

*This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.*

Securities Code: 4887

June 6, 2022

To Our Shareholders:

Kazuhiko Sueyoshi,  
President and Representative Director  
**SAWAI GROUP HOLDINGS Co., Ltd.**  
5-2-30 Miyahara, Yodogawa-ku, Osaka

## **Notice of the 1st Annual General Meeting of Shareholders**

The Company's 1st Annual General Meeting of Shareholders (the "Annual Meeting") will be held as described below.

Still with no end in sight for the COVID-19 situation, the Company carefully considered whether or not to hold the Annual Meeting. As a result, the Company decided to hold the Annual Meeting by implementing appropriate infection prevention measures against COVID-19.

Shareholders are requested to refrain from attending the Annual Meeting in person with a view to preventing the spread of COVID-19, and are encouraged to exercise voting rights in advance by mail or via the Internet.

**You are kindly requested to exercise your voting rights by mail or via the Internet. For this purpose, we kindly request you to exercise your voting rights no later than 5:20 p.m., on June 23, 2022 (Thursday; Japan time).**

Sincerely yours,

1. **Date:** 10:00 a.m., June 24 (Friday), 2022 (Japan time)
2. **Venue:** 10th Floor Hall, Head Office  
SAWAI GROUP HOLDINGS Co., Ltd.  
5-2-30 Miyahara, Yodogawa-ku, Osaka
3. **Purposes:**
  - Items to be reported:**
    1. Business Report, Consolidated Financial Statements for the 1st Fiscal Year (from April 1, 2021 to March 31, 2022) as well as the report of the results of audits by Accounting Auditor and Audit & Supervisory Board on such Consolidated Financial Statement
    2. Non-Consolidated Financial Statements for the 1st Fiscal Year (from April 1, 2021 to March 31, 2022)
  - Items to be resolved:**
    - Agenda No. 1:** Appropriation of Surplus
    - Agenda No. 2:** Partial Amendments to the Articles of Incorporation
    - Agenda No. 3:** Election of Six (6) Directors
    - Agenda No. 4:** Election of Two (2) Substitute Audit & Supervisory Board Members
    - Agenda No. 5:** Establishment of Compensation Amounts to Directors
    - Agenda No. 6:** Establishment of Compensation Amounts to Audit & Supervisory Board Members
    - Agenda No. 7:** Determination of Amounts and Details of Compensations concerning Stock Acquisition Rights as Stock Options to Directors (excluding External Directors)

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1. The following notes are made available on the Company's website (<https://www.sawaigroup.holdings/>) in accordance with the provisions of laws and regulations and Article 15 of its Articles of Incorporation (they are not included in the attachments to this Notice):
    - (1) Matters concerning Stock Acquisition Rights, etc. of the Company in the Business Report
    - (2) Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
    - (3) Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements

The Business Report contained in the attachments to this Notice is a part of the Business Report that were subject to audit by Audit & Supervisory Board Members for the purpose of preparing their Audit Report. Furthermore, the Consolidated Financial Statements and the Non-consolidated Financial Statements are a part of the financial statements and documents that were the subject to audit by Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing each of their Audit Reports.

2. In the event any revisions or amendments are made to the Reference Documents for the Annual Meeting, the Business Report, or the Consolidated or Non-Consolidated Financial Statements, such revisions or amendments will be posted on the Company's website. (<https://www.sawaigroup.holdings/>)

## Reference Documents for the Annual General Meeting of Shareholders

Meeting Agenda and Notes:

### Agenda No. 1: Appropriation of Surplus

Recognizing the proactive return of profits to shareholders to be a significant managerial issue, the Company continues to aim at realizing a stable return of dividends.

Accordingly, the Company proposes a year-end dividend of 65 yen per share.

The Company regrettably had a deficit in retained earnings brought forward at the end of the fiscal year under review. The Company will appropriate its other capital surplus to compensate for its retained earnings brought forward in order to strengthen the financial structure by disposition of the deficit and to return profits to shareholders in the future.

#### 1. Year-end dividend

##### (1) Type of asset distributed as dividend

Cash

##### (2) Allocation of asset distributed as dividend and total amount of dividend

Dividend per common share of the Company: 65 yen

The total amount of dividend: 2,846,415,195 yen

##### (3) Effective date on which dividend is to be disbursed

June 27, 2022

\* The source of the dividend is other capital surplus.

