

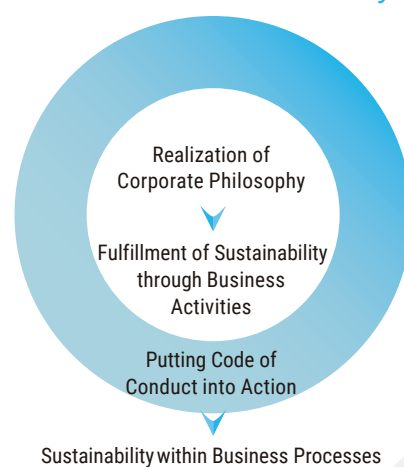
Basic Policies for Sustainability

Sawai's approach to sustainability is based on the understanding that its business activities are its greatest contribution to society. Therefore, Sawai's mission is to contribute to society by realizing its Corporate Philosophy and acting according to its Code of Conduct in all business operations.

Sawai's Approach to Sustainability

In order to realize sustainability, it is necessary for us to become indispensable to society ("public organ of society") and to maintain a trusting relationship with all stakeholders including patients. Accordingly, the entire company is devoted to realizing its Corporate Philosophy in all its business activities. As Sawai continues to grow, we are placing increased emphasis on essential sustainability activities with the input of our stakeholders. By incorporating sustainability initiatives into our business practices, we are positioned to help realize a sustainable society.

Overall Sustainability



1 Corporate Philosophy

Sawai's Corporate Philosophy lays the blueprint for how we hope to contribute to the world.

Always Putting Patients First

1. It is Sawai's mission to enable people to live healthy lives through pharmaceutical products imbued with our whole-hearted dedication.
2. It is Sawai's challenge to grow in tandem with society through innovation and cooperation, while pursuing creativity.
3. It is Sawai's hope that we will become an indispensable part of society through our desire to be of service.

2 Sustainability Through Our Business Activities

Sawai's most important sustainability commitment is to achieve its corporate philosophy of Always Putting Patients First in all its business activities and to play a role in the realization of a sustainable society (sustainability through business activities).

1. Reducing Patient Burden and Improving Convenience

By providing low-cost, high-quality generic drugs to patients in need of medical care, we help reduce their financial burden, giving them peace of mind so they can focus more on successful treatment. In addition, we aim to fulfill our Corporate Philosophy of Always Putting Patients First, including by developing orally disintegrating (OD) tablets that can be taken without water and other value-added drugs that make it easier for patients to take their medications.

2. Helping sustain and develop a superior healthcare system compatible with sound government finances.

Since introducing universal health insurance coverage after World War II, Japan has maintained an outstanding healthcare system in which all citizens are entitled to receive medical treatment. However, as government finances become an increasingly pressing issue and Japanese society continues to age, we face the urgent issue of reviewing the current medical system to make it more compatible with government finances. Out of these circumstances, Sawai has led the way in promoting the understanding, use and reliability of generic drugs. As a leading company in Japan's generic drug industry, Sawai will continue contributing to the continuation and improvement of Japan's medical care system.

3. Sustainability and Code of Conduct in Sawai's Business Processes

In realizing our Corporate Philosophy, we established the Sawai Code of Conduct, which provides our answer to the question, "What actions should we take to be of service to our stakeholders?" In our business activities, Sawai maintains mutually interactive relationships with various stakeholder groups representing our customers, employees, business partners, shareholders, local communities and even the global environment. For Sawai to continue operations, each and every employee must fulfill their specific responsibilities. For this reason, Sawai has established a Code of Conduct to provide clear criteria for all employees to follow. We will endeavor to act in accordance with this code of conduct.

4. Sawai's Infrastructure for Promoting Sustainability Activities

Sawai Pharmaceutical's business activities require the provision of resources from various stakeholders society, including customers, business partners, employees, shareholders, and local communities, and in order for the Group to achieve sustainable growth and increase its corporate value, society as a whole, which is embracing the stakeholders, must be sustainable. Therefore, we believe that we must fulfill its corporate social responsibility, actively and proactively work to solve various social issues, and play an active role in realizing the Sustainable Development Goals (SDGs). To this end, we have established the Sustainability Committee to promote initiatives related to sustainability.

Sustainability Committee	Promotion Team	Secretariat
<p>The Committee is chaired by the President and Representative Director of Sawai Pharmaceutical. The Committee members consist of the members appointed by the chairman from the management level of relevant departments, and the meeting is held quarterly in principle.</p> <p>Twice a year of these meetings are held in conjunction with the Group Sustainability Committee of Sawai Group Holdings to promote cooperation among the Group.</p> <p>The Committee is responsible for the following matters:</p> <ol style="list-style-type: none">1. To establish and develop a structure for promoting sustainability2. To establish and approve on annual action plans based on the Sawai Group's basic policy on sustainability, and review of progress and results of annual activities3. To receive reports or proposals from the Sustainability Promotion Team(hereinafter referred to as the "PromotionTeam") or the secretariat, and to deliberate and approve such reports or proposals4. Making decisions on other matters necessary for the promotion of sustainability	<p>Two teams were established as a subordinate organization of the Committee to carry out practical initiatives; they consist of Environment and Society.</p> <p>In addition, as a core company of Sawai Group, we have a large number of employees participate in the promotion teams.</p> <p>The duties of the Teams are as follows.</p> <ol style="list-style-type: none">1. To formulate an annual activity plan based on the Sawai Group's basic policy on sustainability, and report the progress and results of the annual activities to the Committee.2. Investigating, reviewing, and reporting on matters related to sustainability consulted by the Committee3. Other matters necessary for the promotion of sustainability	<p>It is composed of members from related divisions and has the following duties:</p> <ol style="list-style-type: none">1. Assisting the Committee by convening meetings and preparing minutes.2. Dissemination of information on sustainability internally and externally, including preparation of website on sustainability3. Supporting the Promotion Teams

Important Sustainability Matters and the Process for Identifying Them

Sawai's business activities are informed by its relationships with all its stakeholders, including customers, employees, business partners, shareholders, investors, local communities, and the global environment.

To respond to their varying needs, Sawai prepared a new Basic CSR Policy (now Basic Policies for Sustainability) in May 2015. Based on this policy, Sawai has defined important matters that inform its sustainability activities and established objectives based on two pillars: "benefits for society as a whole" and "benefits due to linking up with Sawai's business activities."

Identification of Materiality

