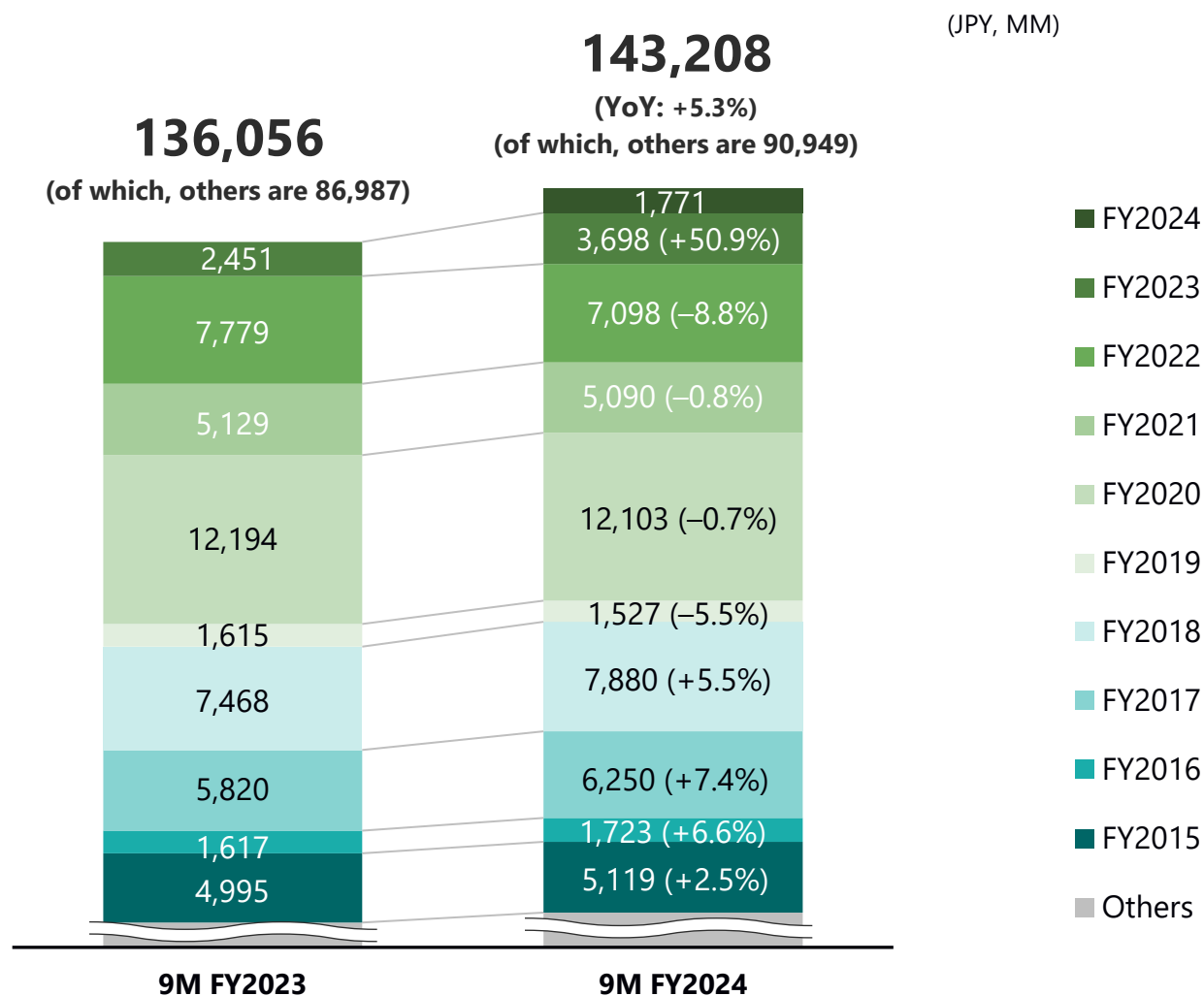
# Operating Profit Analysis, Japan

(JPY, MM)



# Revenue by Product Launch Year

- Products launched in December 2024 were off to a smooth start.
- Sales of existing products launched in FY2018 or earlier grew due mainly to the pricing policy and selective treatment.



# Progress toward Full-Year FY2024 Forecasts (1/2)

- Both 9M revenue and core operating profit progressed ahead of the pace expected in the forecasts announced on November 8, 2024.