#### 2. Other allocation of surplus

##### (1) Item and amount of surplus to be decreased

Other capital surplus: 33,112,351,148 yen

##### (2) Item and amount of surplus to be increased

Retained earnings brought forward: 33,112,351,148 yen

## Agenda No. 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for the Proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for General Meetings of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference materials, etc. for General Meeting of Shareholders shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the disclosure through the Internet and deemed provision of reference materials, etc. for General Meeting of Shareholders (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

### 2. Details of the Amendments

The details of the amendments are as follows.

(The underlined text indicates amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3. General Meetings of Shareholders  <u>Article 15. (Disclosure through Internet and Deemed Provision of Reference Materials, Etc. for General Meeting of Shareholders)</u>  <u>In convening a General Meeting of Shareholders, the Company may be deemed to have provided its shareholders with information with respect to matters that should be described or indicated in the reference materials for the General Meeting of Shareholders, business reports, non-consolidated financial statements and consolidated financial statements, by disclosing those through the Internet in accordance with the ordinances of the Ministry of Justice.</u></p> <p style="text-align: center;">(Newly established)</p>	<p>Chapter 3. General Meetings of Shareholders            (Deleted)</p> <p><u>Article 15. (Measures for Electronic Provision, Etc.)</u>  <u>1. In convening a General Meeting of Shareholders, the Company shall provide information contained in the reference materials, etc. for the General Meeting of Shareholders electronically.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">SUPPLEMENTARY PROVISIONS</p> <p><u>Article 1. (Initial Business Year)</u>  <u>Notwithstanding the provision of Article 36, the initial business year of the Company shall commence on the date of establishment of the Company and shall end on March 31, 2022.</u></p> <p><u>Article 2. (Compensations)</u>  1. <u>Notwithstanding the provision of Article 26, the amount of the Compensations for Directors shall be within 670 million yen (670,000,000 yen) for a year; provided, however, that such amount for the Compensations for Directors do not include the employee salaries of Directors who concurrently serve as employees.</u>  2. <u>Notwithstanding the provision of Article 34, the amount of the Compensations for Audit &amp; Supervisory Board Members shall be within 50 million yen (50,000,000 yen) for a year.</u></p> <p><u>Article 3. (Deletion of these Supplementary Provisions)</u>  <u>These supplementary provisions shall be deleted at the time of the conclusion of the first Annual General Meeting of Shareholders of the Company.</u></p> <p style="text-align: center;">(Newly established)</p>	<p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the ordinances of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p style="text-align: center;">SUPPLEMENTARY PROVISIONS (Deleted)</p> <p><u>Article 1. (Effective Date in relation to Measures for Electronic Provision, Etc.)</u>  <u>The amendment to Article 15 of the Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>Article 2. (Transitional Measures for Disclosure through Internet and Deemed Provision of Reference Materials, Etc. for General Meeting of Shareholders)</u>  <u>Notwithstanding the provisions of the preceding article, Article 15 (Disclosure through Internet and Deemed Provision of Reference Materials, Etc. for General Meeting of Shareholders) of the current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held by the end of February 2023.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>Article 3. (Deletion of Supplementary Provisions)</u>  <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding article, whichever is later.</u></p>

### Agenda No. 3: Election of Six (6) Directors

As the terms of office of all six (6) Directors expire at the conclusion of the Annual Meeting, the Company proposes to elect six (6) Directors, including two (2) External Directors.

The candidates for Director are as follows.

Candidate No.	Name	Current position and responsibility at the Company	No. of attendance at the Board of Directors meetings
1	Re-elected / Male Mitsuo Sawai	Chairman, Representative Director	13/13 (100%)
2	Re-elected / Male Kenzo Sawai	Deputy Chairman, Representative Director	13/13 (100%)
3	Re-elected / Male Kazuhiko Sueyoshi	President, Representative Director	13/13 (100%)
4	Re-elected / Male Toru Terashima	Director, Senior Executive Officer	12/13 (92.3%)
5	Re-elected / External / Independent / Male Masatoshi Ohara	External Director	13/13 (100%)
6	Re-elected / External / Independent / Female Nawomi Todo	External Director	13/13 (100%)

