

Financial Summary for the Fiscal Year Ended March 31, 2021 (IFRS)

May 11, 2021

Company Name: **Sawai Group Holdings Co., Ltd. (Former Sawai Pharmaceutical Co., Ltd.)**

Stock Code Number (Japan): 4887

Listed Stock Exchange: Tokyo Stock Exchange

URL: <https://www.sawaigroup.holdings>

Representative: Kazuhiko Sueyoshi, President and Representative Director

Contact Person: Yoshiaki Sakurai, Executive officer and Group Chief Financial Officer Tel: +81-6-6105-5818

Filing Date of Annual Security Report: June 29, 2021

Scheduled Date of Dividends Payment commencement: June 29, 2021

Supplemental Materials for the financial results: Yes

IR Conference on the financial Results: Scheduled (for institutional investors and analysts)

(Amount are rounded to the nearest million yen)

1. Financial Highlights for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

(% of changes over the same period of the previous year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the Fiscal Year Ended March 31, 2021	187,219	2.6	18,888	(29.5)	18,460	(30.3)	10,851	(45.1)	12,340	(36.0)
For the Fiscal Year Ended March 31, 2020	182,537	(1.0)	26,793	3.9	26,497	3.2	19,777	0.3	19,279	(0.5)

Note: Comprehensive Income: For the Fiscal Year Ended March 31, 2021: ¥12,744 million <(23.3%)> For the Fiscal Year Ended March 31, 2020: ¥16,611 million <(32.5%)>

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the Company	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
For the Fiscal Year Ended March 31, 2021	281.80	281.51	5.8	4.7	10.1
For the Fiscal Year Ended March 31, 2020	440.37	440.00	9.4	7.0	14.7

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2021	393,341	240,750	218,278	55.5	4,894.51
As of March 31, 2020	384,814	233,686	210,000	54.6	4,796.40

(3) Consolidated Cash Flows

	Net cash from operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
For the Fiscal Year Ended March 31, 2021	31,857	(21,794)	(11,991)	54,269
For the Fiscal Year Ended March 31, 2020	30,256	(18,173)	(12,747)	56,082

2. Cash Dividends

	Dividends per share					Total dividends	Dividend pay-out ratio	Ratio of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
For the Fiscal Year Ended March 31, 2020	—	65.00	—	65.00	130.00	5,692	29.5	2.8
For the Fiscal Year Ending March 31, 2021	—	65.00	—	65.00	130.00	5,693	46.1	2.7

Additional Information

- (1) Material changes in subsidiaries during this period: N/A

- (2) Changes in accounting policies and accounting estimates
 - (i) Changes in accounting policies required by IFRS: N/A
 - (ii) Changes in accounting policies other than (i): N/A
 - (iii) Changes in accounting estimates: N/A

- (3) Number of shares issued and outstanding (common stock)
 - (i) Number of shares issued and outstanding (including treasury stock) at year end:
 - March 31, 2021: 43,791,339 shares
 - March 31, 2020: 44,082,388 shares
 - (ii) Number of treasury stock at year end:
 - March 31, 2021: N/A
 - March 31, 2020: 299,649 shares
 - (iii) Average number of outstanding shares (for the fiscal year ended March 31):
 - March 31, 2021: 43,788,831 shares
 - March 31, 2020: 43,781,010 shares

This financial summary is not subject to audit by certified public accountants or audit firms.

Cautionary Statement with Respect to Forward-Looking Statements, and Other Information

The year-end earnings conference for institutional investors and analysts is scheduled on May 13, 2021. Presentation and related materials of the conference will be promptly posted on our website.

Consolidated Financial Statements and Selected Notes

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

(Consolidated Statements of Income)

Yen in millions (except per share data)
Year ended March 31,

	2020	2021
Revenue	182,537	187,219
Cost of sales	(109,037)	(114,785)
Gross profit	73,500	72,434
Selling, general and administrative expenses	(33,375)	(39,937)
Research and development expenses	(13,487)	(13,883)
Other income	238	325
Other expenses	(83)	(51)
Operating profit	26,793	18,888
Finance income	295	138
Finance expenses	(591)	(566)
Profit before tax	26,497	18,460
Income tax expenses	(6,720)	(7,609)
Profit for the year	19,777	10,851
Profit attributable to:		
Owners of the Company	19,279	12,340
Non-controlling interests	498	(1,489)
Total	19,777	10,851
Earnings per share (Yen)		
Basic earnings per share	440.37	281.80
Diluted earnings per share	440.00	281.51

(Consolidated Statements of Comprehensive Income)

Yen in millions
Year ended March 31,

	2020	2021
Profit for the year	19,777	10,851
Other comprehensive income (loss)		
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	(728)	130
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(2,438)	1,763
Other comprehensive income (loss) for the year, net of tax	(3,166)	1,893
Total comprehensive income for the year	16,611	12,744
Total comprehensive income attributable to:		
Owners of the Company	16,583	13,923
Non-controlling interests	28	(1,179)
Total	16,611	12,744

