

Translation
Independent Auditor's Report

May 2nd, 2024

The Board of Directors
Sun Pharma Japan Ltd.

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 Ltd. 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 from 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 to issue 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 scientificism 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.

Balance Sheet
Sun Pharma Japan Ltd.

As of March 31, 2024

(JPY)

Assets		Liabilities	
Current Assets	12,071,812,807	Current Liabilities	11,278,393,198
Cash and Deposits	118,714,570	Trade Payable	1,231,436,775
Trade Receivable	6,165,341,478	Accounts Payable Other	537,172,577
Inter-Company Receivable	567,582,450	Inter-Company Payable	6,936,112,631
Inventories	4,939,574,066	Accrued Expenses	475,923,820
Prepaid Expenses	117,721,081	Deposits received	42,339,706
Consumption tax receivable	157,007,715	Provision for Bonus	452,545,593
Other current assets	5,871,447	Short term Lease Liability	66,989,787
		Shot term loan	1,241,949,775
		Other Current Liabilities	293,922,534
Non-Current Assets	1,201,995,486	Non-Current Liabilities	204,330,208
Property and Equipment	296,846,009	Asset Retirement Obligation	45,244,740
Buildings	4,682,255	Provision For Pension	36,148,876
Leasehold Improvement	114,619,815	Long term Lease liability	122,936,592
Machinery & Equipment	344,979,039		
Office Equipment	1,478,235		
Leased Assets	354,647,751		
Accumulated Depreciation	△ 523,561,086		
Intangible Assets	126,972,892	Total Liability	11,482,723,406
Software	101,362,787		
Trademark	25,610,105		
Investments and Other Assets	778,176,585	Equity	
Security Deposits	106,047,483	Shareholders Equity	1,791,084,887
Investments in Subsidiaries	472,129,102	Share Capital	158,000,000
Loans to Subsidiaries	200,000,000	Capital Surplus	6,532,019,108
		Retained Earnings	△ 4,898,934,221
		Total Equity	1,791,084,887
Total Assets	13,273,808,293	Total Liabilities and Equity	13,273,808,293

Income Statements
Sun Pharma Japan Ltd.

From April 1, 2023
To March 31, 2024

		(JPY)
Product Sales		14,163,917,709
Cost of Sales		9,614,746,487
Gross Profit		4,549,171,222
Selling, General and Administrative Expenses		6,104,696,467
Operating Profit		△ 1,555,525,245
Non-Operating Income		
Interest Income	3,297,451	
Miscellaneous Income	1,603,255	4,900,706
Non-Operating Expenses		
Interest Expense	3,273,581	
Forex Gain/Loss	2,401,670	5,675,251
Ordinary Profit		△ 1,556,299,790
Special Gain		
Reversal of provision for product warranties	1,073,139,861	
Special Loss		
Provision for voluntary retirement program	598,138,212	475,001,649
Profit before Income Tax		△ 1,081,298,141
Corporate tax		979,987
Net Income		△ 1,082,278,128

Statements of Shareholders' Equity
Sun Pharma Japan Ltd.
From April 1, 2023
To March 31, 2024

	Share Capital	Capital Reserve			Retained Earnings			Total Shareholders' Equity	Total Equity
		Capital Surplus	Other Capital Reserve	Total Capital Reserve	Legal Reserve	Retained Earnings brought forward	Total Retained Earnings		
Balance at March 31, 2023	158,000,000	-	6,532,019,108	6,532,019,108	-	△ 3,816,656,093	△ 3,816,656,093	2,873,363,015	2,873,363,015
Changes of items during the period									
Net Income (Loss)						△ 1,082,278,128	△ 1,082,278,128	△ 1,082,278,128	△ 1,082,278,128
Total changes of items during the period	0		0	0		△ 1,082,278,128	△ 1,082,278,128	△ 1,082,278,128	△ 1,082,278,128
Balance at March 31, 2024	158,000,000	-	6,532,019,108	6,532,019,108	-	△ 4,898,934,221	△ 4,898,934,221	1,791,084,887	1,791,084,887

Notes to Financial Statements

(Summary of Significant Accounting Policies)

(1) Investments

Investments in subsidiaries are stated at cost based on the moving average method.

(2) Inventories

Inventories for Sales and raw materials are stated at cost, costs being determined by the moving average method. When net realizable value is less than the cost, the cost is reduced to the net realizable value.

Samples are stated at cost based on the moving average method.

When net realizable value is less than the cost, the cost is reduced to the net realizable value.

Other consumables are stated based on the final purchase cost method.

(3) Property, Plant and Equipment

① Tangible Assets

The company computes depreciation of Property, Plant and Equipment based on the straight-line method.

The estimated useful lives are as follows:

Building	17 to 22 years
Leasehold Improvements	5 to 15 years
Machinery and equipment	2 to 7 years
Office Equipment	3 to 15 years

② Intangible Assets

The company computes depreciation of Property, Plant and Equipment based on the straight-line method. Software for internal use is amortized by the straight-line method over estimated useful lives (5 years).

③ Leases

Finance leases are capitalized and depreciation is computed by the straight-line basis over the period with the residual value of zero.

(4) Provisions

① Allowance for Doubtful accounts

Specific reserve is provided for accounts receivables and loans, when necessary, based on the assessment of individual receivables.

② Provision for Bonuses

Provision for Bonuses is made to the estimated amount the company plans to pay to employees.

③ Provision for Directors' retirement allowance

Provision for Directors' retirement allowance is recorded based on estimated amount per employment contracts.

④ Provision for Minimum Purchase Obligation

Provision for Minimum Purchase Obligation is recorded for estimated remedy costs to the supplier when the actual purchased quantities are less than the agreed minimum purchase quantities.

(5)Consumption Tax

Taxable transactions are recorded at amounts exclusive of consumption tax.

(Notes to Statements of Shareholders' Equity)

(1) Types 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	1,200	—	—	1,200
A Share	1,960	—	—	1,960