

Financial Summary for Second Quarter of FY2021 (IFRS)

November 12, 2021

Company Name: **Sawai Group Holdings 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 Quarterly Report: November 12, 2021

Scheduled Date of Dividends Payment commencement: December 3, 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 First Quarter of FY2021 (for the six-month period ended September 30, 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	%
Six-month Period Ended September 30, 2021	97,302	—	13,822	—	13,649	—	9,293	—	9,422	—
Six-month Period Ended September 30, 2020	—	—	—	—	—	—	—	—	—	—

Note: Comprehensive Income: Six-month Period Ended September 30, 2021: 10,614 million <(- %)> Six-month Period Ended September 30, 2020: - million <(- %)>

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six-month Period Ended June 30, 2021	215.15	214.96
Six-month Period Ended June 30, 2020	—	—

Note: Comparative information is not disclosed since the company was established on April 1, 2021 through a sole-share transfer.

(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
	Million yen	Million yen	Million yen	%
As of September 30, 2021	398,667	248,567	225,981	56.7
As of March 31, 2021	—	—	—	—

Note: Comparative information is not disclosed since the company was established on April 1, 2021 through a sole-share transfer.

2. Cash Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
For the Fiscal Year Ended March 31, 2021	—	—	—	—	—
For the Fiscal Year Ended March 31, 2022	—	65.00			

Notes: Revision to the cash dividend estimates since the latest announcement : No

Note: Comparative information is not disclosed since the company was established on April 1, 2021 through a sole-share transfer.

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 the end of each period:
 - September 30, 2021: 43,791,339 shares
 - March 31, 2021: N/A
 - (ii) Number of treasury stock at the end of each period:
 - September 30, 2021: 273
 - March 31, 2021: N/A
 - (iii) Average number of shares issued and outstanding in each period:
 - Six-month period ended September 30, 2021: 43,791,113 shares,
 - Six-month period ended September 30, 2020: N/A

Note: Comparative information is not disclosed since the company was established on April 1, 2021 through a sole-share transfer.

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 second quarter earnings conference for institutional investors and analysts is scheduled on November 16, 2021. Presentation and related materials of the conference will be promptly posted on our website.

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)

	Yen in millions (except per share data)
	Six-month period ended September 30, 2021
Revenue	97,302
Cost of sales	(61,414)
Gross profit	<u>35,888</u>
Selling, general and administrative expenses	(16,196)
Research and development expenses	(8,118)
Other income	2,254
Other expenses	(6)
Operating profit	<u>13,822</u>
Finance income	72
Finance expenses	(245)
Profit before tax	<u>13,649</u>
Income tax expenses	(4,356)
Profit for the period	<u>9,293</u>
Profit attributable to:	
Owners of the Company	9,422
Non-controlling interests	(129)
Total	<u>9,293</u>
Earnings per share (Yen)	
Basic earnings per share	215.15
Diluted earnings per share	214.96

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

Yen in millions

	Six-month period ended September 30, 2021
Profit for the period	9,293
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	52
Items that may be reclassified to profit or loss:	
Exchange differences on translation of foreign operations	1,269
Other comprehensive income for the period, net of tax	1,321
Total comprehensive income for the period	10,614
Total comprehensive income attributable to:	
Owners of the Company	10,500
Non-controlling interests	114
Total	10,614

(2) Condensed Quarterly Consolidated Statements of Financial Position

Yen in millions

As of September 30, 2021

Assets

Current assets

Cash and cash equivalents	61,545
Trade and other receivables	64,162
Inventories	81,919
Other financial assets	144
Other current assets	3,382

Total current assets

211,152

Non-current assets

Property, plant, and equipment	86,065
Goodwill	39,733
Intangible assets	52,434
Other financial assets	6,477
Other non-current assets	1,190
Deferred tax assets	1,616

Total non-current assets

187,515

Total assets

398,667

Yen in millions

As of September 30, 2021

Liabilities and equity	
Liabilities	
Current liabilities	
Trade and other payables	48,712
Bonds and borrowings	15,071
Income taxes payable	4,695
Refund liabilities	9,732
Provisions	284
Other financial liabilities	4,362
Other current liabilities	7,057
Total current liabilities	89,913
Non-current liabilities	
Bonds and borrowings	55,191
Provisions	534
Other financial liabilities	2,973
Other non-current liabilities	1,432
Deferred tax liabilities	57
Total non-current liabilities	60,187
Total liabilities	150,100
Equity	
Share capital	10,000
Capital surplus	73,672
Retained earnings	139,247
Treasury shares	(1)
Other component of equity	3,063
Equity attributable to owners of the Company	225,981
Non-controlling interests	22,586
Total equity	248,567
Total liabilities and equity	398,667

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Six-month period ended September 30, 2021

Yen in millions

	Equity attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component of equity			
Balance at April 1, 2021	41,219	42,453	132,429	—	2,177	218,278	22,472	240,750
Profit for the period			9,422			9,422	(129)	9,293
Other comprehensive income					1,078	1,078	243	1,321
Total comprehensive income	—	—	9,422	—	1,078	10,500	114	10,614
Acquisition of treasury shares				(1)		(1)		(1)
Dividends			(2,846)			(2,846)		(2,846)
Transfer	(31,219)	31,219				—		—
Forfeiture of share based payment			242		(242)	—		—
Share based payment					50	50		50
Total transactions with owners	(31,219)	31,219	(2,604)	(1)	(192)	(2,797)	—	(2,797)
Balance at September 30, 2021	10,000	73,672	139,247	(1)	3,063	225,981	22,586	248,567

(4) Condensed Quarterly Consolidated Statements of Cash Flows

Yen in millions

Six-month period ended
September 30, 2021

Cash flows from operating activities	
Profit before tax	13,649
Depreciation and amortization	8,699
Impairment loss	1,331
Financial income	(69)
Financial expenses	245
Loss on sale and disposal of property, plant and equipment and intangible assets	(2,128)
Decrease in trade and other receivables	6,215
Increase in inventories	(2,713)
Decrease in trade and other payables	(18)
Increase in refund liabilities	2,133
Decrease in provisions	(283)
Increase in other financial liabilities	185
Other	(2,179)
Subtotal	25,067
Interest received	1
Dividends received	67
Interest paid	(318)
Income taxes paid	(2,974)
Cash flows generated from operating activities	21,843
Cash flows from investing activities	
Acquisition of property, plant and equipment	(7,494)
Proceeds from sale of property, plant and equipment	3,050
Acquisition of intangible assets	(6,028)
Other	(95)
Cash flows used in investing activities	(10,567)
Cash flows from financing activities	
Net proceeds from short-term borrowings	1,600
Repayments of long-term borrowings	(1,916)
Payments of lease liabilities	(847)
Dividends paid	(2,846)
Others	(7)
Cash flows used in financing activities	(4,016)
Effect of exchange rate change on cash and cash equivalents	16
Net decrease in cash and cash equivalents	7,276
Cash and cash equivalents at the beginning of the period	54,269
Cash and cash equivalents at the end of the period	61,545