



● Concept of Medium-term Business Plan “M1 TRUST”

“Minna de 1-ban” and Building Trust

T	Top Brand	Robust Sawai brand
R	Reliability	Improved reliability
U	Unity	United power together with our counterparties
S	Stable Supply	Stable supply
T	Top Share	Overwhelming share in Japanese market

● Basic Policy

- Sales growth far exceeding market growth rate
- Strengthen management structure through cost control and effective strategic investment
- Establish robust Sawai brand

● Target of “M1 TRUST”

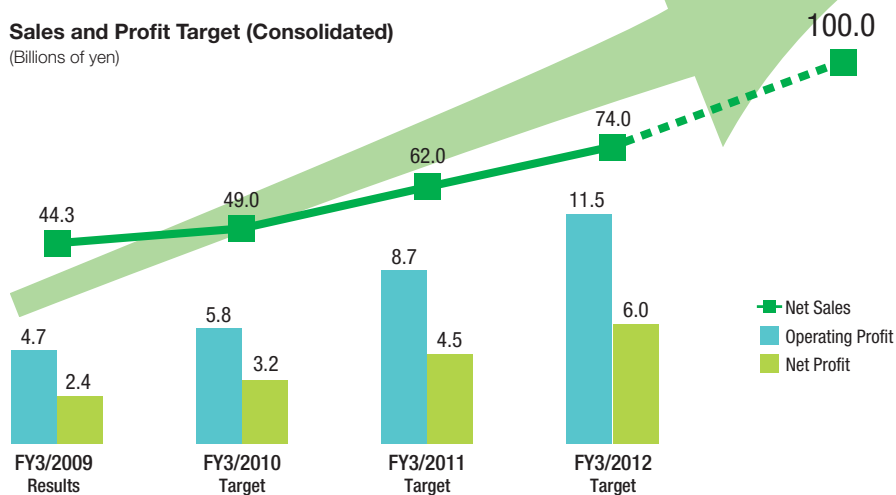
By 2011, the final year of the medium-term plan, we expect to achieve net sales of ¥74.0 billion, operating profit of ¥11.5 billion, and net profit of ¥6.0 billion. These results will secure us a sure foothold on the way to becoming a ¥100-billion company.

Achieving Net Sales of ¥100 Billion within 5 years

To become the most trusted GE company with a strong presence throughout pharmaceutical business and through internal branding (M1) activities.

Sales and Profit Target (Consolidated)

(Billions of yen)





Basic Policy 1

Net Sales Growth Far Exceeding Market Growth Rate

Achieve net sales of ¥74.0 billion in fiscal 2011

Avg. annual growth of 18.7% for Sawai vs. estimated 11.0% for generics market

Key strategies

- (1) Offer a rich, new product lineup
- (2) Capture the DPC hospital market
- (3) Expand sales of mainstay and high-growth products

Sawai is setting out to raise its market presence and expand sales faster than the market grows. We aim to release products encompassing 53 active ingredients and 101 dosage forms in addition to capturing the DPC hospital market and expanding sales in mainstay and high growth products.

Basic Policy 2

Strengthened Management Structure Through Cost Control and Effective Strategic Investment

End-to-end cost control and strategic investment aimed at concrete results

Key strategies

- (1) Increase production efficiency (Establish production capacity of 6.0 billion tablets)
- (2) Strengthen cooperation between sales and manufacturing (Manage inventories to proper levels and reduce disposal losses)
- (3) Provide selection and focus on R&D
- (4) Cut costs across the board

By enforcing cost control throughout the entire group and assuring that strategic investments achieve their goals, we will boost profits and strengthen the management structure.

Basic Policy 3

Establish Robust Sawai Brand

Making the leap from high brand recognition to the “Brand of choice”

Key strategies

- (1) Evolve the “Brand of choice”
 - Release high-quality, high value-added products
 - Raise adoption rates by DPC hospitals
 - Form solid relationships with health insurance societies
- (2) Make stronger partnerships with wholesalers
 - Reassure stable supply with high production capacity (6.0 billion tablets)
- (3) Continue and develop “M1” internal branding
 - Improve corporate integrity and strengthen employees’ concentration

Sawai aims to become the “Brand of choice” in generics by developing high value-added, high-quality pharmaceutical products and by enhancing our relationships with DPC hospitals, health insurance societies, and wholesalers.

We will proceed with the “M1” internal branding project, while improving corporate integrity and strengthening employee focus—all to enhance our group power.