

# Consolidated Financial Results for the third quarter of fiscal year 2005

February 6, 2006

Name of Listed Company : **SHIONOGI & CO., LTD.**

(URL <http://www.shionogi.co.jp>)

Securities code number : 4507

Listed Exchanges : Section 1 of Tokyo and Osaka

Representative : Title of Person in Charge *President*

: Name *Motozo Shiono*

Contact responsibility : Title of Person in Charge *General Manager, Public Relations Unit*

: Name *Noriyuki Kishida*

Telephone : 06(6202)-2161

## 1. Basis of preparation

(1) Adoption of simplified methods of accounting [Yes/No] : Yes

*The Company has partially adopted simplified methods of accounting for inventory valuation and others.*

(2) Changes in method of accounting [Yes/No] : No

(3) Changes in the scope of consolidation or in the application of the equity method [Yes/No] : Yes

Consolidation (Excluded) 4 subsidiaries (Shionogi Qualicaps Co.,Ltd, Shionogi Europe B.V., Shionogi Qualicaps,Inc., Shionogi Qualicaps,S.A.)

## 2. Financial Results for the period from April 1, 2005 to December 31, 2005

(1) Results of operations (Note: All amounts are rounded down to the nearest million yen.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2005	151,899	0.1	24,590	8.3	25,172	14.1	20,949	37.9
Nine months ended December 31, 2004	151,812	(2.9)	22,697	—	22,056	—	15,192	—
Year ended March 31, 2005	199,364	(0.6)	28,729	41.6	27,804	58.1	18,941	759.6

	Earnings per share		Earnings per share (diluted)	
	Yen	Yen	Yen	Yen
Nine months ended December 31, 2005	61.49	—	—	—
Nine months ended December 31, 2004	43.93	—	—	—
Year ended March 31, 2005	54.64	—	—	—

(Notes) *The percentages shown under net sales, operating income, ordinary income and net income in the table above represent the change from the corresponding figures for the same period of the previous year.*

### [Information on results of operations]

*During the nine months ended December 31, 2005, net sales were ¥151,899 million, operating income was ¥24,590 million, ordinary income was ¥25,172 million, and net income was ¥20,949 million.*

*In the ethical drugs business, sales of core products including oral cephem antibiotic Flomox, controlled-release oral analgesic for cancer pain OxyContin and anti-allergic Claritin increased compared with the same period in the previous fiscal year. New products such as new quinolone antibacterial Avelox and carbapenem antibiotic Finibax, both launched last year, also contributed to increased sales. In addition, royalty income increased substantially. The capsule business was sold in October 2005 and has therefore been removed from the scope of consolidation as of the third quarter. As a result, overall sales increased only 0.1 percent compared with the same period in the previous fiscal year.*

*Operating income and ordinary income increased 8.3 percent and 14.1 percent, respectively, compared with the same period in the previous fiscal year due in part to the substantial increase in royalty income as well as the improved cost of sales ratio resulting from cost-reduction efforts. Net income increased 37.9 percent compared with the same period in the previous fiscal year due to factors including an extraordinary gain on the sale of the capsule business.*

## (2) Financial position

	Total assets	Shareholders' equity	Ratio of Shareholders' equity to total assets	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of December 31, 2005	417,253	333,673	80.0	979.56
As of December 31, 2004	389,069	303,058	77.9	876.54
As of March 31, 2005	396,998	299,847	75.5	879.79

## [Cash Flows]

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
Nine months ended December 31, 2005	8,207	3,224	(24,616)	82,941
Nine months ended December 31, 2004	16,074	(3,677)	(4,217)	76,963
Year ended March 31, 2005	28,551	9,784	( 11,209)	95,719

## [ Information on changes in financial position ]

Regarding financial position, as of December 31, 2005, total assets were ¥417,253 million, an increase of ¥20,255 million compared with the previous fiscal year-end. The increase was largely the result of an increase in the market value of investment securities. Total liabilities decreased ¥13,608 million, due mainly to the redemption at maturity of bonds totaling ¥20.0 billion using internal funds. Shareholders' equity was ¥333,673 million, an increase of ¥33,826 million compared with the previous fiscal year-end, mainly due to an increase in unrealized gain on securities from the higher market value, and because Shionogi posted a profit for the period.