Re-elected: Candidate for re-elected Directors

External: Candidate for external Directors

Independent: Independent executive to be registered with a stock exchange

# 1 Mitsuo Sawai

Re-elected

Male

Date of birth	September 28, 1956	Number of the Company's shares owned	1,057,200 shares
Brief profile, position, responsibility, and significant concurrent position	<p>April 1982      Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Kirin Co., Ltd.)</p> <p>January 1989    Joined Sawai Pharmaceutical Co., Ltd.</p> <p>June 2000      Director, Deputy Vice President of Sales Division, and General Manager of Sales Planning Department</p> <p>June 2002      Managing Director, Deputy Vice President of Sales Division, and General Manager of Sales Planning Department</p> <p>June 2005      Senior Managing Director, Vice President of Sales Division</p> <p>June 2008      President. Representative Director</p> <p>June 2020      Chairman, Representative Director (incumbent)</p> <p>April 2021      Chairman, Representative Director of the Company (incumbent)</p>		
Reasons for nomination as a candidate for Director	<p>Mr. Mitsuo Sawai is well-versed in the generic drug business. The Company expects that his track record, abilities, and experience as a person driving the sustainable growth of the corporate value of the Sawai Group will be required for the Company's management. Therefore, the Company has proposed him as a candidate for Director.</p>		
Particular conflicts of interest between the candidate and the Company	<p>There are no particular conflicts of interest between Mr. Mitsuo Sawai and the Company.</p>		



Date of birth	May 26, 1968	Number of the Company's shares owned	854,000 shares
Brief profile, position, responsibility, and significant concurrent position	April 1995	Joined Sumitomo Pharmaceuticals Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)	
	April 2001	Joined Sawai Pharmaceutical Co., Ltd.	
	June 2010	Director, Vice President of Corporate Strategy Department	
	June 2013	Director, Senior Executive Officer, Vice President of Corporate Strategy Department and Deputy Vice President of Sales Division	
	June 2017	Chairman of the Board of Upsher-Smith Laboratories, LLC	
	June 2017	Director, Senior Managing Executive Officer, Vice President of Corporate Strategy Department and Supervisor of Sales Division of Sawai Pharmaceutical Co., Ltd.	
	June 2018	Director, Senior Managing Executive Officer, Vice President of Corporate Strategy Department and Supervisor of Research & Development Division	
	June 2020	President, Representative Director (incumbent)	
	April 2021	Deputy Chairman, Representative Director of the Company (incumbent)	
Reasons for nomination as a candidate for Director	Mr. Kenzo Sawai is well-versed in the generic drug business. The Company expects that his track record and abilities as a person with strategic planning and implementation abilities for supporting the Sawai Group's growth in the medium term will be required for the Company's management. Therefore, the Company has proposed him as a candidate for Director.		
Particular conflicts of interest between the candidate and the Company	There are no particular conflicts of interest between Mr. Kenzo Sawai and the Company.		

Note: A trust agreement has been made and entered into for the purpose of managing Mr. Kenzo Sawai's shares. The name recorded in the list of shareholders for these shares is "SMBC Trust Bank Ltd."

### 3 Kazuhiko Sueyoshi

Re-elected

Male

Date of birth	September 19, 1957	Number of the Company's shares owned	1,700 shares
Brief profile, position, responsibility, and significant concurrent position	<p>April 1980      Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2012      Joined Sawai Pharmaceutical Co., Ltd. General Manager of Controller Department</p> <p>June 2017      Executive Administration, Upsher-Smith Laboratories, LLC</p> <p>February 2018   Executive Officer, Deputy Vice President of Corporate Administration Division, and General Manager of Controller Department of Sawai Pharmaceutical Co., Ltd.</p> <p>June 2018      Director, Senior Executive Officer, and Vice President of Corporate Administration Division</p> <p>June 2020      Director, Senior Executive Officer, and Vice President of Corporate Administration Division</p> <p>April 2021      Director and Acting Vice President of Corporate Administration Division (incumbent)</p> <p>April 2021      President, Representative Director of the Company (incumbent)</p>		
Reasons for nomination as a candidate for Director	<p>Mr. Kazuhiko Sueyoshi has expertise in finance and accounting, and deep insights into corporate management based on his extensive experience at financial institutions and business experience in corporate management. The Company expects that his expertise and insights will be required for the Company's management. Therefore, the Company has proposed him as a candidate for Director.</p>		
Particular conflicts of interest between the candidate and the Company	<p>There are no particular conflicts of interest between Mr. Kazuhiko Sueyoshi and the Company.</p>		