(2) Consolidated Statements of Financial Position

Yen in millions
March 31,

	2020	2021
Assets		
Current assets		
Cash and cash equivalents	56,082	54,269
Trade and other receivables	58,685	70,107
Inventories	75,460	79,120
Other financial assets	141	143
Other current assets	996	2,035
Total current assets	191,364	205,674
Non-current assets		
Property, plant and equipment	81,013	84,708
Goodwill	38,636	39,304
Intangible assets	61,669	54,472
Other financial assets	5,914	6,409
Other non-current assets	705	1,008
Deferred tax assets	5,513	1,766
Total non-current assets	193,450	187,667
Total assets	384,814	393,341

Yen in millions
March 31,

	2020	2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	44,038	50,402
Bonds and borrowings	14,456	3,834
Income taxes payable	4,318	3,355
Refund liabilities	7,989	7,541
Provisions	92	388
Other financial liabilities	5,003	6,443
Other current liabilities	6,819	8,489
Total current liabilities	82,715	80,452
Non-current liabilities		
Bonds and borrowings	60,567	66,741
Provisions	113	712
Other financial liabilities	5,800	2,770
Other non-current liabilities	1,872	1,858
Deferred tax liabilities	61	58
Total non-current liabilities	68,413	72,139
Total liabilities	151,128	152,591
Equity		
Share capital	41,199	41,219
Capital surplus	42,863	42,453
Retained earnings	126,719	132,429
Treasury shares	(1,385)	-
Other component of equity	604	2,177
Equity attributable to owners of the Company	210,000	218,278
Non-controlling interests	23,686	22,472
Total equity	233,686	240,750
Total liabilities and equity	384,814	393,341

Sawai has corrected an immaterial error of comparative information, see (5) Selected Notes to Consolidated Financial Statements.

(3) Consolidated statements of Changes in Equity

Year ended March 31, 2020

	Yen in millions							
	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component of equity	Total		
Balance at April 1, 2019, as previously reported	41,184	42,849	113,342	(1,385)	3,259	199,250	23,954	223,204
Adjustment on initial application of IFRS16, net of tax			8			8		8
Adjusted balances at April 1, 2019	41,184	42,849	113,350	(1,385)	3,259	199,257	23,954	223,211
Profit for the year			19,279			19,279	498	19,777
Other comprehensive income					(2,696)	(2,696)	(470)	(3,166)
Total comprehensive income	-	-	19,279	-	(2,696)	16,583	28	16,611
Issuance of new shares	15	14			(29)	0		0
Acquisition of treasury shares				(0)		(0)		(0)
Dividends			(5,910)			(5,910)	(296)	(6,206)
Share-based payments					70	70		70
Total transactions with owners	15	14	(5,910)	(0)	41	(5,840)	(296)	(6,136)
Balance at March 31, 2020	41,199	42,863	126,719	(1,385)	604	210,000	23,686	233,686

Year ended March 31, 2021

	Yen (in millions)							
	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component of equity	Total		
Balance at April 1, 2020	41,199	42,863	126,719	(1,385)	604	210,000	23,686	233,686
Profit for the year			12,340			12,340	(1,489)	10,851
Other comprehensive income					1,583	1,583	310	1,893
Total comprehensive income	-	-	12,340	-	1,583	13,923	(1,179)	12,744
Issuance of new shares	20	20			(40)	0		0
Cancellation of treasury shares		(430)	(955)	1,385		-		-
Dividends			(5,692)			(5,692)	(35)	(5,727)
Share-based payments					56	56		56
Other			17		(26)	(9)		(9)
Total transactions with owners	20	(410)	(6,630)	1,385	(10)	(5,645)	(35)	(5,680)
Balance at March 31, 2021	41,219	42,453	132,429	-	2,177	218,278	22,472	240,750

(4) Consolidated Statements of Cash Flows

Yen in millions
Year ended March 31,

	2020	2021
Cash flows from operating activities		
Profit before tax	26,497	18,460
Depreciation and amortization	17,954	18,291
Impairment loss	1,467	6,502
Financial income	(295)	(140)
Financial expenses	582	566
Loss on sale and disposal of property, plant and equipment and intangible assets	218	588
Decrease (increase) in trade and other receivables	4,664	(9,125)
Increase in inventories	(12,208)	(3,481)
Increase in trade and other payables	239	5,165
Increase (decrease) in refund liabilities	26	(504)
Increase in provisions	-	988
Increase in other financial liabilities	115	45
Other	(975)	1,913
Subtotal	38,284	39,268
Interest received	173	13
Dividends received	138	132
Interest paid	(487)	(503)
Income taxes paid	(7,852)	(7,053)
Cash flows generated from operating activities	30,256	31,857
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,501)	(12,999)
Acquisition of intangible assets	(12,672)	(8,125)
Other	(0)	(670)
Cash flows used in investing activities	(18,173)	(21,794)
Cash flows from financing activities		
Proceeds from borrowings	-	10,000
Repayments of long-term borrowings	(4,802)	(4,464)
Redemption of bonds	-	(10,000)
Payments of lease liabilities	(1,715)	(1,747)
Dividends paid	(5,910)	(5,692)
Dividends paid to non-controlling interests	(296)	(35)
Others	(24)	(53)
Cash flows used in financing activities	(12,747)	(11,991)
Effect of exchange rate change on cash and cash equivalents	(321)	115
Net decrease in cash and cash equivalents	(985)	(1,813)
Cash and cash equivalents at beginning of year	57,067	56,082
Cash and cash equivalents at end of year	56,082	54,269