

Consolidated Statements of Income

Sawai Pharmaceutical Co., Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Net Sales	¥44,284	¥37,631	\$450,682
Cost of Sales	25,156	20,130	256,015
Gross Profit	19,128	17,501	194,667
Selling, General and Administrative Expenses	14,460	13,453	147,160
Operating Income	4,668	4,048	47,507
Other Income (Expenses):			
Interest and dividend income	17	17	173
Interest expense	(164)	(192)	(1,669)
Subsidy income	24	10	244
Compensation income	25	12	254
Expenses for loan commitment agreements	(98)	—	(997)
Loss on disposal of inventories	—	(508)	—
Gain on sale of fixed assets	1	—	10
Loss on disposal of buildings and structures	(77)	(25)	(784)
Loss on sale of fixed assets, net	(4)	(3)	(41)
Reserve for sales rebates for the previous period	—	(207)	—
Loss on devaluation of investments in securities	(78)	(50)	(794)
Reversal of allowance for doubtful receivables	9	21	92
Amortization of negative goodwill	12	12	122
Provision of allowance for doubtful accounts of golf club membership	(2)	—	(20)
Other, net	(13)	(6)	(132)
	(348)	(919)	(3,542)
Income Before Income Taxes And Minority Interests	4,320	3,129	43,965
Provision for Income Taxes:			
Current	2,211	1,380	22,501
Deferred	(611)	(164)	(6,218)
Minority Interests	281	174	2,860
Net Income	¥ 2,439	¥ 1,739	\$ 24,822
Per Share of Common Stock:			
		Yen	U.S. dollars (Note 1)
Net income – basic	¥155.32	¥110.73	\$ 1.58
Net income – diluted	—	—	—
Dividends	55.00	55.00	0.56

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