## 4 Toru Terashima

Re-elected

Male

Date of birth	August 7, 1959	Number of the Company's shares owned	1,100 shares
Brief profile, position, responsibility, and significant concurrent position	<p>April 1984      Joined Sumitomo Chemical Company, Limited</p> <p>October 1984    Joined Sumitomo Pharmaceuticals Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)</p> <p>January 2016    Joined Sawai Pharmaceutical Co., Ltd.</p> <p>June 2016      Corporate Officer and Vice President of Reliability Assurance Division</p> <p>June 2017      Director, Corporate Officer, and Vice President of Reliability Assurance Division</p> <p>June 2018      Director, Executive Officer, and Vice President of Reliability Assurance Division</p> <p>June 2019      Director, Senior Executive Officer, and Vice President of Reliability Assurance Division (incumbent)</p> <p>April 2021      Director, Senior Executive Officer of the Company (incumbent)</p>		
Reasons for nomination as a candidate for Director	<p>Mr. Toru Terashima has extensive professional knowledge and business experience in the research, development, and production of, and regulatory affairs, etc. related to, pharmaceutical products. The Company expects that his expertise and experience will be required for the Company's management. Therefore, the Company has proposed him as a candidate for Director.</p>		
Particular conflicts of interest between the candidate and the Company	<p>There are no particular conflicts of interest between Mr. Toru Terashima and the Company.</p>		

5 Masatoshi Ohara

Candidate for  
External Director

Candidate for  
independent  
executive

Re-elected

Male

Date of birth	April 25, 1951	Number of the Company's shares owned	500 shares
Brief profile, position, responsibility, and significant concurrent position	<p>April 1979 Registered as a lawyer at Osaka Bar Association Joined Kikkawa Sogo Law Offices (currently Kikkawa Law Offices)</p> <p>February 1987 Attorney registered in the State of New York, the U.S.</p> <p>January 1988 Partner of Kikkawa Law Offices (incumbent)</p> <p>April 2004 Member of the Board of Directors for the Kinki Federation of Bar Associations</p> <p>April 2017 The President of Osaka Bar Association, the Vice President of Japan Federation of Bar Associations</p> <p>June 2019 Director of Sawai Pharmaceutical Co., Ltd.</p> <p>April 2021 Director of the Company (incumbent)</p>		
Reasons for nomination as a candidate for External Director and overview of expected roles	<p>Mr. Masatoshi Ohara has extensive experience and professional knowledge as a lawyer. The Company expects him to provide beneficial advice and make constructive decisions from an independent perspective. Therefore, the Company has proposed him as a candidate for External Director.</p> <p>For the above reasons, the Company believes that he can perform his duties as External Director appropriately although he has not participated in corporate management before except as External Director or External Audit &amp; Supervisory Board Member.</p>		
Particular conflicts of interest between the candidate and the Company	<p>There are no particular conflicts of interest between Mr. Masatoshi Ohara and the Company.</p>		

Notes:

1. Mr. Masatoshi Ohara is currently the Company's External Director, and the Company has entered into an Agreement with him limiting liability as provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. If Mr. Masatoshi Ohara is re-elected, the Company intends to continue the Agreement for Limitation of Liability with him. The term of office of Mr. Masatoshi Ohara as External Director of the Company will be one year and three months at the conclusion of the Annual Meeting.
2. The Company has nominated Mr. Masatoshi Ohara as an independent executive in accordance with requirements of the Tokyo Stock Exchange, and has registered him with the Tokyo Stock Exchange.

