

Sawai's Potential

In order to achieve sustained growth, improve corporate value, and emerge as a survivor in a rapidly changing market, Sawai must assess conditions inside and outside of the Company, remembering the adage that “if you know your enemy and know yourself, you need not fear the result of a hundred battles.” In line with this idea, we believe it is vital to identify growth opportunities and risks, and develop our business by playing to our strengths while covering for our weaknesses.



Research and development, pharmaceutical formulation technologies

In addition to excellent patent search and analysis capabilities, we have developed products that are easy for patients to swallow and have advanced formulation technologies that allow the development of drugs at a level no other company can match. These advantages have allowed us to be first to market in launching new products, which, in turn, has helped us to not only capture a market share, but also to differentiate ourselves from other companies and develop businesses that are resistant to price competition.

The ability to ensure stable supply

One of the most-important issues in a pharmaceutical industry deeply linked to human lives is the stable supply of high-quality pharmaceutical products, and we are proud that our Company is capable of producing industry-leading volume of about 15 billion tablets a year. We are building a system capable of producing 20 billion tablets a year by the end of fiscal 2020, and continue to refine our ability to ensure a stable supply of pharmaceutical products.

Our strengths as a company include an ample lineup of products, strong relationships with wholesalers and sales agencies, and sales capabilities that harness the power of the industry's leading brand. Moreover, we possess the industry's foremost financial base that supports our strategies for future growth. Over and above these individual attributes, our greatest strength lies in the ability to link the comprehensive strengths of each of these features.

Securing and fostering human resources

Alongside the rapid growth of our Company, we have also seen an expansion in our area of business activity on both a quantitative and qualitative basis. We are working to secure human resources in a variety of areas to support global development and are committed to the fostering of middle-management personnel that can support an expansion in the manufacture of high-quality products.





Domestic market

As Japan experiences the aging of its society, the advancement of medical remedies, and harsh financial conditions, medical costs in the country continue to rise. As a means to cap rising costs, the government is promoting the use of generic drugs and aims to achieve a volume share target for generics of 80% as soon as possible. It appears likely that the government will continue to promote the use of generics even after the 80% target is achieved, and, given expectations for a sustained rise in the population in Japan over the age of 65, we expect demand for generic products to continue to expand over the long term.

Overseas markets

In the U.S. market, Sawai is the first Japanese manufacturer of generics to receive Paragraph IV Abbreviated New Drug Application (ANDA) approval from the U.S. FDA (for PITAVASTATIN Tablets). The Company has also submitted applications for two additional products, including MIRABEGRON Tablets.

In May 2017, we completed the acquisition of Upsher-Smith Laboratories, LLC, allowing the establishment of a firm foothold for the full-scale advancement into the U.S. market. While supporting growth of the Company in the U.S. market, which is the world's largest pharmaceutical market and continues to expand, we expect the swift achievement of synergies, including in the sale of our products.

Revisions to the NHI drug pricing scheme

There are ongoing efforts to promote the use of generic drugs in the Japanese market, but in the interest of capping rising medical costs, there are also calls for a fundamental revision in the NHI drug pricing scheme, including for generics. We believe revisions to the NHI drug pricing scheme have the potential to sharply impact the entire pharmaceutical sector, including Sawai.