Regarding cash flows, net cash provided by operating activities was ¥8,207 million overall, as income before income taxes and minority interests totaling ¥35,649 million was partially offset by income taxes paid totaling ¥13,609 million.

Net cash provided by investing activities was ¥3,224 million, due to proceeds from the sale of the capsule business that were partly offset by purchases of government bonds.

Net cash used in financing activities was ¥24,616 million due to factors including dividends paid and redemption of bonds.

As a result, cash and cash equivalents at the end of the third quarter totaled ¥82,941 million, a decrease of ¥12,778 million compared with the previous fiscal year-end.

## (Reference) Financial Results (Non-consolidated) for the period from April 1, 2005 to December 31, 2005

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2005	140,519	2.2	21,596	11.7	23,647	18.8	24,232	73.6
Nine months ended December 31, 2004	137,528	(4.2)	19,332	—	19,909	—	13,959	—
Year ended March 31, 2005	180,743	( 1.4)	24,576	52.0	25,499	65.0	17,787	—

	Total assets	Shareholders' equity
	Million yen	Million yen
As of December 31, 2005	405,952	328,424
As of December 31, 2004	379,317	296,230
As of March 31, 2005	386,572	293,357

(Notes) The percentages shown under net sales, operating income, ordinary income and net income in the table above represent the change from the corresponding figures for the same period of the previous year.

[Reference]

Forecasted results for the year ending March 31, 2006 (April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
For the year ending March 31, 2006	200,000	28,500	22,500

(Reference) *Estimated earnings per share for FY 2005:* ¥66.05

[ Information on forecasted results ]

*We have not revised the annual forecasted results which were announced on November 7, 2005*

Forecasted results (Non-consolidated) for the year ending March 31, 2006 (April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income	Annual dividend per share	
				Year end	
	Million yen	Million yen	Million yen	Yen	Yen
For the year ending March 31, 2006	187,000	27,800	26,500	6 . 00	12 . 00

(Reference) *Estimated earnings per share for FY 2005:* ¥77.79

(Notes) *These estimates on February 6, 2006 include a number of assumptions, forward-looking projections and plans. The actual results may differ substantially depending on the situation of competitors, uncertainties in the market.*

# 1.Consolidated Statements of Income

(Units: millions of yen)

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Increase (decrease)	(Reference) Year ended March 31, 2005	
	Amount	%	Amount	%		Amount	Amount
<b>Net sales</b>	151,899	100.0	151,812	100.0	87	199,364	100.0
<b>Cost of sales</b>	53,991	35.5	57,171	37.7	(3,180)	74,069	37.2
Gross profit	97,908	64.5	94,640	62.3	3,268	125,295	62.8
<b>Selling, general and administrative expenses</b>	73,318	48.3	71,943	47.4	1,375	96,566	48.4
<b>Operating income</b>	24,590	16.2	22,697	14.9	1,893	28,729	14.4
Non-operating income	2,718	1.8	1,959	1.3	759	2,726	1.4
Non-operating expenses	2,136	1.4	2,600	1.7	(464)	3,651	1.9
<b>Ordinary income</b>	25,172	16.6	22,056	14.5	3,116	27,804	13.9
Extraordinary gains	11,449	7.5	3,835	2.5	7,614	4,349	2.2
Extraordinary losses	972	0.6	499	0.3	473	498	0.2
<b>Income before income taxes and minority interests</b>	35,649	23.5	25,392	16.7	10,257	31,655	15.9
Income taxes, current	12,898	8.5	5,814	3.8	7,084	10,065	5.1
Income taxes, deferred	1,761	1.2	4,367	2.9	(2,606)	2,628	1.3
Minority interests	(39)	(0.0)	(16)	(0.0)	(23)	( 18)	( 0.0)
<b>Net income</b>	20,949	13.8	15,192	10.0	5,757	18,941	9.5
R&D expenses	23,394	15.4	23,263	15.3	131	29,409	14.8

## 2. Consolidated Balance Sheets

(Units: millions of yen)