## 6 Nawomi Todo

Candidate for  
External Director

Candidate for  
independent  
executive

Re-elected

Female

Date of birth	September 17, 1959	Number of the Company's shares owned	800 shares
Brief profile, position, responsibility, and significant concurrent position	<p>June 1984      Obtained medical license</p> <p>July 1984      Staff Doctor at Osaka University Hospital</p> <p>July 1987      Staff Doctor at Osaka Police Hospital, Association of Osaka Police Foundation</p> <p>July 1990      Staff Doctor at Nissay Hospital (currently Nippon Life Hospital)</p> <p>January 2002   Staff Doctor at Osaka-tetsusyou Health Insurance Society (incumbent)</p> <p>January 2007   Obtained Certified Occupational Physician Qualification of Japan Medical Association</p> <p>June 2015      Director of Sawai Pharmaceutical Co., Ltd.</p> <p>April 2021      Director of the Company (incumbent)</p>		
Reasons for nomination as a candidate for External Director and overview of expected roles	<p>Ms. Nawomi Todo has extensive professional knowledge and experience, etc. as a medical doctor. The Company expects her to provide beneficial advice and make constructive decisions from an independent perspective. Therefore, the Company has proposed her as a candidate for External Director.</p> <p>For the above reasons, the Company believes that she can perform her duties as External Director appropriately although she has not participated in corporate management before except as External Director or External Audit &amp; Supervisory Board Member.</p>		
Particular conflicts of interest between the candidate and the Company	There are no particular conflicts of interest between Ms. Nawomi Todo and the Company.		

### Notes:

- Ms. Nawomi Todo is currently the Company's External Director, and the Company has entered into an Agreement with her limiting liability as provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations. If Ms. Nawomi Todo is re-elected, the Company intends to continue the Agreement for Limitation of Liability with her. The term of office of Ms. Nawomi Todo as External Director of the Company will be one year and three months at the conclusion of the Annual Meeting.
- The Company has nominated Ms. Nawomi Todo as an independent executive in accordance with requirements of the Tokyo Stock Exchange, and has registered her with the Tokyo Stock Exchange.

### Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance (D&O insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance contract insures each Director, Audit & Supervisory Board Member, or Executive Officer, etc. of the Company and its subsidiaries. The outline of the insurance contract is described on page 37 of this notice.

If the candidates for Directors assume office, each of them will be insured under the D&O insurance contract.

The term of the insurance contract is one (1) year. The Company plans to renew the contract before the expiration after resolution of the Board of Directors.

**(Reference) Skills Matrix of the Directors and Audit & Supervisory Board Members after the conclusion of the Annual Meeting, subject to the approval of this agenda**

	Name	External executive	Expertise and experience					
			Legal affairs/ Risk management	Finance/ Accounting/ Tax	Production/ Quality	Marketing/ Sales	R&D/ Technology	Medical & pharmaceutical science
Directors	Mitsuo Sawai					○		
	Kenzo Sawai					○	○	○
	Kazuhiko Sueyoshi		○	○				
	Toru Terashima				○		○	○
	Masatoshi Ohara	◆	○					
	Nawomi Todo	◆						○
Audit & Supervisory Board Members	Tadao Tsubokura			○				
	Takanobu Tomohiro	◆	○					
	Junichi Hirano	◆		○				

Note: External Directors Mr. Masatoshi Ohara and Ms. Nawomi Todo are members of the Nomination & Remuneration Committee, and External Director Mr. Masatoshi Ohara is the chairperson of the Committee.

Agenda No. 4: Election of Two (2) Substitute Audit & Supervisory Board Members

The Company proposes to elect two (2) Substitute Audit & Supervisory Board Members, to provide for cases where the Company lacks the number of Audit & Supervisory Board Members required by laws and regulations.

Mr. Satoshi Soumi is a candidate to substitute for an Audit & Supervisory Board Members who is not an External Substitute Audit & Supervisory Board Member, and Mr. Yoshitsugu Nishimura is a candidate to substitute for an External Substitute Audit & Supervisory Board Member.

The period for which a resolution relating to this agenda is effective is until the opening of the 4th Annual General Meeting of Shareholders of the Company, scheduled to be held in 2025. Accordingly, if the Substitute Audit & Supervisory Board Members to be elected based on this agenda assume office as Audit & Supervisory Board Members, the terms of office will expire at the end of the terms of office of retiring Audit & Supervisory Board Members, i.e., at the conclusion of the 4th Annual General Meeting of Shareholders of the Company, scheduled to be held in 2025.

The Audit & Supervisory Board has agreed to this agenda.

The candidates for Substitute Audit & Supervisory Board Member are as follows.