(JPY, MM)

|  | 9M FY2024            | Full-Year FY2024 forecasts <sup>*1</sup> | Progress |
|--|----------------------|--|----------|
| Revenue                                      | 143,208              | <b>183,900</b>                           | 77.9%    |
| Gross profit                                 | 45,222               | <b>56,800</b>                            | 79.6%    |
| Core operating profit                        | 22,857               | <b>25,400<sup>*2</sup></b>               | 90.0%    |
| Operating profit                             | 21,472               | <b>23,600</b>                            | 91.0%    |
| Profit before tax                            | 20,859               | <b>22,900</b>                            | 91.1%    |
| Profit attributable to owners of the Company | 25,456 <sup>*3</sup> | <b>26,400</b>                            | 96.4%    |
| EBITDA (adjusted)                            | 32,816               | <b>38,700</b>                            | 84.8%    |
| EPS (yen)                                    | 201.29               | <b>212.07<sup>*4 *5</sup></b>            | –        |
| Average rate                                 | US\$1 = ¥153         | US\$1 = ¥145                             |          |

Continuing operations

\*1 Announced on November 8, 2024

\*2 The following items are adjusted from operating profit.

|                            |                                    |                                     |
|----------------------------|------------------------------------|-------------------------------------|
| Full-year FY2024 forecasts | Amortization of R&D expenses 1,900 | Impairment loss on R&D expenses 500 |
|                            | Other income and expenses –500     |                                     |

\*3 The sum of 14,305 million yen from the continuing operations and 11,151 million yen from the discontinued operations (due to discontinuation of the operations of the U.S. Business).

\*4 The Company resolved, at the Board of Directors meeting held on May 13, 2024, to conduct a one-for-three stock split of its common stock effective October 1, 2024. As such, basic earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ending March 31, 2025.

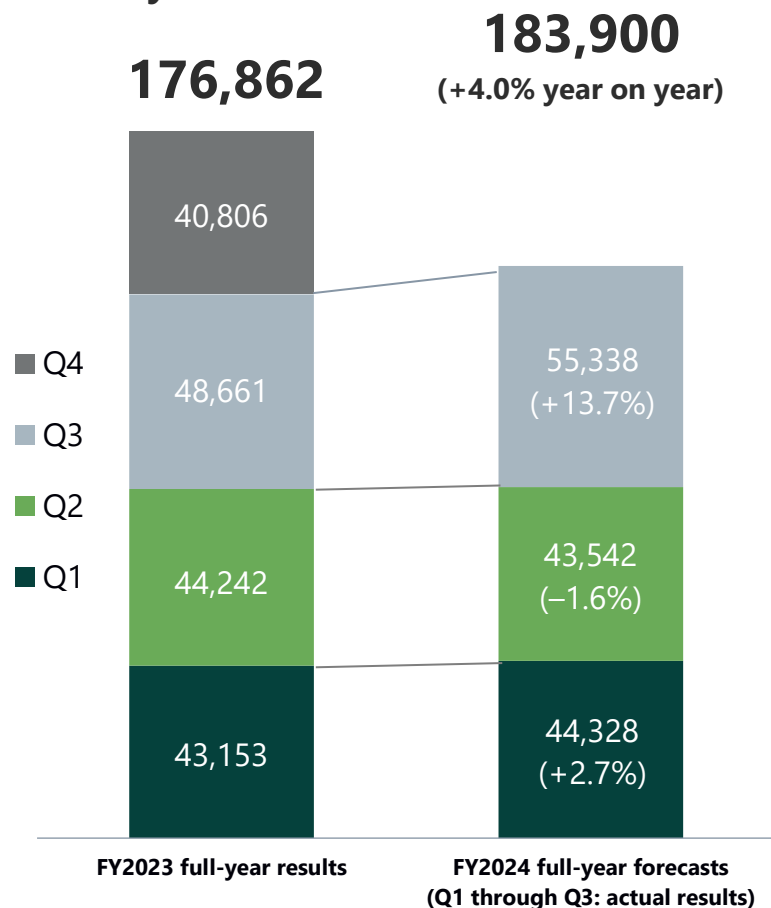
\*5 The Company resolved, at the Board of Directors meeting held on June 25, 2024, to repurchase and cancel its own shares. However, the Company has not factored in the effect of the repurchase and cancellation of its own shares when projecting basic earnings per share (EPS) in the consolidated earnings forecasts for FY2024.

# Progress toward Full-Year FY2024 Forecasts (2/2) (Revenue)

- Sales of existing products increased from October 2024 onward due mainly to the proactive lifting of the limited shipment and selective treatment.
- New products in December 2024 were off to a smooth start.

## Quarterly revenue

## Breakdown of revenue



(JPY, MM)

|                         | FY2024         |              |               |               |               |               | Full-year FY2024 forecasts |
|-------------------------|----------------|--------------|---------------|---------------|---------------|---------------|----------------------------|
|                         | 9M             | YoY          |               | Q3            | YoY           |               |                            |
|                         |                | %            | Amount        |               | %             | Amount        |                            |
| Existing products, etc. | 141,437        | +4.0%        | +5,381        | 53,672        | +10.3%        | +5,011        | 180,600                    |
| New products in FY2024  | 1,771          | -            | -             | 1,666         | -             | -             | 3,300                      |
| <b>Total</b>            | <b>143,208</b> | <b>+5.3%</b> | <b>+7,152</b> | <b>55,338</b> | <b>+13.7%</b> | <b>+6,676</b> | <b>183,900</b>             |



- We have proactively lifted the limited shipment since July 2024; we have actually lifted the limited shipment of over 110 items (items under shipment limitation as of February 14: 87 items).
- We will steadily increase the volume of production, aiming to lift the limited shipment of more items.
- We expect industry peers to do the same, as industry-wide cooperation is necessary to resolve the supply shortage.

