

# FINANCIAL STATEMENTS

## Consolidated Balance Sheets

Sawai Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and deposits (Notes 3, 4)	¥ 30,805	¥ 9,474	\$ 370,475
Trade notes and accounts receivable (Note 4)	23,284	18,540	280,024
Allowance for doubtful receivables	(21)	(10)	(253)
	<b>54,068</b>	28,004	<b>650,246</b>
Inventories (Note 5)	21,218	18,081	255,177
Deferred income taxes (Note 10)	1,812	1,787	21,792
Other current assets	397	144	4,775
Total current assets	<b>77,495</b>	48,016	<b>931,990</b>
<b>Property, Plant and Equipment :</b>			
Land	4,950	5,140	59,531
Buildings and structures	29,266	28,532	351,966
Machinery and equipment	19,264	17,861	231,678
Leased assets	45	38	541
Construction in progress	494	570	5,941
Other	4,848	4,422	58,304
	<b>58,867</b>	56,563	<b>707,961</b>
Accumulated depreciation	(26,550)	(24,778)	(319,302)
Net property, plant and equipment	<b>32,317</b>	31,785	<b>388,659</b>
<b>Intangible Assets</b>	<b>1,148</b>	478	<b>13,806</b>
<b>Investments and Other Assets:</b>			
Investment securities (Notes 4, 6)	5,702	658	68,575
Long-term receivables	18	55	216
Long-term deposits	61	42	734
Other investments and long-term receivables	380	248	4,570
	<b>6,161</b>	1,003	<b>74,095</b>
Allowance for doubtful receivables	(65)	(46)	(782)
Net investments and other assets	<b>6,096</b>	957	<b>73,313</b>
	<b>¥ 117,056</b>	¥ 81,236	<b>\$ 1,407,768</b>

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

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
<b>Current Liabilities:</b>			
Bank debt (Notes 4, 7)	¥ —	¥ 4,100	\$ —
Current portion of long-term debt (Notes 4, 7)	<b>2,660</b>	2,503	<b>31,990</b>
Current portion of lease obligations	<b>7</b>	12	<b>84</b>
Trade notes and accounts payable (Note 4)	<b>9,849</b>	10,040	<b>118,449</b>
Other accounts payable (Note 4)	<b>7,734</b>	4,073	<b>93,013</b>
Accrued bonuses to employees	<b>1,086</b>	1,081	<b>13,061</b>
Accrued bonuses to directors and corporate auditors	<b>61</b>	83	<b>734</b>
Income taxes payable (Note 4)	<b>3,144</b>	2,659	<b>37,811</b>
Reserve for sales returns	<b>126</b>	102	<b>1,515</b>
Reserve for sales rebates	<b>792</b>	509	<b>9,525</b>
Other current liabilities	<b>352</b>	279	<b>4,233</b>
Total current liabilities	<b>25,811</b>	25,441	<b>310,415</b>
<b>Long-Term Liabilities:</b>			
Convertible Bonds with subscription rights to shares (Notes 4, 7, 14)	<b>30,662</b>	—	<b>368,755</b>
Long-term debt (Notes 4, 7)	<b>8,162</b>	8,172	<b>98,160</b>
Long-term lease obligations	<b>11</b>	11	<b>132</b>
Employees' retirement benefits (Note 8)	<b>90</b>	92	<b>1,082</b>
Directors' and corporate auditors' retirement benefits	<b>340</b>	271	<b>4,089</b>
Deferred tax liabilities (Note 10)	<b>167</b>	186	<b>2,008</b>
Negative goodwill	<b>12</b>	26	<b>144</b>
Other long-term liabilities	<b>938</b>	779	<b>11,281</b>
Total long-term liabilities	<b>40,382</b>	9,537	<b>485,651</b>
<b>Net Assets (Note 9):</b>			
<b>Shareholders' Equity:</b>			
Common stock			
Authorized 38,800,000 shares			
Issued and outstanding			
15,807,800 shares in 2011			
15,702,000 shares in 2010	<b>11,814</b>	11,502	<b>142,081</b>
Capital surplus	<b>12,138</b>	11,825	<b>145,977</b>
Retained earnings	<b>26,687</b>	20,763	<b>320,950</b>
Treasury stock			
712 shares in 2011			
662 shares in 2010	<b>(3)</b>	(3)	<b>(36)</b>
<b>Accumulated Other Comprehensive Income</b>			
Net unrealized holding gains on securities	<b>110</b>	154	<b>1,323</b>
<b>Subscription Rights to Shares</b>	<b>108</b>	202	<b>1,299</b>
<b>Minority Interests</b>	<b>9</b>	1,815	<b>108</b>
Net assets	<b>50,863</b>	46,258	<b>611,702</b>
	<b>¥ 117,056</b>	¥ 81,236	<b>\$ 1,407,768</b>