**1** Satoshi Soumi Male

Date of birth	September 27, 1960	Number of the Company's shares owned	1,300 shares
Brief profile, position, responsibility, and significant concurrent position	January 2008      Joined Sawai Pharmaceutical Co., Ltd. April 2008      General Manager, Internal Inspection Section June 2012      General Manager, Human Resources Department April 2014      General Manager, Internal Inspection Section April 2021      Audit & Supervisory Board Member (incumbent)		
Reasons for nomination as a candidate for Substitute Audit & Supervisory Board Member	The Company nominates Mr. Satoshi Soumi as a candidate for Substitute Audit & Supervisory Board Member since we believe he is capable of being responsible for an appropriate audit function, based on his extensive experience leading the internal audit division and as an Audit & Supervisory Board Member.		
Particular conflicts of interest between the candidate and the Company	There are no particular conflicts of interest between Mr. Satoshi Soumi and the Company.		

Note:

If Mr. Satoshi Soumi assumes the position of Audit & Supervisory Board Member, the Company intends to enter into an Agreement with him limiting liability as provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.

## 2 Yoshitsugu Nishimura

Candidate for  
External Audit &  
Supervisory Board  
Member

Candidate for  
independent  
executive

Male

Date of birth	January 10, 1957	Number of the Company's shares owned	- shares
Brief profile, position, responsibility, and significant concurrent position	<p>April 1980      Joined the Ministry of Finance</p> <p>June 1998      General Manager, Investment Service Office, Market Division, Financial Planning Bureau, Ministry of Finance</p> <p>July 2001      General Manager, First Large Enterprise Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>June 2013      Regional Commissioner, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>December 2014      Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Visiting Attorney, Miyake &amp; Partners (incumbent)</p> <p>June 2015      Registered as a Certified Public Tax Accountant (Tokyo Certified Public Tax Accountants' Association)</p>		
Reasons for nomination as a candidate for Substitute External Audit & Supervisory Board Member	<p>The Company nominates Mr. Yoshitsugu Nishimura as a candidate for Substitute Audit &amp; Supervisory Board Member since we expect him to provide useful advice and audits from an independent perspective, based on his extensive experience at the Ministry of Finance and the National Tax Agency over many years, as well as his specialized knowledge and broad insight as an attorney at law and public tax accountant.</p> <p>For the above reasons, the Company believes that he can perform his duties as External Audit &amp; Supervisory Board Member appropriately although he has not participated in corporate management before except as External Director or External Audit &amp; Supervisory Board Member.</p>		
Particular conflicts of interest between the candidate and the Company	<p>There are no particular conflicts of interest between Mr. Yoshitsugu Nishimura and the Company.</p>		

### Notes:

1. If Mr. Yoshitsugu Nishimura assumes the position of Audit & Supervisory Board Member, the Company intends to enter into an Agreement with him limiting liability as provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.
2. If Mr. Yoshitsugu Nishimura assumes the position of Audit & Supervisory Board Member, the Company intends to nominate him as an independent executive in accordance with requirements of the Tokyo Stock Exchange, and to register him with the Tokyo Stock Exchange.
3. Mr. Yoshitsugu Nishimura is currently a Visiting Attorney at Miyake & Partners. The Company has a business relationship with Miyake & Partners, such as receiving the provision of services based on a legal advisory agreement, however, the legal advisory services for the Company are provided by attorneys at Miyake & Partners other than Mr. Yoshitsugu Nishimura. In addition, the service accounts for less than 1% of the consolidated net sales or the volume of transaction of both of the Company and Miyake & Partners, and is less than 10 million yen. The Company determines that this amount is small and does not affect independence of Mr. Yoshitsugu Nishimura as an External Audit & Supervisory Board Member.

### Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance (D&O insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The insurance contract insures each Director, Audit & Supervisory Board Member, or Executive Officer, etc. of the Company and its subsidiaries. The outline of the insurance contract is described on page 37 of this notice.

If the candidates for Audit & Supervisory Board Members assume office, each of them will be insured under the D&O insurance contract.

The term of the insurance contract is one (1) year. The Company plans to renew the contract before the expiration after resolution of the Board of Directors.



## **Agenda No. 5: Establishment of Compensation Amounts to Directors**

Article 2-1 (Compensations) of the Supplementary Provisions of the Company's Articles of Incorporation stipulates that the Compensation amounts to Directors of the Company from the date of incorporation of the Company to the conclusion of the first Annual General Meeting of Shareholders shall be within 670 million yen per year (provided, however, that such Compensation amounts to Directors shall not include the employee salaries of Directors who concurrently serve as employees).

