

Financial Results for the 1st Quarter of FY2009

Sawai Pharmaceutical Co.,Ltd.

Code 4555, First Section of the TSE

August 7, 2009

Overview of Financial Results for the 1Q of FY2009

- ◆ Increased in both Sales and Profits despite decreasing patients' visit under the recession and fierce market competition
- ◆ Profits mark drastic increase due to sales growth, decrease in loss on reevaluation of inventories and in SG&A expenses

	1Q of FY2008	1Q of FY2009	Year on Year	
	Millions of yen	Millions of yen	Mil. yen	Growth (%)
Net Sales	11,014	11,970	955	8.7
Operating Income	910	1,849	938	103.1
Ordinary Income	900	1,853	953	105.9
Net Income	428	1,053	624	145.5

Sales per Medical Institution Types

- ◆ Increase sales to the pharmacies and to the hospitals steadily
- ◆ DPC hospitals increased to 1,052 hospitals: 335 hospitals introduced DPC in April 2009

The Track Record of SAWAI's Products Delivered to Medical Institutions by Distribution Companies (Non-consolidated)

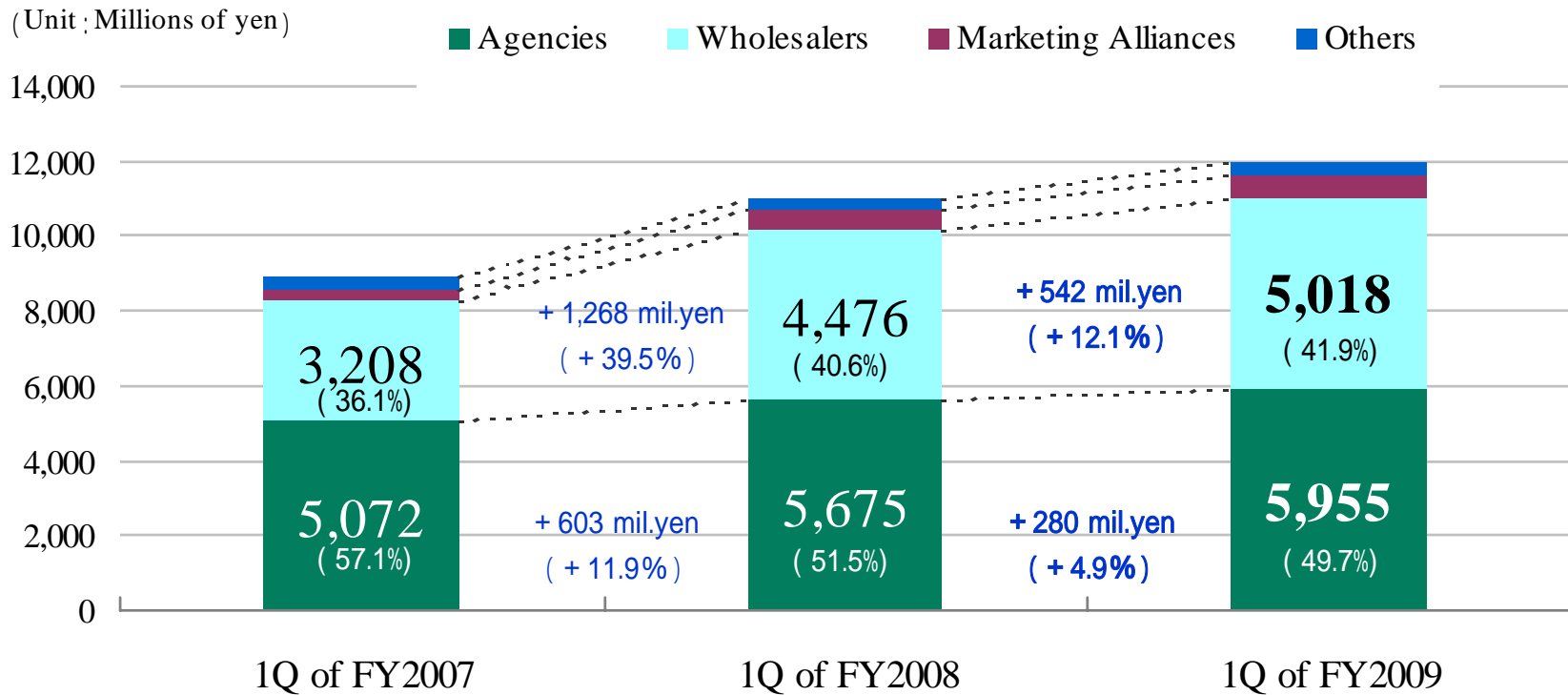
Institution Type		1Q of FY2008		1Q of FY2009			Year on Year		
		b) Nationwide Total Number	a) Number of Customers	Sales Share	a) Number of Customers	a/b (Coverage Rate)	Sales Share	Changes in Number of Customers	Sales Growth
Hospital		9,155	6,510	18.5%	6,697	(73.2%)	19.5%	187	21.6%
DPC Hospital	*1	360	315	3.0%	329	(91.4%)	3.2%	14	22.5%
	*2	358	293	2.3%	306	(85.5%)	2.4%	13	24.2%
	*3	335	246	2.3%	295	(88.1%)	2.1%	49	4.2%
Clinic		103,400	26,400	31.6%	27,800	(26.9%)	29.4%	1,400	6.8%
Dispensing Pharmacy		62,600	41,300	49.3%	42,800	(68.4%)	50.5%	1,500	17.8%
Others		-	-	0.6%	-	-	0.6%	-	19.7%
Total		175,155	74,210	100.0%	77,297	(44.1%)	100.0%	3,087	15.1%

