

SAWAI PHARMACEUTICAL BRIBERY PREVENTION GUIDELINE

Overseas bribery and anti-corruption regulations have been strengthened in recent years in many countries. If a company is found to have been involved in bribery or corruptive activities in overseas operations, not only are there a risk of huge fines being imposed to the company and its officers and employees being held in custody, but there is also a risk that business transactions may be suspended by local government, business counterparts or customers and harsh criticism from society, resulting in a serious deterioration of its corporate value.

We are well aware of our responsibility to comply with laws, regulations, and other rules both in Japan and overseas, and to act with integrity with a high sense of ethics, and our Code of Conduct clearly states that our relationship with the governmental administration and politics should be transparent and fair.

<Sawai Code of Conduct>

Chapter 3: Alongside Business Partners

4. Prudent relationships and a distinction between public and private

We maintain clean, temperate relationships with our business partners, and will not engage in illicit transactions involving the granting or receipt of improper benefits. We do not attempt to use our professional positions for our own benefit or that of third parties.

Chapter 6: Alongside Society

6. Involvement with government and politics

While we work to build sound relationships with government agencies, we will not offer gifts, hospitality or other illegal benefits to government employees, regardless of country. We comply with all applicable laws and company regulations concerning political contributions and donations, which are conducted in a fair and transparent manner.

Chapter 8: Management of Assets and Information

5. Preparation and retention of accurate, appropriate business records

Recognizing that the preparation and retention of accurate and appropriate records concerning all of our businesses is the basis for the public's trust in us, we maintain proper records in accordance with relevant laws and company regulations.

We will express this concept in a more concrete format and stipulate as the bribery prevention guideline below.

1. Prohibition of Bribery to Public Officers, etc.

No Board Members, Corporate Officers and employees of Sawai Pharmaceutical Co., Ltd. (hereinafter referred to as "Officers and employees") shall provide, offer, or promise to provide any illicit money, bribes, entertainment, gifts, benefits, or other favors^{*Note 1} to public officers or persons in a position similar thereto (hereinafter referred to as "public officers, etc."), regardless of whether they are domestic or of foreign governments.

2. Prohibition of facilitation payment^{*Note 2}

Officers and employees shall not pay facilitation payments in Japan or overseas.

3. Business Partner^{*Note 3}

Officers and employees shall not instruct, abet, or assist business partners to provide illicit money, bribes, entertainment, gifts, benefits, or other favors (including facilitation payments; hereinafter referred to as "improper benefits") to public officers, etc. in and outside Japan. We will never overlook such behavior and refuse to pay any commissions or compensation to our business partners on such behaviors. In addition, before we retain a business partner, we will make background check of the nominee, and request them to submit us a written pledge stipulating anti-bribery provisions, or conclude a contract including such effect.

4. Request for Bribery by Public Officers, etc.

Officers and employees shall firmly refuse any request for improper benefits from any public officers, etc., whether in Japan or overseas, and shall notify such request to the relevant authorities, if they deem it necessary.

5. Entertainment and gifts to other than public officers, etc.

Any entertainment, gifts, benefits, or other favors given other than to public officers, etc. in Japan or overseas must be complied with the laws and in compliance with the socially accepted standards of each country.

6. Receiving Entertainment or gifts

Officers and employees, whether in Japan or overseas, shall never receive excessive entertainment or gifts along with their business beyond the ranges of social courtesy.

7. Prohibition of improper accounting

Officers and employees, shall not engage in off-balance-sheet transactions, fictitious transactions, other false transactions, or any transaction that may cause misunderstanding in terms of this guideline. In addition, for all transactions or processing of assets, we will prepare and maintain accurate and fair accounting records such as books, records and account bills in a timely manner.

Effective as of June 18, 2018

※Note 1: Examples of improper benefits are cash vouchers, gift cards, invitations (professional sporting events, theatrical performances, travel, etc.), donation and employment opportunities for employees and relatives

※Note 2: Facility payments refer to small payments made to low-ranking public officers without discretionary authority in order to facilitate and expedite routine administrative procedures. Facility payments are prohibited in many countries as bribery of public officers, etc. because they may interfere with the efficient operation of government agencies, thereby undermining economic development and the rule of law.

※Note 3: “Business partner(s)” means all third parties, regardless of their names, including delegates, advisors, consultants, brokers, agents, collaborators, and joint ventures (JVs), which we may use for the purpose of facilitating transactions and operations and which may come into contact with public officers, etc. Contracts with business partners must contain provisions prohibiting illicit payments to public officers, etc. and conditions under which they may be terminated in the event of violation of such provisions, in order to prevent bribery through business partners.