

To Our Shareholders

Pursuing the “Patients first” philosophy and making the leap to the “Brand of choice”



Hiroyuki Sawai, *Chairman* Mitsuo Sawai, *President*

In fiscal 2008, the year ended March 31, 2009, the Japanese generic drug industry made steady progress toward full-scale diffusion of generics and market expansion. The revised prescription form and other innovations in the medical system went into effect during the year as measures to promote the use of generic drugs for achieving the government’s fiscal 2012 target of a 30% share for generic drugs.

Forecasts of growth in the generic market in Japan have been increasing, and competition has heated up at the same time. An era of industry shakeout in which the basic qualities of the business, including brand power, are called into question is now upon us.

Under these circumstances, the Sawai Group has been endeavoring to build the top brand under our philosophy, “Patients first.” We intend to take this idea one step further by making the leap to become the “Brand of choice” for patients,

medical practitioners, pharmacists and health insurance societies. In addition, we are making progress on innovations in our business structure that are expanding sales growth to boost our presence in the market and increase profitability, as expected by our shareholders.

We ask for your continued support for our endeavors in the coming years, as we carry out our efforts to raise corporate value under the philosophy of “Patients first.”

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Hiroyuki Sawai, *Chairman*

Handwritten signature of Mitsuo Sawai in cursive script.

Mitsuo Sawai, *President*