

Financial Results for the Nine Months of FY2009

Sawai Pharmaceutical Co.,Ltd.

Code 4555, First Section of the TSE

February 9, 2010

Overview of Financial Results for the 1st 3Q of FY2009

- ◆ Increase in both Sales and Profits in spite of slow GE market penetration
- ◆ Drastic profit increase caused by the improvement of Cost of Sales ratio and control of SG&A Expenses

	3Q of FY2008		3Q of FY2009		Year on Year	
	Millions of yen	/Sales (%)	Millions of yen	/Sales (%)	Mil. yen	Growth (%)
Net Sales	33,419	100.0%	38,036	100.0%	4,617	13.8
Operating Income	3,869	11.6%	6,878	18.1%	3,009	77.7
Ordinary Income	3,789	11.3%	6,793	17.9%	3,004	79.3
Net Income	2,092	6.3%	4,007	10.5%	1,915	91.5

Sales per Medical Institution Types

- ◆ Sales to the hospitals are increasing: especially new accounts with DPC hospitals introduced this FY and increasing sales to the existing customers contribute to the performance
- ◆ Steady sales growth to the dispensing pharmacies

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

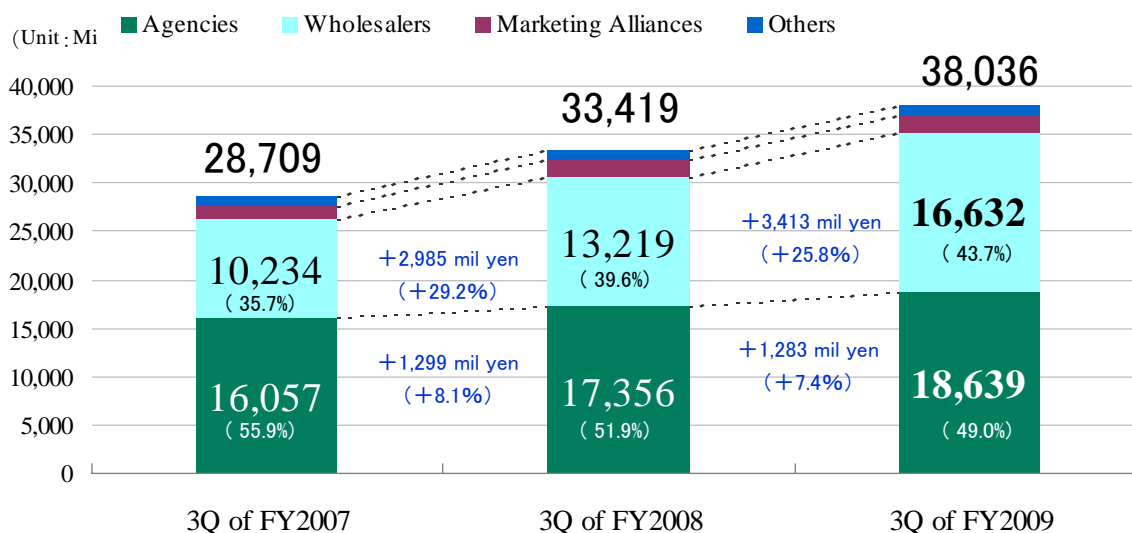
Institution Type	b) Nationwide Total Number	3Q of FY2008		3Q of FY2009			Year on Year	
		a) Number of Customers	Sales Share	a) Number of Customers	a/b (Coverage Rate)	Sales Share	Changes in Number of Customers	Sales Growth
Hospital	8,838	6,965	18.8%	7,094	(80.3%)	19.7%	129	23.4%
DPC Hospital	*1	359	3.1%	337	(93.9%)	3.1%	0	18.0%
	*2	357	2.1%	315	(88.2%)	2.4%	2	37.2%
	*3	567	1.6%	512	(90.3%)	3.1%	46	128.2%
Clinic	103,400	30,587	31.3%	30,820	(29.8%)	28.5%	233	7.8%
Dispensing Pharmacy	63,300	44,306	49.3%	45,852	(72.4%)	51.2%	1,546	22.8%
Others	-	-	0.6%	-	-	0.6%	-	15.9%
Total	175,538	81,858	100.0%	83,766	(47.7%)	100.0%	1,908	18.2%

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

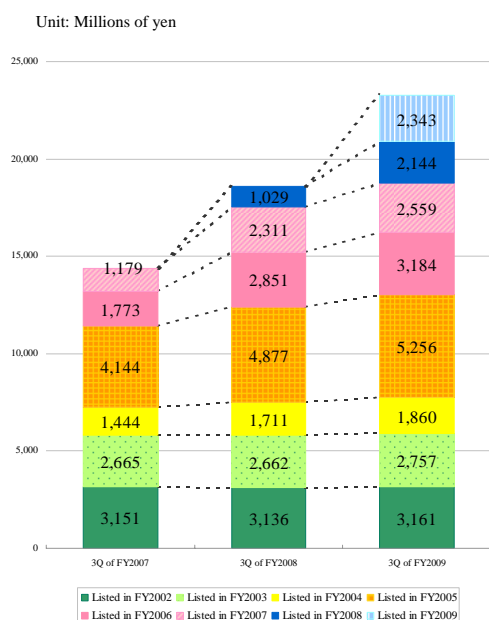
Sales by Marketing Channels

- ◆ Sales increase through wholesalers continues due to focusing on hospitals and pharmacies