	As of December 31, 2005		(Reference) As of March 31, 2005		Increase (decrease)	As of December 31, 2004	
	Amount	%	Amount	%	Amount	Amount	%
<b>Assets</b>							
<b>Current assets:</b>							
Cash and deposits	84,918		105,395		(20,477)	81,401	
Notes and accounts receivable	74,084		73,458		626	77,202	
Inventories	28,195		29,696		(1,501)	30,583	
Other current assets	15,346		13,577		1,769	29,564	
Allowance for doubtful accounts	(19)		( 63)		44	(63)	
<b>Total current assets</b>	<b>202,525</b>	<b>48.5</b>	<b>222,064</b>	<b>55.9</b>	<b>(19,539)</b>	<b>218,687</b>	<b>56.2</b>
<b>Fixed assets:</b>							
Property, plant and equipment:							
Buildings and structures	29,097		32,104		(3,007)	32,560	
Other	34,158		36,086		(1,928)	36,833	
Property, plant and equipment, net	63,255	15.2	68,191	17.2	(4,936)	69,394	17.9
Intangible fixed assets:							
Intangible fixed assets	7,369	1.8	7,146	1.8	223	4,766	1.2
Investments and other assets:							
Investments in securities	126,096		82,067		44,029	80,096	
Prepaid pension expenses	14,807		13,088		1,719	12,435	
Other	3,360		4,641		(1,281)	3,917	
Allowance for doubtful accounts	(161)		( 200)		39	(229)	
<b>Total investments and other assets</b>	<b>144,102</b>	<b>34.5</b>	<b>99,596</b>	<b>25.1</b>	<b>44,506</b>	<b>96,220</b>	<b>24.7</b>
<b>Total fixed assets</b>	<b>214,727</b>	<b>51.5</b>	<b>174,933</b>	<b>44.1</b>	<b>39,794</b>	<b>170,381</b>	<b>43.8</b>
<b>Total assets</b>	<b>417,253</b>	<b>100.0</b>	<b>396,998</b>	<b>100.0</b>	<b>20,255</b>	<b>389,069</b>	<b>100.0</b>

(Units: millions of yen)

	As of December 31, 2005		(Reference) As of March 31, 2005		Increase (decrease)	As of December 31, 2004	
	Amount	%	Amount	%	Amount	Amount	%
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Note and accounts payable	13,095		8,660		4,435	10,123	
Current portion of bonds	—		20,000		(20,000)	20,000	
Reserves:							
Reserve for bonuses	3,502		7,809		(4,307)	3,031	
Other reserves	940		807		133	919	
Other current liabilities	28,939		31,873		(2,934)	24,359	
Total current liabilities	46,478	11.2	69,151	17.4	(22,673)	58,434	15.0
<b>Long-term liabilities:</b>							
Reserves:							
Accrued retirement benefits for employees	8,235		8,321		(86)	8,438	
Other reserves	240		254		(14)	254	
Other long-term liabilities	28,371		19,207		9,164	18,667	
Total long-term liabilities	36,847	8.8	27,783	7.0	9,064	27,360	7.0
Total liabilities	83,326	20.0	96,934	24.4	(13,608)	85,795	22.0
<b>Minority interests:</b>							
Minority interests	253	0.0	217	0.1	36	216	0.1
<b>Shareholders' equity:</b>							
Common stock	21,279	5.1	21,279	5.4	0	21,279	5.5
Additional paid-in capital	20,227	4.9	20,227	5.1	0	20,227	5.2
Retained earnings	264,683	63.4	248,485	62.6	16,198	244,736	62.9
Unrealized gain on securities	36,542	8.8	19,964	5.0	16,578	19,482	5.0
Translation adjustments	(355)	(0.1)	( 1,535)	( 0.4)	1,180	(1,141)	(0.3)
Less treasury stock, at cost	(8,704)	(2.1)	( 8,574)	( 2.2)	(130)	(1,525)	(0.4)
Total shareholders' equity	333,673	80.0	299,847	75.5	33,826	303,058	77.9
<b>Total liabilities, minority interests and shareholders' equity</b>	417,253	100.0	396,998	100.0	20,255	389,069	100.0