|                          |  |
|--------------------------|--|
| Sawai's supply status    | <ul style="list-style-type: none"> <li>• Current number of limited or suspended shipment items: 123 items against 650 regular shipment items (as of February 14) 238 items as of Mar. 31, 2024, 208 items as of Jun. 30, 2024, 139 items as of Sept. 30, 2024, 89 items as of Dec. 31, 2024</li> </ul>   |
| Overall market situation | <ul style="list-style-type: none"> <li>• 14.0% of drug shipments (excluding items scheduled for removal from the National Health Insurance drug price list) have been still suspended or limited (according to a supply status survey by the Federation of Pharmaceutical Manufacturers' Association of Japan in December 2024)</li> </ul>   |
| Sawai's efforts          | <ul style="list-style-type: none"> <li>• Sawai and its contract manufacturers worked together to establish a system to increase production.</li> <li>• Trust Pharmatech has produced approximately 0.1 billion tablets per month since October 2024.</li> <li>• The new solid dosage facility at Daini Kyushu Factory started shipping in December 2024.</li> <li>• To further increase its production capacity, Sawai has been actively making capital investments in the new solid dosage facility at Daini Kyushu Factory (step 2), etc.</li> </ul> <p>Reference: Changes in the amount of capital investments (58.5 billion yen invested in FY2021 to FY2023, and approx. 78.5 billion yen planned for FY2024 to FY2026)</p> |

## Shipment status of OSELTAMIVIR (anti-influenza virus drug)

- OSELTAMIVIR (Capsules 75mg SAWAI and DS3% SAWAI), which had been temporarily out of supply, resumed shipment gradually from late January, 2025. (Normal shipment started from February 12.)
- Demand for the drug has significantly exceeded the supply of doses for approximately 2.6 million patients that we had estimated and reported to the Ministry of Health, Labour and Welfare as of September 2024. As such, we fully operated our factories even during holidays, including the year-end and New Year holidays. As a result, we shipped the drug for approximately 3.93 million patients from October 2024 to the end of January 2025.
- We still keep producing the drug and will ship it additionally for approximately 0.85 million patients by the end of March 2025.

Note on suspended or limited shipments: Shipments from manufacturers to wholesalers have been suspended or limited; this does not mean that wholesalers, medical institutions, and pharmacies are out of stock.

# Establishing a Trusted Corporate Foundation

- Recognizing the seriousness of the administrative penalty we received, we remain committed to preventing recurrence and strengthening compliance awareness across our entire Group. As part of these efforts, we have designated December 22 as “Corporate Compliance Day.”
- We have shared with all employees the range of messages—both encouragement and constructive criticism—received from industry organizations, distributors, and medical institutions.
- Sawai Pharmaceutical's pharmaceutical manufacturing and sales license and the Kyushu Factory's pharmaceutical manufacturing license are scheduled for renewal in March 2025.

Going forward, we will continue to unite as a company and take on challenges with determination to meet the expectations of all our stakeholders.


## “Corporate Compliance Day” in action ■ Our Commitment to Improvement



|          |                                     | Initiatives and Achievements To Date  |
|----------|-------------------------------------|---|
| Training | All Employees                       | <b>12 sessions:</b> Pharmaceutical Affairs Law / GMP Basic Training (Since November 2023, ongoing)<br><b>8 sessions:</b> Various compliance trainings (Since June 2023, ongoing)  |
|          | Head Office Quality Assurance Dept. | <b>45 sessions:</b> GQP-related training (Since April 2023, ongoing)  |
|          | Factory Quality Assurance Dept.     | <b>53 sessions:</b> GMP-related training (Since April 2023, ongoing)  |
| Culture  | Town Hall Meetings                  | FY2023: <b>13 sessions</b> , FY2024: <b>14 sessions</b> (in progress)   |
|          | Messages from Management            | FY2023: <b>16</b> , FY2024: <b>14</b> (in progress)   |
|          | Compliance                          | <ul style="list-style-type: none"> <li>• The third week of every month is designated as “Legal Compliance Week,” with awareness activities on the Company intranet.</li> <li>• The Compliance Committee, which includes external experts, now meets monthly, changed from quarterly.</li> </ul> |
|          | Internal Whistle-blowing System     | Simplified access with a direct link from the intranet top page.  |
|          | Quality Culture Rebuilding Project  | Activities being conducted under the guidance of external experts to strengthen corporate culture   |

Details and updates on our recurrence prevention efforts are available on our website and are regularly updated.

