

Translation  
Independent Auditor's Report

May 2nd, 2024

The Board of Directors  
Sun Pharma Japan Technical Operations Limited

Kuno Yasunari CPA Firm  
Certified Public Accountant

**Auditor's opinion**

We have audited the enclosed financial statements, which comprises the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements of Sun Pharma Japan Technical Operations Limited for the fiscal year from 1 April 2023 to March 31, 2024.

In our opinion, the enclosed financial statements referred to above, present fairly, in all material respects, for the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

**Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and the Corporate Auditor for the Financial Statements**

Management is responsible for the preparation of these financial statements in accordance with accounting principles generally accepted in Japan, and for design and operation of such internal control as management determines is necessary to enable the preparation of financial statements that are free material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and an auditor's

report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional scientism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit as part of our risk assessment in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist or conditions that may cast significant doubt on the Company's ability to continue a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events of condition may cause the Company to cease to continue as a going concern.
- Evaluate whether the financial statements are presented and the disclosures contained therein prepared in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor regarding, among matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Conflicts of Interest**

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

### **Notes to the Readers of Independent Auditor's Report**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Sun Pharma Japan Technical Operations Limited  
Balance Sheet as of March 31, 2024

(Unit : Japanese yen)

<b>Asset</b>	
Current Assets	
Cash and Deposits	994,028,860
Trade Receivable	203,810,578
Accounts Receivable Other	5,862,246
Inventories	553,126,528
Prepaid Expenses	7,155,006
Advance Payment	48,462,403
<b>Total Current Assets</b>	<b>1,812,445,621</b>
Non-Current Assets	
<b>Property and Equipment</b>	
Buildings	2,058,608,732
Machinery & Equipment	1,244,577,859
Construction in progress	10,645,000
Accumulated Depreciation	(2,509,687,899)
Land	31,500,700
<b>Total Property and Equipment</b>	<b>835,644,392</b>
<b>Intangible Assets</b>	
	1,849,352
<b>Other Assets</b>	
Security Deposits	771,000
Deferred tax assets	50,155,206
<b>Total Other Assets</b>	<b>50,926,206</b>
Total Non-Current Assets	888,419,950
<b>Total Assets</b>	<b>2,700,865,571</b>
<b>Liabilities</b>	
Current Liabilities	
Trade Payable	130,501,283
Accounts Payable Other	146,703,064
Accrued Expenses	79,834,696
Consumption tax payable	77,076,043
Deposits received	999,000
Provision for Bonus	22,284,400
<b>Total Current Liabilities</b>	<b>457,398,486</b>
Non-Current Liabilities	
Long Term Loan	200,000,000
Asset Retirement Obligation	9,700,000
Provision for Retirement Benefits	24,361,737
Other Liabilities	3,055,078
<b>Total Non-Current Liabilities</b>	<b>237,116,815</b>
<b>Total Liability</b>	<b>694,515,301</b>
<b>Equity</b>	
Equity	
Share Capital	50,000,000
Capital surplus and Retained earning	1,956,350,270
<b>Total Equity</b>	<b>2,006,350,270</b>
<b>Total Liabilities and Equity</b>	<b>2,700,865,571</b>

Sun Pharma Japan Technical Operations Limited  
Profit & Loss Statement for the period ended March 31, 2024

(Unit : Japanese yen)

Product Sales		2,852,556,136
Cost of Product Sales		2,352,305,080
<b>Gross Profit</b>		<b>500,251,056</b>
Selling, General and Administrative Expenses		
Personnel expenses		119,543,502
Depreciation and Amortization		9,987,989
Other		73,160,702
Total Selling, General and Administrative Expenses		202,692,193
<b>Operating Profit</b>		<b>297,558,863</b>
Non-Operating Income		
Miscellaneous Income	2,174,575	
Total Non-Operating Income		2,174,575
Non-Operating Expenses		
Interest Expense	3,328,452	
Foreign Exchange Loss	1,700,838	
Miscellaneous Expenses	516,640	
Total Non-Operating Expense		5,545,930
<b>Ordinary Profit</b>		<b>294,187,508</b>
Extraordinary Gain	29,999	
Total Extraordinary Gain		29,999
Extraordinary Loss	24,357,159	
Total Extraordinary Loss		24,357,159
<b>Profit before Income Tax</b>		<b>269,860,348</b>
Income Tax		93,493,323
<b>Net Profit</b>		<b>176,367,025</b>

Statements of Shareholders' Equity  
Sun Pharma Japan Technical Operations Limited

From April 1, 2023  
To March 31, 2024

(Unit : Japanese yen)

	Share Capital	Capital Reserve	Retained Earnings	Total Shareholders' Equity
		Other Capital Reserve	Retained Earnings brought forward	
Balance at April 1, 2023	50,000,000	1,638,351,294	141,631,951	1,829,983,245
changes of items during the period	-	-	-	-
Issuance of new shares	-	-	-	-
Net Income (Loss)	-	-	176,367,025	176,367,025
Total changes of items during the period	-	-	176,367,025	176,367,025
Balance at March 31, 2024	50,000,000	1,638,351,294	317,998,976	2,006,350,270

## Notes to Financial Statements

### (Summary of Significant Accounting Policies)

#### (1) Inventories evaluation standard and evaluation method

Merchandise and finished products . . .

Cost method based on the moving average method (For the balance sheet value, the book value is written down based on the decline in profitability)

Work in progress . . . . .

Cost method based on the moving average method (For the balance sheet value, the book value is written down based on the decline in profitability)

Raw materials . . . . .

Cost method based on the moving average method (For the balance sheet value, the book value is written down based on the decline in profitability)

Supplies . . . . .

Final purchase cost method

#### (2) Depreciation method for fixed assets

##### ① Tangible fixed assets

The straight-line method is used.

The main estimated useful lives are as follows.

Building	3 to 38 years
Structures	7 to 42 years
Machinery and equipment	2 to 16 years
Vehicles	4 years
Tools, furniture and fixtures	2 to 15 years

##### ② Intangible fixed assets

The straight-line method is used. Software for internal use is amortized by the straight-line method over the usable period within the company (5 years).

#### (3) Provisions

Provision for bonuses

In order to cover the payment of bonuses to employees, the amount is calculated based on the expected payment amount.

##### ① Provision for retirement benefits

To prepare for employees' retirement benefits, the transfer amount to the external and SME retirement allowance mutual aid system is deducted from the required payment amount.

##### ② Provision for environmental measures

To prepare for the disposal of PCB (polychlorinated biphenyl) waste, the estimated amount of disposal costs is recorded.

#### (4) Consumption tax

Taxable transactions are recorded at amounts exclusive of consumption taxes.

**(Notes to Statements of Shareholders' Equity)**

(1) Type and number of shares issued.

	Number of Shares at the beginning of year	Increase of shares issued	Decrease of shares issued	Number of Shares issued at the end of year
Common stock	2,000	—	—	2,000

(2) Matters concerning dividends

① Dividend payment amount

Not applicable.

② Of dividends whose base date belongs to the current period, the effective date of the dividend will be the next period.

Not applicable.