### 3. Consolidated Statements of Cash Flows

(Units: millions of yen)

	Nine months ended December 31, 2005	Nine months ended December 31, 2004	(Reference) Year ended March 31, 2005
	Amount	Amount	Amount
<b>Operating activities:</b>			
Income before income taxes and minority interests	35,649	25,392	31,655
Depreciation	6,378	6,859	9,330
Decrease (increase) in notes and accounts receivable, trade	(4,284)	(5,690)	(2,016)
Decrease (increase) in inventories	(922)	3,024	4,314
Increase (decrease) in notes and accounts payable, trade	5,531	762	(1,685)
Other	(21,457)	(12,855)	(11,633)
Subtotal	20,894	17,491	29,965
Interest and dividend income received	1,141	991	1,279
Interest paid	(219)	(416)	(416)
Income taxes paid	(13,609)	(1,991)	(2,276)
Net cash provided by operating activities	8,207	16,074	28,551
<b>Investing activities:</b>			
Purchases of marketable securities or investments in securities	(21,014)	(2,149)	(4,157)
Proceeds from sales of marketable securities or investments in securities	19,930	1,284	23,313
Purchases of property, plant and equipment	(3,982)	(4,711)	(5,424)
Proceeds from sales of property, plant and equipment	335	516	533
Other	7,954	1,381	(4,479)
Net cash provided by (used in) investing activities	3,224	(3,677)	9,784
<b>Financing activities:</b>			
Short-term loans, net	276	(186)	(125)
Repayment of long-term debt	0	(918)	(918)
Redemption of bonds	(20,000)	—	—
Dividends paid	(4,680)	(2,934)	(2,935)
Other	(212)	(179)	(7,231)
Net cash used in financing activities	(24,616)	(4,217)	(11,209)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	382	151	(40)
<b>Increase (decrease) in cash and cash equivalents</b>	(12,801)	8,330	27,085
<b>Cash and cash equivalents at beginning of period</b>	95,719	68,623	68,623
<b>Increase in cash and cash equivalents resulting from merger of consolidated subsidiary with unconsolidated subsidiary</b>	23	—	—
<b>Increase in cash and cash equivalents resulting from initial consolidation of a subsidiary</b>	—	9	9
<b>Cash and cash equivalents at end of period</b>	82,941	76,963	95,719

## 4. Segment Information

[Business Segment Information]

Nine months ended December 31, 2005

(Units: millions of yen)

Business Segment Account	Pharmaceuticals and related businesses	Capsule business	Other businesses	Total	Eliminations	Consolidated
Net sales and operating income:						
Net sales						
(1) Sales to third parties	143,369	6,060	2,468	151,899	—	151,899
(2) Intergroup sales and transfers	—	163	5,545	5,708	(5,708)	—
Total	143,369	6,223	8,014	157,608	(5,708)	151,899
Operating expenses	120,794	5,536	6,735	133,066	(5,756)	127,309
Operating income	22,575	687	1,279	24,542	48	24,590

Nine months ended December 31, 2004

(Units: millions of yen)

Business Segment Account	Pharmaceuticals and related businesses	Capsule business	Other businesses	Total	Eliminations	Consolidated
Net sales and operating income:						
Net sales						
(1) Sales to third parties	140,084	8,893	2,834	151,812	—	151,812
(2) Intergroup sales and transfers	—	181	3,360	3,541	(3,541)	—
Total	140,084	9,074	6,194	155,353	(3,541)	151,812
Operating expenses	119,676	7,807	5,188	132,672	(3,558)	129,114
Operating income	20,407	1,267	1,006	22,680	17	22,697

(Reference) Year ended March 31, 2005

(Units: millions of yen)

Business Segment Account	Pharmaceuticals and related businesses	Capsule business	Other businesses	Total	Eliminations	Consolidated
Net sales and operating income:						
Net sales						
(1) Sales to third parties	184,074	11,895	3,394	199,364	—	199,364
(2) Intergroup sales and transfers	—	236	4,726	4,963	(4,963)	—
Total	184,074	12,132	8,121	204,328	(4,963)	199,364
Operating expenses	158,187	10,671	6,759	175,619	(4,983)	170,635
Operating income	25,886	1,460	1,361	28,709	20	28,729