Please visit: [https://www.sawai.co.jp/important\\_news/detail/17](https://www.sawai.co.jp/important_news/detail/17)



# **Reference Materials**

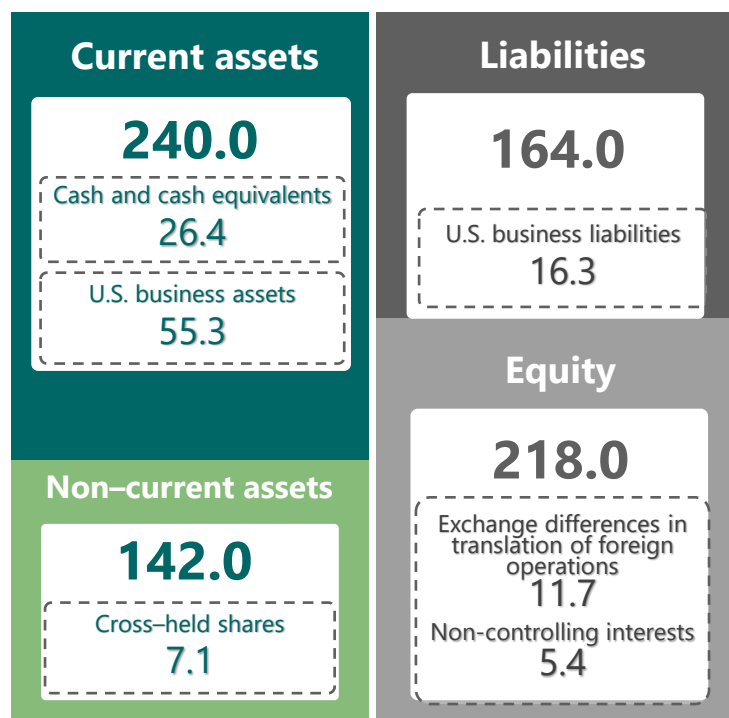
# Consolidated Statements of Financial Position

- Using the proceeds from the sale of the U.S. business and cross-held shares and other funds, the Company has been repurchasing its own shares worth 33.0 billion yen.

(JPY, BN)

As of March 31, 2024

**Total assets 382.0**



Ratio of equity attributable to owners of the Company to total assets:

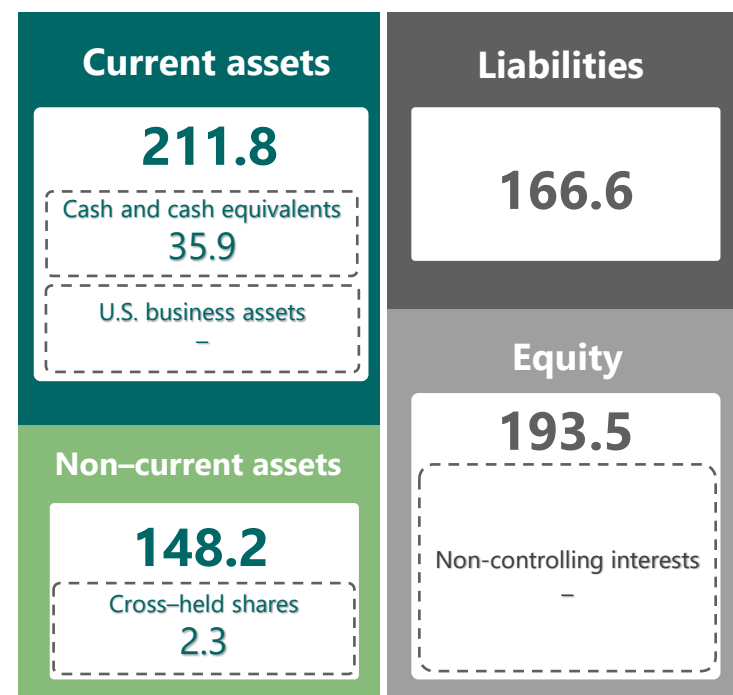
**55.7%**

Net D/E ratio:

**0.27**

As of December 31, 2024

**Total assets 360.1**



Ratio of equity attributable to owners of the Company to total assets:

**53.7%**

Net D/E ratio:

**0.30**

# Consolidated Statements of Cash Flows

- We continued to make capital investments in expanding production capacity to resolve the supply shortage of drugs as quickly as possible.

(JPY, MM)

|   | 9M FY2023 | 9M FY2024      | YoY change | Factors  |
|---|-----------|----------------|------------|--|
| <b>CF from operating activities</b>                   | 14,237    | <b>10,409</b>  | -3,827     | <ul style="list-style-type: none"> <li>• Profit before tax: +20,859</li> <li>• Depreciation and amortization: +11,307</li> <li>• Accounts receivable and other receivables: -11,607</li> <li>• Inventories: -10,267</li> </ul> |
| <b>CF from investing activities</b>                   | -19,780   | <b>12,273</b>  | +32,053    | <ul style="list-style-type: none"> <li>• Proceeds from sale of shares of subsidiaries: +28,233</li> <li>• Purchase of property, plant and equipment: -16,832</li> </ul>  |
| <b>CF from financing activities</b>                   | 9,348     | <b>-24,059</b> | -33,408    | <ul style="list-style-type: none"> <li>• Repayments of long-term borrowings: -29,771</li> <li>• Purchase of treasury shares: -27,000</li> <li>• Proceeds from long-term borrowings: +35,036</li> </ul>                         |
| <b>Cash and cash equivalents at end of the period</b> | 28,298    | <b>35,871</b>  | +7,573     |  |
| <b>EBITDA (adjusted) *2</b>                           | 28,793    | <b>32,816</b>  | +4,023     |  |

\*1 The amounts are the combined amounts of the continuing operations and the discontinued operations, except for the amount of EBITDA (adjusted).