DPC, Diagnosis Procedure Combination, means fixed payment system for inpatient.

*1: These hospitals introduced DPC before FY2007 *2: These hospitals introduced DPC in FY2008 *3: These hospitals introduced DPC in FY2009

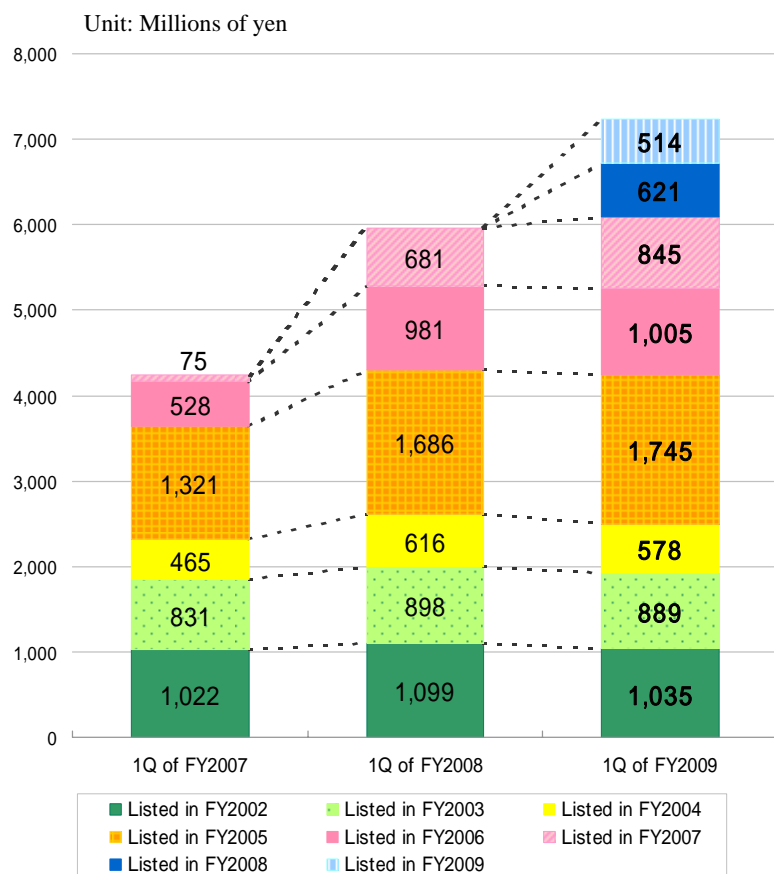
Sales by Marketing Channels

◆ Steady sales growth through wholesalers due to expanding sales to pharmacies and hospitals



Sales by Listed Year of Drugs

- ◆ New products listed in 2008 and 2009 lead sales growth
- ◆ Increase in the sales of life style related drugs listed in FY2005 through FY2007