(Notes) 1. *Businesses of the Shionogi & Co., Ltd and consolidated subsidiaries are segmented into Pharmaceuticals and related businesses, Capsule business and Other businesses, considering the types of products/merchandise handled and the similarities in their markets.*

2. *Major products/merchandise and services provided by each segment*

Business Segment	Major products/merchandise and services
Pharmaceuticals and related businesses	Ethical drugs, OTC drugs and Diagnostics
Capsule business	Capsules
Other businesses	Real estate leases, Physical distribution and other services



# Third Quarter Result for the year ending March 31, 2006 <Supplement>

February 6, 2006  
SHIONOGI & CO., LTD.

## ① Sales by segment

(Unit: Yen 100 million)

<Consolidated>

		(Announced Nov 7, 2005)		Oct. 2005-	Oct. 2004-	Apr. 2005-	Apr. 2004-	Progress % vs	(Announced Feb. 6, 2006)	
		FY2005 2H	FY2005	Dec. 2005	Dec. 2004	Dec. 2005	Dec. 2004	FY2005 forecast	FY2005 2H	FY2005
		(forecast)	(forecast)						(forecast)	(forecast)
Pharmaceuticals and related businesses		1,017 ( 4.9)	1,910 ( 3.8)	540 ( 2.0)	530 (Δ 2.4)	1,434 ( 2.3)	1,401 (Δ 3.2)	75.1	1,017 ( 4.9)	1,910 ( 3.8)
	Ethical drugs	908 ( 3.0)	1,710 ( 1.8)	490 ( 1.0)	485 (Δ 4.9)	1,292 ( 0.6)	1,285 (Δ 5.3)	75.6	913 ( 3.6)	1,715 ( 2.1)
	OTC and quasi-drugs	34 ( 3.1)	66 ( 4.1)	18 (Δ 6.2)	20 ( 5.3)	51 ( 0.7)	50 (Δ 7.4)	77.0	34 ( 3.1)	66 ( 4.1)
	Diagnostics	15 (Δ 12.2)	33 (Δ 7.8)	8 (Δ 1.5)	8 (Δ 11.1)	26 (Δ 2.9)	27 (Δ 7.3)	78.4	15 (Δ 12.2)	33 (Δ 7.8)
	Royalty income	59 ( 53.8)	100 ( 63.8)	23 ( 45.1)	16 (220.0)	65 ( 65.8)	39 (405.7)	64.8	54 ( 40.7)	95 ( 55.6)
Capsule business		- ( - )	61 (Δ 49.1)	- ( - )	30 ( 15.4)	61 (Δ 31.9)	89 ( 4.2)	100.0	- ( - )	61 (Δ 49.1)
Other businesses		15 ( 41.4)	30 (Δ 11.6)	10 ( 90.6)	5 (Δ 28.6)	25 (Δ 12.9)	28 (Δ 9.6)	82.3	15 ( 41.4)	30 (Δ 11.6)
	Real estate etc.	15 ( 41.4)	30 (Δ 11.6)	10 ( 90.6)	5 (Δ 28.6)	25 (Δ 12.9)	28 ( 30.6)	82.3	15 ( 41.4)	30 (Δ 11.6)
Total		1,032 (Δ 0.8)	2,000 ( 0.3)	550 (Δ 2.5)	565 (Δ 1.9)	1,518 ( 0.1)	1,518 (Δ 2.9)	75.9	1,032 (Δ 0.8)	2,000 ( 0.3)