\*2 Core operating profit + depreciation and amortization and impairment loss that were excluded for the purpose of calculating core operating profit.

## Sales by Channel in Japan

- Due to the proactive lifting of limited shipments and the impact of selected medical treatments, the value of new product adoptions has increased, particularly in the pharmacy market, since October.

| Medical institutions |                   | 9M FY2023      |             | 9M FY2024      |               |               | YoY change     |              |
|----------------------|-------------------|----------------|-------------|----------------|---------------|---------------|----------------|--------------|
| Channel              | Total, Nationwide | # of customers | Sales share | # of customers | Coverage rate | Sales share   | # of customers | Sales growth |
| Hospital             | 8,077             | 8,039          | 11.1%       | <b>7,991</b>   | <b>98.9%</b>  | <b>10.9%</b>  | -48            | +3.6%        |
| DPC hospital         | 1,786             | 1,757          | 7.1%        | <b>1,780</b>   | <b>99.7%</b>  | <b>7.1%</b>   | +23            | +5.2%        |
| Clinic               | 111,014           | 42,060         | 8.9%        | <b>42,672</b>  | <b>38.4%</b>  | <b>8.3%</b>   | +612           | -1.5%        |
| Pharmacy             | 90,487            | 61,764         | 78.9%       | <b>62,433</b>  | <b>69.0%</b>  | <b>79.8%</b>  | +669           | +7.0%        |
| Dispensing           | 64,230            | 61,429         | 78.5%       | <b>62,099</b>  | <b>96.7%</b>  | <b>79.3%</b>  | +670           | +6.9%        |
| Drug store, etc.     | 26,257            | 335            | 0.4%        | <b>334</b>     | <b>1.3%</b>   | <b>0.5%</b>   | -1             | +26.7%       |
| Others               | -                 | -              | 1.1%        | -              | -             | <b>1.0%</b>   | -              | -3.2%        |
| Total                | 209,578           | 111,863        | 100.0%      | <b>113,096</b> | <b>54.0%</b>  | <b>100.0%</b> | +1,233         | +5.8%        |

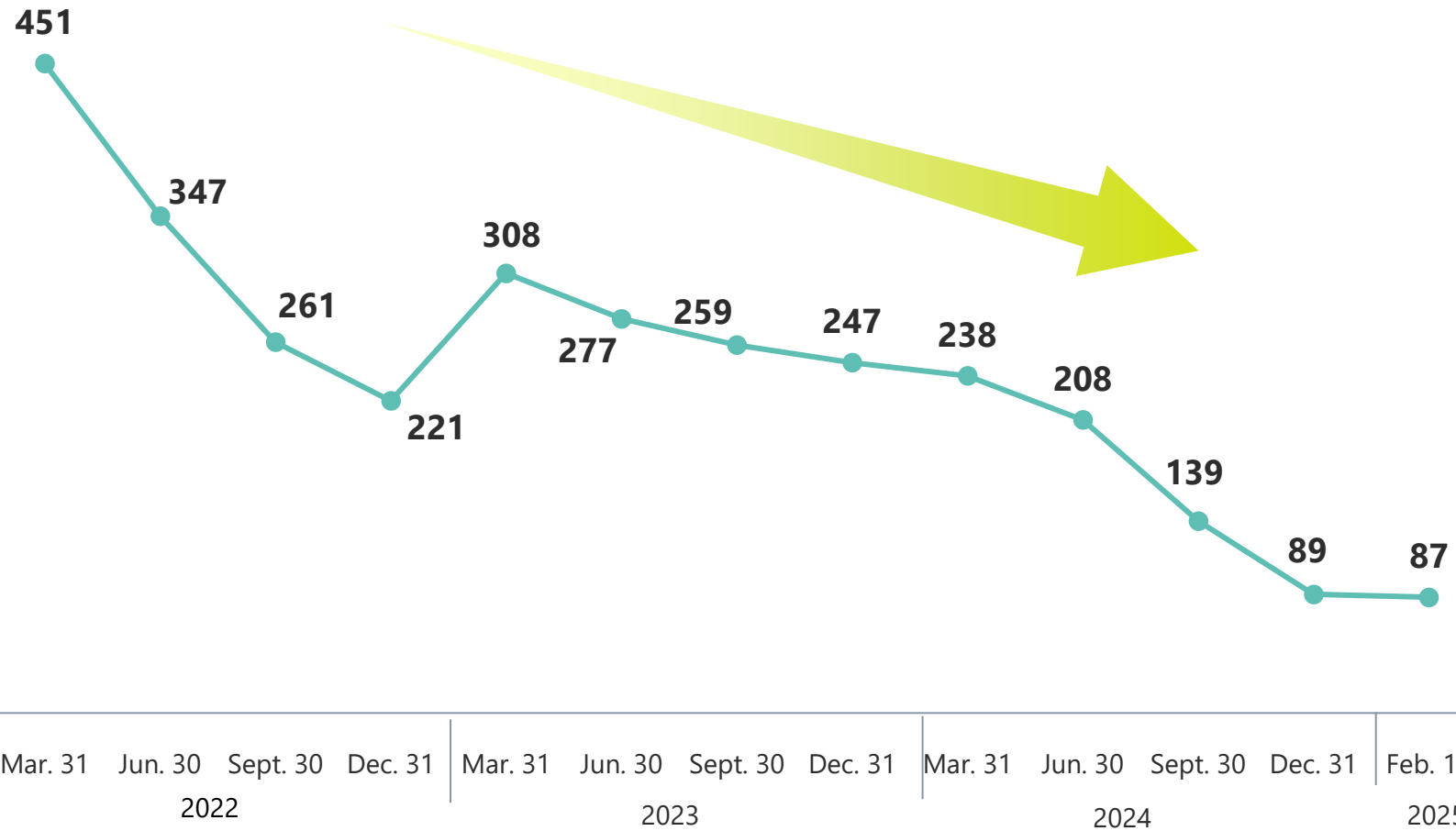
## Comparison of Sales Volume by Therapeutic Area, Japan