Sales by Listed Year of Drugs

- ◆ Increase in the sales of life style related disease drugs listed in and after FY2005
- ◆ Value-added new products listed in 2009 also lead the sales growth



	3Q of FY2008	3Q of FY2009	Full Year of FY2009 (Forecast)	
	Mil. yen	Mil. yen	Planned Sales	Progress
Listed in FY2009	-	2,343	3,000	78.1%
Listed in FY2008	1,029	2,144	2,600	82.5%
Listed in FY2007	2,311	2,559	3,200	80.0%
Listed in FY2006	2,851	3,184	3,900	81.6%
Listed in FY2005	4,877	5,256	6,500	80.9%
Listed in FY2004	1,711	1,860	2,200	84.5%
Listed in FY2003	2,662	2,757	3,700	74.5%
Listed in FY2002	3,136	3,161	4,300	73.5%
Transferred Drug, etc.	1,138	1,140	1,500	76.0%
Existing Drugs	13,701	13,629	18,100	75.3%
Total	33,419	38,036	49,000	77.6%

Analysis of Income Statements

	3Q of FY2008		3Q of FY2009		Year on Year	
	Mil. yen	/Sales (%)	Mil. yen	/Sales (%)	Mil. yen	Growth (%)
Net Sales	33,419	100.0%	38,036	100.0%	4,617	13.8%
Cost of Sales	18,758	56.1%	19,875	52.3%	1,117	6.0%
Gross Profit	14,661	43.9%	18,161	47.7%	3,500	23.9%
SG&A Expenses	10,791	32.3%	11,282	29.6%	491	4.5%
Operating Income	3,869	11.6%	6,878	18.1%	3,009	77.7%
Non-operating Income and Expenses	-80	-0.3%	-85	-0.2%	-5	
Ordinary Income	3,789	11.3%	6,793	17.9%	3,004	79.3%
Extraordinary Gain and Loss	-104	-0.3%	-33	-0.1%	71	
Income Taxes and Enterprise Taxes, Minority Interests, etc.	1,592	4.7%	2,752	7.3%	1,160	
Net Income	2,092	6.3%	4,007	10.5%	1,915	91.5%

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

- Sales increase: +2,400
- Improvement in the cost of sales ratio: +1,100

- Research & development costs: +300
- Sales promotion costs: +200
- Personnel costs: +200
- Advertising costs: -200

Analysis of Cash Flows Statement

(Unit: Millions of yen)

	3Q of FY2008	3Q of FY2009
Income before Income Taxes and Minority Interests	3,684	6,759
Depreciation and Amortization	1,984	2,256
Working Capital	-4,085	-3,423
Income Taxes Paid	-1,449	-2,542
Other, net	61	517
Cash Flows from Operating Activities	195	3,567
Capital Expenditure	-2,053	-4,465
Other, net	-21	-101
Cash Flows from Investing Activities	-2,074	-4,566
Net Increase/Decrease of Short- and Long-term Bank Loans	1,597	907
Dividends	-863	-863
Other, net	-18	-8
Cash Flows from Financing Activities	715	33
Net Increase/Decrease in Cash and Cash Equivalents	-1,163	-965

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

- Increase in notes and accounts receivables: -4,000
- Increase in inventories: -3,100
- Increase in accounts payable: +3,700

- Payment for the 3rd stage expansion project of the Sanda Factory: -2,400

- Increase in long-term debt: +500
- Increase in short-term debt: +400

FY2009 Earnings Forecast

- ◆ Forecast as of October 30, 2009 remains unchanged, as reactions of medical institutions, etc. to the revision of the nation's healthcare system is uncertain

(Unit: Millions of yen, %)

	FY2008		FY2009 Forecast (revised)		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%	26,300	53.7%	4.5%
Gross Profit	19,128	43.2%	22,700	46.3%	18.7%
SG&A Expenses	14,460	32.7%	15,900	32.4%	10.0%
Operating Income	4,667	10.5%	6,800	13.9%	45.7%
Ordinary Income	4,479	10.1%	6,700	13.7%	49.6%
Net Income	2,438	5.5%	3,800	7.8%	55.8%

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.

Contact Information

Corporate Planning & IR Group Sawai Pharmaceutical Co., Ltd.

E-mail: ir@sawai.co.jp

Phone: +81-6-6105-5823