( ) = UP % vs previous year

<Non-consolidated>

		(Announced Nov 7, 2005)		Oct. 2005-	Oct. 2004-	Apr. 2005-	Apr. 2004-	Progress % vs	(Announced Feb. 6, 2006)	
		FY2005 2H	FY2005	Dec. 2005	Dec. 2004	Dec. 2005	Dec. 2004	FY2005 forecast	FY2005 2H	FY2005
		(forecast)	(forecast)						(forecast)	(forecast)
Pharmaceuticals and related businesses		995 ( 4.3)	1,870 ( 3.5)	529 ( 1.6)	521 (Δ 2.8)	1,405 ( 2.2)	1,375 (Δ 3.6)	75.1	995 ( 4.3)	1,870 ( 3.5)
	Ethical drugs	887 ( 2.5)	1,671 ( 1.4)	479 ( 0.5)	477 (Δ 5.2)	1,264 ( 0.4)	1,259 (Δ 5.7)	75.6	892 ( 3.1)	1,676 ( 1.7)
	OTC and quasi-drugs	34 ( 3.1)	66 ( 4.1)	18 (Δ 6.2)	20 ( 5.3)	51 ( 0.7)	50 (Δ 7.4)	77.0	34 ( 3.1)	66 ( 4.1)
	Diagnostics	15 (Δ 12.2)	33 (Δ 7.8)	8 (Δ 1.5)	8 (Δ 11.1)	26 (Δ 2.9)	27 (Δ 7.3)	78.4	15 (Δ 12.2)	33 (Δ 7.8)
	Royalty income	59 ( 53.8)	100 ( 63.8)	23 ( 45.1)	16 (220.0)	65 ( 65.8)	39 (400.5)	64.8	54 ( 40.7)	95 ( 55.6)
Total		995 ( 4.3)	1,870 ( 3.5)	529 ( 1.6)	521 (Δ 2.8)	1,405 ( 2.2)	1,375 (Δ 4.2)	75.1	995 ( 4.3)	1,870 ( 3.5)

( ) = UP % vs previous year

## ② Main Products <Non-consolidated>

(Unit: Yen 100 million)

### Ethical drugs

(Announced Nov 7, 2005)

Product name	FY2005 2H (forecast)	FY2005 (forecast)
Total ethical drugs	887	1,671
Top 10 products		
1 FLOMOX	192	343
2 FLUMARIN	78	165
3 VANCOMYCIN	75	157
4 IMUNACE	52	105
5 RINDERON	49	103
6 CLARITIN	70	103
7 OXYCONTIN	27	47
8 LONGES	22	46
9 MS CONTIN	20	40
10 KEFRAL	19	37
Other main products		
BERIZYM	12	25
BROACT	16	30
RHYTHMY	16	30
DOBUTREX	15	30
LANDEL	12	22
PL GRANULES	23	32
ULGUT	5	10
AQUPLA	8	14
MORPHINE- HYDROCHLORIDE	5	10
CEFTIBUTEN (Export)	9	20
New products		
CRESTOR	2	2
FINIBAX	9	10
AVELOX	10	10

Oct. 2005- Dec. 2005	Oct. 2004- Dec. 2004
479	477
107	109
44	47
44	44
33	29
27	26
19	22
13	10
12	14
10	15
10	12
7	7
7	8
8	7
8	10
5	5
11	11
3	3
4	4
2	3
4	3
0	-
3	-
16	-

Apr. 2005- Dec. 2005	Apr. 2004- Dec. 2004	Progress % vs FY2005 forecast
1,264	1,259	75.6
259	251	75.4
131	137	79.4
126	127	80.5
86	83	82.1
80	81	78.1
52	47	50.3
34	22	71.3
35	40	76.8
29	47	72.7
28	33	75.5
20	21	79.2
21	21	68.3
21	21	70.6
23	26	77.9
15	16	69.3
20	21	62.5
8	10	82.2
10	9	70.5
7	9	70.1
16	9	78.8
1	-	26.5
4	-	39.0
16	-	158.1

(Announced Feb. 6, 2006)

FY2005 2H (forecast)	FY2005 (forecast)
892	1,676
192	343
78	165
75	157
52	105
49	103
60	93
27	47
22	46
20	40
19	37
12	25
16	30
16	30
15	30
12	22
23	32
5	10
8	14
5	10
9	20
2	2
9	10
25	25

### OTC products

(Announced Nov 7, 2005)

Product name	FY2005 2H (forecast)	FY2005 (forecast)
Total OTC products	34	66
SEDES	16	30
POPON-S	7	13