sawai

- Sales volume increased for Q3, particularly for products covered under the selective treatment system (Q3 sales volume up 7.4% YoY).
- Moreover, our initiatives to maintain product value led to an improvement in unit selling price.

|  | 9M FY2023<br>Composition | 9M FY2024<br>Composition | YoY change<br>(volume) | YoY change<br>(value) |
|--|--------------------------|--------------------------|------------------------|-----------------------|
| Cardiovascular drugs                     | 28.7%                    | <b>27.4%</b>             | -3.5%                  | -2.7%                 |
| Gastro-intestinal drugs                  | 15.7%                    | <b>15.8%</b>             | +1.7%                  | +5.9%                 |
| Central nervous system drugs             | 15.2%                    | <b>15.3%</b>             | +1.8%                  | +2.4%                 |
| Other metabolic drugs                    | 8.4%                     | <b>8.6%</b>              | +3.7%                  | +11.5%                |
| Blood/body fluid pharmaceutical products | 8.4%                     | <b>8.4%</b>              | +1.3%                  | +12.1%                |
| Respiratory organ agents                 | 5.8%                     | <b>5.7%</b>              | -0.2%                  | +25.9%                |
| Vitamin drugs                            | 5.4%                     | <b>5.3%</b>              | ±0.0%                  | -4.4%                 |
| Antiallergic drugs                       | 3.1%                     | <b>4.1%</b>              | +32.2%                 | +25.7%                |
| Antibiotics drugs                        | 2.1%                     | <b>1.9%</b>              | -5.0%                  | +19.3%                |
| Others                                   | 7.2%                     | <b>7.5%</b>              | +4.2%                  | +0.9%                 |
| Total                                    | 100.0%                   | <b>100.0%</b>            | +1.1%                  | +5.3%                 |

# Changes in Number of Limited Shipment Items



\*Total at the end of each month



| Business area                       | Project segment  | To start contributing to revenue in:                |
|-------------------------------------|--|---|
| Digital medical devices business    | <p><b>Non-invasive neuromodulation device</b></p> <ul style="list-style-type: none"> <li>• Relivion® (Migraine): Marketing and manufacturing approval obtained in FY2023. Preparations are currently underway for insurance coverage.</li> <li>• Proliv Rx (Depression): Development in Japan has commenced following the results of clinical trials conducted by Neuro Relief.</li> </ul> | FY2025  |
|                                     | <p><b>SWD002 (DTx for NASH (developed jointly with CureApp, Inc.))</b></p> <ul style="list-style-type: none"> <li>• Phase 3 study started in January 2024. Launch scheduled for FY2027.</li> </ul>   | FY2027  |
|                                     | <p><b>Alcohol Intake Reduction Therapeutic Support App</b></p> <ul style="list-style-type: none"> <li>• In February 2025, the pharmaceutical approval application submitted by CureApp Inc. was approved by the Pharmaceutical Affairs and Food Sanitation Council's Software as a Medical Device (SaMD) Review Committee. Launch scheduled for FY2025.</li> </ul>                         | FY2025  |
|                                     | <p><b>SaluDi (PHR app)</b></p> <ul style="list-style-type: none"> <li>• Accelerating deployment to medical institutions as digital sales promotion material. Continuing consideration for monetization.</li> </ul>   | During the current Medium-term Business Plan period |
| Generics export                     | <p><b>China and ASEAN region</b></p> <ul style="list-style-type: none"> <li>• Consideration is underway to expand overseas business in cooperation with local partner companies.</li> </ul>  | During the current Medium-term Business Plan period |
| New drug business (Orphan diseases) | <p><b>Orphan drugs</b></p> <ul style="list-style-type: none"> <li>• Exploration of new pipelines is underway.</li> </ul>   | -   |

\*Health food business: The business has been closed following the review of the Sawai Group's entire business portfolio from a medium- to long-term perspective.