	1Q of FY2008	1Q of FY2009	Full Year of FY 2009 (Forecast)	
	Mil. yen	Mil. yen	Planned Sales	Progress
Listed in FY2009	-	514	3,000	17.1%
Listed in FY2008	-	621	2,600	23.9%
Listed in FY2007	681	845	3,200	26.4%
Listed in FY2006	981	1,005	3,900	25.8%
Listed in FY2005	1,686	1,745	6,500	26.8%
Listed in FY2004	616	578	2,200	26.3%
Listed in FY2003	898	889	3,700	24.0%
Listed in FY2002	1,099	1,035	4,300	24.1%
Transferred Drug, etc.	374	262	1,500	17.5%
Existing Drugs	4,679	4,472	18,100	24.7%
Total	11,014	11,970	49,000	24.4%

Analysis of Income Statements

	1Q of FY2008		1Q of FY2009		Year on Year	
	Mil. yen	/Sales (%)	Mil. yen	/Sales (%)	Mil. yen	Growth (%)
Net Sales	11,014	100.0%	11,970	100.0%	955	8.7%
Cost of Sales	6,283	57.0%	6,468	54.0%	185	2.9%
Gross Profit	4,731	43.0%	5,502	46.0%	770	16.3%
SG&A Expenses	3,821	34.7%	3,653	30.5%	-168	-4.4%
Operating Income	910	8.3%	1,849	15.4%	938	103.1%
Non-operating Income and Expenses	-10	-0.1%	4	0.0%	14	
Ordinary Income	900	8.2%	1,853	15.5%	953	105.9%
Extraordinary Gain and Loss	-68	-0.6%	-9	-0.1%	59	
Income Taxes and Enterprise Taxes, Minority Interests, etc.	403	3.7%	791	6.6%	388	
Net Income	428	3.9%	1,053	8.8%	624	145.5%

Major Factors of YOY Changes (Unit: Billions of yen)

- Sales increase : +0.41
- Loss on disposal and reevaluation of inventories : +0.32

- Advertising Cost : -0.31
- Personnel Cost : +0.07
- R&D Expenses : +0.03

Analysis of Cash Flows Statement

(Unit: Millions of yen)

	1Q of FY2008	1Q of FY2009
Income before Income Taxes and Minority Interests	832	1,844
Depreciation and Amortization	666	744
Working Capital	-529	357
Income Taxes Paid	-766	-1,446
Other, net	-1,082	-175
Cash Flows from Operating Activities	-879	1,324
Capital Expenditure	-310	-2,413
Other, net	-52	-59
Cash Flows from Investing Activities	-362	-2,472
Net Increase/Decrease of Short- and Long-term Bank Loans	1,093	2,617
Dividends	-392	-392
Other, net	-18	-4
Cash Flows from Financing Activities	683	2,221
Net Increase in Cash and Cash Equivalents	-557	1,073

Major Factors of YOY Changes

(Unit: Billions of yen)

Increase in notes and accounts receivables:	-0.54
Increase in inventories:	-0.98
Increase in accounts payable:	+1.88

Payment for the 3rd stage expansion project of the Sanda Factory: -2.05

Increase in long-term debt: +1.95

FY2009 Earnings Forecasts

- ◆ Approximately inline with our perspectives
- ◆ Forecasts as of May 11, 2009 unchanged

(Unit: Millions of yen, %)

	FY2008		FY2009 Forecast		Year on Year
	Mil. yen	/Sales (%)	Mil. yen	/Sales (%)	Growth (%)
Net Sales	44,284	100.0%	49,000	100.0%	10.6%
Cost of Sales	25,156	56.8%	26,800	54.7%	6.5%
Gross Profit	19,128	43.2%	22,200	45.3%	16.1%
SG&A Expenses	14,460	32.7%	16,400	33.5%	13.4%
Operating Income	4,667	10.5%	5,800	11.8%	24.3%
Ordinary Income	4,479	10.1%	5,600	11.4%	25.0%
Net Income	2,438	5.5%	3,150	6.4%	29.2%

Disclaimer

- The plans, forecasts, strategies and other information regarding the Sawai group contained in this presentation involve certain risks and uncertainties, except for historical facts. Therefore, there is no guarantee as to the accuracy of this information.
- Risks and uncertainties may include, but are not limited to, the economic environment for prescription drugs, which is the main operating domain of the Sawai group, market competition and services offered by the Group.

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