

Financial Statements

CONSOLIDATED BALANCE SHEETS

Sawai Pharmaceutical Co., Ltd. and Consolidated Subsidiaries
March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
ASSETS			
Current Assets:			
Cash and cash equivalents	¥ 5,389	¥ 7,360	\$ 53,783
Trade notes and accounts receivable	15,312	16,584	152,814
Allowance for doubtful receivables	(22)	(47)	(220)
	20,679	23,897	206,377
Inventories (Note 3)	13,500	13,768	134,731
Deferred income taxes (Note 8)	710	555	7,086
Other current assets	452	524	4,511
Total current assets	35,341	38,744	352,705
Property, Plant and Equipment (Note 5):			
Land	4,862	4,862	48,523
Buildings and structures	24,805	22,583	247,555
Machinery and equipment	14,429	12,807	144,002
Construction in progress	1,564	1,570	15,609
Other	3,493	3,243	34,860
	49,153	45,065	490,549
Accumulated depreciation	(20,298)	(18,204)	(202,575)
Net property, plant and equipment	28,855	26,861	287,974
Intangible Assets	763	742	7,615
Investments and Other Assets:			
Investment securities (Note 4)	821	971	8,194
Long-term loans	216	236	2,156
Long-term prepaid expenses	90	55	898
Other investments and long-term receivables	262	270	2,614
	1,389	1,532	13,862
Allowance for doubtful receivables	(53)	(52)	(529)
Net investments and other assets	1,336	1,480	13,333
	¥ 66,295	¥ 67,827	\$ 661,627

The accompanying notes to the consolidated financial statements are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Bank loans (Note 5)	¥ 2,000	¥ 4,000	\$ 19,960
Current portion of long-term debt (Note 5)	2,144	3,117	21,397
Trade notes and accounts payable	6,904	4,460	68,902
Other accounts payable	3,799	4,935	37,914
Accrued bonuses to employees	814	708	8,124
Accrued bonuses to directors and corporate auditors	45	48	449
Income taxes payable	821	959	8,194
Reserve for sales returns (Note 2)	154	77	1,537
Reserve for sales rebates (Note 2)	263	—	2,625
Other current liabilities	208	221	2,076
Total current liabilities	17,152	18,525	171,178
Long-Term Liabilities:			
Long-term debt, due after one year (Note 5)	7,490	8,534	74,750
Employees' retirement benefits (Note 6)	169	186	1,687
Directors' and corporate auditors' retirement benefits	387	381	3,862
Deferred tax liabilities (Note 8)	207	254	2,066
Negative goodwill	42	50	419
Other long-term liabilities	643	576	6,418
Total long-term liabilities	8,938	9,981	89,202
Net Assets:			
Shareholders' Equity (Note 7):			
Common stock			
Authorized 38,800,000 shares			
Issued and outstanding			
15,702,000 shares in 2008 and 2007	11,502	11,502	114,790
Capital surplus	11,825	11,825	118,014
Retained earnings	15,069	14,194	150,389
Treasury stock			
282 shares in 2008	(1)	(1)	(10)
225 shares in 2007			
Valuation and Translation Adjustments			
Net Unrealized Holding Gains on Securities	234	297	2,335
Minority Interests	1,576	1,504	15,729
Net assets	40,205	39,321	401,247
	¥ 66,295	¥ 67,827	\$ 661,627