# Consolidated Financial Highlights 1

## Key Income Statements Data

(JPY, MM)

|  | FY2023  |              | FY2024         |              |        | H2 FY2024 forecasts |              |        | Full-year FY2024 forecasts |              |        |
|--|---------|--------------|----------------|--------------|--------|---------------------|--------------|--------|----------------------------|--------------|--------|
|  | 9M      | % of revenue | 9M             | % of revenue | YoY    | H2 forecast         | % of revenue | YoY    | Full-year forecast         | % of revenue | YoY    |
| Revenue                                      | 136,056 | 100.0%       | <b>143,208</b> | 100.0%       | +5.3%  | 96,000              | 100.0%       | +7.3%  | 183,900                    | 100.0%       | +4.0%  |
| Cost of sales                                | 94,183  | 69.2%        | <b>97,986</b>  | 68.4%        | +4.0%  | 66,600              | 69.4%        | +6.9%  | 127,100                    | 69.1%        | +3.7%  |
| Gross profit                                 | 41,873  | 30.8%        | <b>45,222</b>  | 31.6%        | +8.0%  | 29,400              | 30.6%        | +8.2%  | 56,800                     | 30.9%        | +4.6%  |
| SG&A expenses                                | 16,853  | 12.4%        | <b>16,552</b>  | 11.6%        | -1.8%  | 12,800              | 13.3%        | +8.8%  | 23,700                     | 12.9%        | +2.0%  |
| R&D expenses                                 | 7,620   | 5.6%         | <b>7,762</b>   | 5.4%         | +1.9%  | 4,800               | 5.0%         | -35.0% | 10,200                     | 5.5%         | -16.3% |
| Other income (expenses)                      | -138    | -            | <b>565</b>     | -            | -      | -                   | -            | -      | 700                        | 0.4%         | -      |
| Core operating profit                        | 19,754  | 14.5%        | <b>22,857</b>  | 16.0%        | +15.7% | 12,800              | 13.3%        | +11.7% | 25,400                     | 13.8%        | +6.1%  |
| Operating profit                             | 17,263  | 12.7%        | <b>21,472</b>  | 15.0%        | +24.4% | 11,800              | 12.3%        | +52.7% | 23,600                     | 12.8%        | +26.7% |
| Profit before tax                            | 9,243   | 12.5%        | <b>20,859</b>  | 14.6%        | +22.2% | 11,500              | 12.0%        | +52.1% | 22,900                     | 12.5%        | +25.4% |
| Profit attributable to owners of the Company | 13,501  | 9.9%         | <b>25,456</b>  | 17.8%        | +88.5% | 7,500               | 7.8%         | +42.8% | 26,400                     | 14.4%        | +92.8% |
| EBITDA (adjusted)* <sup>2</sup>              | 28,793  | 21.2%        | <b>32,816</b>  | 22.9%        | +14.0% | 19,500              | 20.3%        | +11.8% | 38,700                     | 21.0%        | 7.7%   |

\*1 The listed items from "Revenue" down to "Profit before tax" represent the amount from continuing operations. Quarterly "profit attributable to owners of the Company" includes the total amount from both continuing and discontinued operations.

\*2 Core operating profit + depreciation, amortization and impairment losses that were excluded for the purpose of calculating core operating profit.

# Consolidated Financial Highlights 2

## Key Performance Indicators

|                                  | 9M FY2023<br>composition | 9M FY2024<br>composition | Full-year FY2024<br>forecasts |
|----------------------------------|--------------------------|--------------------------|-------------------------------|
| ROE(%)                           | –                        | –                        | 13.2                          |
| ROIC(%)                          | –                        | –                        | 9.2                           |
| Basic earnings per share (yen)   | 102.75                   | 201.29                   | 212.07 <sup>*1*2</sup>        |
| Diluted earnings per share (yen) | 102.47                   | 200.69                   | –                             |
| Dividend per share (yen)         | 65.00                    | 78.00                    | 159.00 <sup>*3</sup> (53×3)   |

\* 1 Basic earnings per share are calculated based on the assumption that the share split was conducted at the beginning of the fiscal year ending March 31, 2025.

\* 2 The Company resolved, at the Board of Directors meeting held on June 25, 2024, to repurchase and cancel its own shares. However, the Company has not factored in the effect of the repurchase and cancellation of its own shares when projecting basic earnings per share (EPS) in the consolidated earnings forecasts for FY2024.

\* 3 The Company resolved, at the Board of Directors meeting held on May 13, 2024, to conduct a one-to-three share split of its common stock effective October 1, 2024. The amount of annual dividends (forecast) not reflecting the share split is 159 yen, while the amount of annual dividends (forecast) reflecting the share split is 53 yen.