Accordingly, the Company asks the shareholders to approve the Compensation amounts to Directors after the conclusion of this Annual General Meeting of Shareholders.

This agenda asks the shareholders to approve that the Compensation amounts to Directors of the Company shall continue to be within 670 million yen per year (including up to 100 million yen for External Directors). The agenda has been deliberated and reported by the Nomination & Remuneration Committee of the Company.

The specific amount of the Compensations and the timing of the payment to each Director will be determined by a resolution of the Board of Directors, preceded by deliberations and reports in the Nomination & Compensation Committee.

The Compensation amounts to Directors exclude the employee salaries of Directors who concurrently serve as employees.

The Company established the Policy for the determination of details of Compensation amounts to each Director, and the outline of the Policy is disclosed in from page 35 to 36 of this notice. The Compensations based on the agenda are in line with the Policy. The Company believes that this agenda is reasonable because it is sufficient to pay the Compensations to Directors based on the Policy.

Currently, there are six (6) Directors (including two (2) External Directors). If the Agenda No.3 is approved as originally proposed, the number of Directors will be six (6) (including two (2) External Directors).

## **Agenda No. 6: Establishment of Compensation Amounts to Audit & Supervisory Board Members**

Article 2-2 (Compensations) of the Supplementary Provisions of the Company's Articles of Incorporation stipulates that the Compensation amounts to Audit & Supervisory Board Members from the date of incorporation of the Company to the conclusion of the first Annual General Meeting of Shareholders shall be within 50 million yen per year.

Accordingly, the Company asks the shareholders to approve the Compensation amounts to Audit & Supervisory Board Members after the conclusion of this Annual General Meeting of Shareholders.

This agenda asks the shareholders to approve that the Compensation amounts to Audit & Supervisory Board members shall continue to be within 50 million yen per year. The agenda has been deliberated and reported by the Nomination & Remuneration Committee of the Company.

The specific amounts of the Compensations and the timing of the payment to each Audit & Supervisory Board Member will be determined through consultations among the Audit & Supervisory Board Members.

The Company believes that this agenda is reasonable because it is sufficient to pay the current Compensation amounts to the Audit & Supervisory Board Members.

Currently, there are three (3) Audit & Supervisory Board Members (including two (2) External Audit & Supervisory Board Members).

## **Agenda No. 7: Determination of Amounts and Details of Compensations concerning Stock Acquisition Rights as Stock Options to Directors (excluding External Directors)**

When a retirement benefit scheme was abolished, Sawai Pharmaceutical Co., Ltd. was to allot stock acquisition rights as stock options to Directors (excluding External Directors), where the total amounts of Compensations were set to be within 100 million yen. The purpose of the issuance of stock acquisition rights as stock options was to align their interests with those of shareholders and to enhance their motivation to promote the medium-to-longer business performance and improve corporate value. The Company will also allot the following stock acquisition rights to Directors for the purpose of offering incentives to enhance the medium-to-longer business performance and to further improve enterprise value of the Company.

Taking each Director's contribution and other factors into consideration, the Company proposes to set the Compensation amounts concerning stock acquisition rights as stock options to Directors (excluding External Directors) at 100 million yen or less per year, which is within the range of amounts of Compensations.

The stock options are the Share Remuneration-Type Stock Options, where stocks are granted by exercising stock acquisition rights with an exercise price of one (1) yen per share. They are determined by taking each Director's contribution and other factors into consideration; thus, the Company believes the details are reasonable. The amount to be paid in for the stock acquisition rights as stock options shall be assessed based on the fair value. When the stock acquisition rights are allotted, the payment obligation is offset by the remuneration claims that are based on the Compensations concerning stock acquisition rights as stock options to Directors (excluding External Directors) per this agenda, in return for the payment of such amount.

The specific amounts and timing of payment of Compensations for individual Directors shall be examined and deliberated by the Nomination & Compensation Committee, and then decided by a resolution of the Board of Directors.

The Company has established the policy for determining details of Compensations for individual Directors, which is described on pages 35 to 36 of this notice. Compensations based on this agenda is in line with the policy. The Company also deems this agenda reasonable because it is sufficient for paying Compensations for Directors.