Oct. 2005- Dec. 2005	Oct. 2004- Dec. 2004
18	20
7	8
3	5

Apr. 2005- Dec. 2005	Apr. 2004- Dec. 2004	Progress % vs FY2005 forecast
51	50	77.0
21	21	68.7
10	10	75.4

(Announced Feb. 6, 2006)

FY2005 2H (forecast)	FY2005 (forecast)
34	66
16	30
7	13

### Royalty income

(Announced Nov 7, 2005)

Product name	FY2005 2H (forecast)	FY2005 (forecast)
Total Royalty income	59	100
CRESTOR	53	85

Oct. 2005- Dec. 2005	Oct. 2004- Dec. 2004
23	16
22	14

Apr. 2005- Dec. 2005	Apr. 2004- Dec. 2004	Progress % vs FY2005 forecast
65	39	64.8
54	31	63.0

(Announced Feb. 6, 2006)

FY2005 2H (forecast)	FY2005 (forecast)
54	95
48	80

## Drugs Under Development

February 6, 2006

## &lt;In Japan&gt;

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin/Development
NS75A (Cetrorelix acetate)	Gonadotropin releasing hormone antagonist (Injection)	Prevention of premature ovulation during a controlled ovarian stimulation followed by assisted reproductive technology (ART).	NDA submission (December, 2000)	Licensed from Zentaris AG (Germany) / Co-developed with Nippon Kayaku Co., Ltd.
S-8116 (Oxycodone hydrochloride)	Immediate-release oxycodone (Oral)	Cancer pain	NDA submission (May, 2004)	Licensed from Mundipharma AG (Netherlands)
SCH29851 (Loratadine)	Histamine H1 receptor antagonist (Oral)	Additional indication: Pediatric use (allergic rhinitis and itch caused by various dermatitis)	NDA submission (September, 2004: Schering-Plough K.K.)	Licensed from Schering-Plough Corp. (USA) / Co-developed with Schering-Plough K.K.
SR47436 (Irbesartan)	Angiotensin II receptor antagonist (Oral)	Hypertension	Phase3	Licensed from Sanofi SA (France) / Co-developed with Bristol Pharmaceuticals K.K.
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & norepinephrine reuptake inhibitor) (Oral)	Depression	Phase3	Licensed from Eli Lilly and Company (USA)
S-7701 (Pirfenidone)	Anti-fibrosis (Oral)	Idiopathic interstitial pulmonary fibrosis	Phase3	Licensed from Marnac, Inc. (USA)
NS75A (Cetrorelix acetate)	Gonadotropin releasing hormone antagonist (Injection)	Uterine myoma	Phase2	Licensed from Zentaris AG (Germany) / Co-developed with Nippon Kayaku Co., Ltd.
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & norepinephrine reuptake inhibitor) (Oral)	Diabetic Peripheral neuropathic pain	Phase2	Licensed from Eli Lilly and Company (USA)
S-013420	Novel macrolide antibiotic (Oral)	Bacterial infection	Phase2	Licensed from Enanta Pharmaceuticals, Inc. (USA)
NS75B (Cetrorelix pamoate)	Gonadotropin releasing hormone antagonist (Injection)	Benign Prostatic Hypertrophy	Phase 1/2	Licensed from Zentaris AG (Germany) / Co-developed with Nippon Kayaku Co., Ltd.
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia, Parkinson's disease	Phase1 (in preparation)	In-house

**<Outside Japan>**

Code No.	Category (Administration)	Indication	Stage	Origin/Development
S-5751	Prostaglandin D2 receptor antagonist. (Oral)	Bronchial asthma	Japan: Phase 1 USA/Europe: Phase 2	In-house
S-2367	Central nervous system antagonist (Oral)	Obesity	USA: Phase 2	In-house

**<Shionogi-GlaxoSmithKline>**

Code No.	Category (Administration)	Indication	Stage	Development
S-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Japan: Phase 2a Europe: Phase 1	Shionogi-GlaxoSmithKline Pharmaceuticals LLC

**<Out-Licensing Activity>**

Code No. (Generic name)	Category (Administration)	Indication	Stage	License
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Bacterial infection	Phase3	Licensed to "Peninsula, USA" in May, 2003 ↓ "Johnson & Johnson, USA" in June, 2005