



## Marketing and Sales Operations

Sawai is working to further improve marketing and sales quality through the reinforcement of its capabilities.

**To cope with anticipated further expansion of demand for generic drugs, Sawai will reinforce marketing activities in various sales channels.**

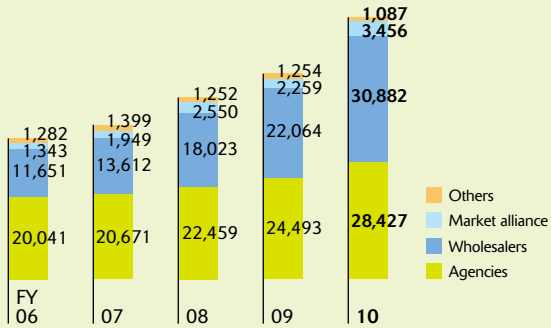
Sawai is vigorously targeting DPC hospitals and NHI pharmacies in its sales activities, where expanded use of generic drugs is expected. Net sales to hospitals increased by 12.6% year on year in fiscal 2010 thanks to vigorous sales promotion activities, such as promotion of anticancer drugs to DPC hospitals. In addition, deliveries to pharmacies rose sharply by 50.2% year on year as a result of the April 2010 revision of the additional medical service fee system for dispensing generic drugs.

To implement even more vigorous selling activities directed at this expanding market, the Company is increasing the number of dedicated hospital MRs primarily responsible for DPC hospitals, from 50 to 100, and will develop MRs equipped with specialized knowledge in the field of anticancer drugs, a market expected to expand at a particularly high rate. In addition, we are implementing measures to increase collaboration among MRs. We are also working to boost marketing capabilities by preparing venues for MRs and head office organization personnel to en-

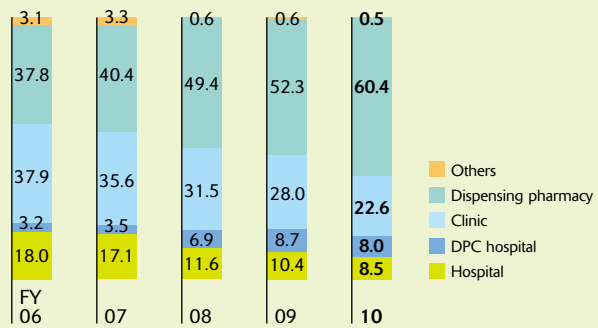
gage in discussions on a routine basis to consider sales strategies for high-priority products and core products, to select medical institutions to target and analyze activities and to develop a structure for cooperation and information sharing between area MRs and hospital MRs.

The Company is well regarded by wholesale distributors within the NHI pharmacy and DPC hospital channels for quality, information, stable supply and the Sawai brand recognition, and we are steadily increasing sales through distributors. Sales through wholesale distributors in fiscal 2010 accounted for 48.4% of consolidated net sales. We are also establishing sales channels through local distributors located nearby the customers that are capable of providing meticulous customer service, and sales through local distributors account for 44.5% of consolidated net sales. We intend to increase our market share by continuing to pursue collaboration with distributors of both types.

**Sales by Market Channel** (Millions of yen)



**Sales Composition by Medical Institution Types** (Non-Consolidated/%)



**Branches and Sales Offices**



**8 Branches**

- Sapporo Branch
- Sendai Branch
- Saitama Branch
- Tokyo Branch
- Nagoya Branch
- Osaka Branch
- Hiroshima Branch
- Fukuoka Branch

**11 Sales Offices**

- Joshinetsu Sales Office
- Tokyo-Higashi Sales Office
- Tokyo-Nishi Sales Office
- Yokohama Sales Office
- Shizuoka Sales Office
- Kyoto Sales Office
- Kobe Sales Office
- Hokuriku Sales Office
- Takamatsu Sales Office
- Okayama Sales Office
- Kumamoto Sales Office

**Head Office**



**Entrance Hall**



**Number of MRs**