## Key Financial Position Data

(JPY, MM)

|   | As of<br>Mar. 31, 2024 | As of<br>Dec. 31, 2024 |
|---|------------------------|------------------------|
| Total assets  | 382,024                | <b>360,088</b>         |
| Total equity  | 218,030                | <b>193,525</b>         |
| Ratio of equity attributable to owners of the Company to total assets | 55.7%                  | <b>53.7%</b>           |
| Net D/E ratio <sup>*4</sup>   | 0.27                   | <b>0.30</b>            |

\*4 (Interest-bearing liabilities – Cash and cash equivalents) / Equity attributable to owners of the Company

## Statement of Cash Flows Data

(JPY, MM)

|  | 9M FY2023 | 9M FY2024      |
|--|-----------|----------------|
| CF from operating activities   | 14,237    | <b>10,409</b>  |
| CF from investing activities   | –19,780   | <b>12,273</b>  |
| CF from financing activities   | 9,348     | <b>–24,059</b> |
| Cash and cash equivalents at end of the period                               | 28,298    | <b>35,871</b>  |
| Free cash flow (CF from operating activities + CF from investing activities) | –5,544    | <b>22,682</b>  |

# Consolidated Financial Highlights 3

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## Adjustment from Full Basis to Core Basis

(JPY, MM)

|                                   | 9M FY2023  |            |            | 9M FY2024      |            |                |
|-----------------------------------|------------|------------|------------|----------------|------------|----------------|
|                                   | Full basis | Adjustment | Core basis | Full basis     | Adjustment | Core basis     |
| Revenue                           | 136,056    | –          | 136,056    | <b>143,208</b> | –          | <b>143,208</b> |
| Cost of sales                     | –94,183    | 9          | –94,174    | <b>–97,986</b> | 36         | <b>–97,951</b> |
| Others                            | –9         | 9          | –          | <b>–36</b>     | 36         | –              |
| Gross profit                      | 41,873     | 9          | 41,882     | <b>45,222</b>  | 36         | <b>45,257</b>  |
| SG&A expenses                     | –16,853    | 320        | –16,533    | <b>–16,552</b> | 75         | <b>–16,476</b> |
| Amortization of intangible assets | –318       | 318        | –          | <b>–60</b>     | 60         | –              |
| Others                            | –1         | 1          | –          | <b>–15</b>     | 15         | –              |
| R&D expenses                      | –7,620     | 2,025      | –5,595     | <b>–7,762</b>  | 1,838      | <b>–5,924</b>  |
| Amortization                      | –1,374     | 1,374      | –          | <b>–1,287</b>  | 1,287      | –              |
| Impairment loss                   | –566       | 566        | –          | <b>–543</b>    | 543        | –              |
| Others                            | –85        | 85         | –          | <b>–7</b>      | 7          | –              |
| Other income                      | 112        | –112       | –          | <b>781</b>     | –781       | –              |
| Other expenses                    | –250       | 250        | –          | <b>–217</b>    | 217        | –              |
| Operating profit                  | 17,263     | 2,491      | 19,754     | <b>21,472</b>  | 1,384      | <b>22,857</b>  |

# Consolidated Financial Data

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## R&D Expenses and SG&A Expenses

(JPY, MM)

|                        | FY2023 |            | FY2024       |            |       | Full-year FY2024 forecasts |            |
|------------------------|--------|------------|--------------|------------|-------|----------------------------|------------|
|                        | 9M     | /sales (%) | 9M           | /sales (%) | YoY   | Full-year forecast         | /sales (%) |
| R&D expenses           | 7,620  | 5.6%       | <b>7,762</b> | 5.4%       | 1.9%  | <b>10,200</b>              | 5.5%       |
| Advertisement expenses | 630    | 0.5%       | <b>587</b>   | 0.4%       | -6.8% | <b>700</b>                 | 0.4%       |

## Capital Investment, and Depreciation and Amortization

(JPY, MM)

|                                     | 9M FY2023 | 9M FY2024     | Full-year FY2024 Forecast |
|-------------------------------------|-----------|---------------|---------------------------|
| Capital investment                  | 15,923    | <b>21,117</b> | <b>28,400</b>             |
| Depreciation and amortization       | 10,732    | <b>11,307</b> | <b>15,300</b>             |
| Manufacturing Division              | 7,170     | <b>8,253</b>  | <b>11,000</b>             |
| R&D Division                        | 2,269     | <b>1,985</b>  | <b>2,900</b>              |
| Administration Div. & Business Div. | 1,293     | <b>1,069</b>  | <b>1,400</b>              |

## Personnel Information (Number of Employees)

|                                     | FY2023        |            | FY2024        |            |
|-------------------------------------|---------------|------------|---------------|------------|
|                                     | As of Dec. 31 | % of total | As of Dec. 31 | % of total |
| Manufacturing Division              | 2,106         | 69.1%      | <b>2,383</b>  | 72.0%      |
| R&D Division                        | 298           | 9.8%       | <b>300</b>    | 9.1%       |
| Administration Div. & Business Div. | 644           | 21.1%      | <b>628</b>    | 19.0%      |
| (MRs)                               | 373           | –          | <b>381</b>    | –          |
| Total                               | 3,048         | 100.0%     | <b>3,311</b>  | 100.0%     |

## Disclaimer

Forward-looking statements contained in this document are based on several assumptions and do not guarantee or assure the achievement of projected figures and the implementation of initiatives.

## Contact

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