Currently, there are four (4) Directors (excluding External Directors). If the Agenda No.3 is approved as originally proposed, the number of Directors will be four (4) (excluding External Directors).

Details of compensations concerning stock acquisition rights as stock options to Directors of the Company (excluding External Directors)

### **1. Class and number of shares to be delivered upon exercise of stock acquisition rights**

The class of shares to be delivered upon exercise of stock acquisition rights shall be common stock of the Company. The maximum number of stocks to be delivered upon exercise of stock acquisition rights that are granted within one year from the day of Annual General Meeting of Shareholders for each fiscal year shall be 60,000 shares.

The number of shares issued upon exercise of each stock acquisition right (the "Number of Shares to be Allotted") shall be 200 shares. If the Number of Shares to be Allotted is adjusted, the total number of shares to be granted shall be calculated by multiplying the Number of Shares to be Allotted after adjustment by the maximum number of stock acquisition rights set forth in 2. below.

After the date of resolution at this Annual General Meeting of Shareholders (the "Resolution Date"), in the case that the Company conducts a stock split (including allotment of shares of the common stock of the Company to shareholders without contribution; the same applies

hereinafter) or a reverse stock split, the Number of Shares to be Allotted shall be adjusted using the following formula. Any fraction less than one share arising from the adjustment shall be rounded down.

Number of Shares to be Allotted after adjustment = Number of Shares to be Allotted before adjustment × Ratio of stock split or reverse stock split

Furthermore, after the Resolution date, in the event it becomes necessary to adjust the Number of Shares to be Allotted, because Company conducts a stock split or a reverse stock split or other similar cases occur, the Company can adjust the Number of Shares to be Allotted within the scope deemed reasonable.

2. Total number of stock acquisition rights

Total number of stock acquisition rights to be allotted to Directors (excluding External Directors) within a year from the date of the Annual General Meeting of Shareholders for each fiscal year shall not exceed 300 units.

3. The amount to be paid in exchange for stock acquisition rights

The amount to be paid in for each stock acquisition right shall be determined by the Board of Directors based on the fair value of the stock acquisition rights, which is computed by a fair calculation method including the Black-Scholes model, upon the allotment of the stock acquisition rights.

4. Amount of property to be contributed upon exercise of stock acquisition rights

The amount of property to be contributed when each stock acquisition right is exercised shall be calculated by multiplying one (1) yen, an exercise price per share of the stocks that are to be delivered upon exercise of stock acquisition rights, by the Number of Shares to be Allotted.

5. Exercise period of stock acquisition rights

The exercise period of stock acquisition rights shall be determined by the Board of Directors within the range from the day following the date when the stock acquisition rights are allotted to the date of 30 years after such date.

6. Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall require approval of the corporate resolution.

7. Terms and conditions for exercise of stock acquisition rights

The Board of Directors shall determine the terms and conditions for exercise of stock acquisition rights. For example, the Board of Directors may allow holders of stock acquisition rights to exercise such rights on and after the day following the date when they lose their positions of Director or Executive Officer of the Company and its subsidiaries.

8. Provisions for acquisition of stock acquisition rights

If any of the following (i) to (v) agendas has been approved at a General Meeting of Shareholders of the Company (or by resolution of the Board of Directors if the approval at a General Meeting of Shareholders is not required), the Company may acquire the stock acquisition rights without compensation on the date to be determined separately by the Company's Board of Directors.

(i) A merger agreement in which the Company is an extinguished company

(ii) A company split agreement or a company split plan in which the Company will become a split company

(iii) A share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary

- (iv) Amendments to the Articles of Incorporation to add provisions pertaining to all of the shares issued by the Company that require the acquisition of such shares through transfer to be approved by the Company
- (v) Amendments to the Articles of Incorporation to add provisions pertaining to a class of shares underlying stock acquisition rights that require the acquisition of such shares through transfer to be approved by the Company, or that stipulate that the Company acquires all of such shares by resolution of a General Meeting of Shareholders

9. Other matters

Any other matter related to stock acquisition rights shall be determined by the Board of Directors' meeting.

(Reference)

After the conclusion of this Annual General Meeting of Shareholders, the Company plans to allot the stock options (stock acquisition rights) with the same details as the Share Remuneration-Type Stock Option above to the Executive Officers of the Company and the Directors and Executive Officers of the subsidiaries of the Company.