



Financial Results for the First Quarter of Fiscal Year 2009

August 3, 2009

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

Listed Exchanges: Section I of Tokyo and Osaka

Code: 4507 URL: <http://www.shionogi.co.jp>

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Scheduled date of quarterly securities report submission: August 10, 2009

Scheduled date of dividend payments: —

(Note: All amounts are rounded down to the nearest million yen.)

1. Consolidated results for the period from April 1, 2009 to June 30, 2009

(1) Consolidated operating results (% shows changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2009	64,026	23.8	6,078	(24.8)	5,835	(30.3)	4,601	(14.6)
Three months ended June 30, 2008	51,721	—	8,083	—	8,371	—	5,388	—

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended June 30, 2009	13.74	—
Three months ended June 30, 2008	16.08	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	%
As of June 30, 2009	530,863	322,475	60.7	961.43
As of March 31, 2009	501,852	310,093	61.7	924.43

Reference: Shareholders' equity As of June 30, 2009: 322,009 million yen As of March 31, 2009: 309,635 million yen

2. Dividends

(Date of record)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Year ended March 31, 2009	Yen —	Yen 14.0	Yen —	Yen 14.0	Yen 14.0
Year ending March 31, 2010	—				
Year ending March 31, 2010 (forecast)		18.0	—	18.0	36.0

Note: Revisions to dividend forecast during this period: None

3. Consolidated financial forecast for the year ending March 31, 2010

(% shows changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the six months ending September 30, 2009	130,000	23.7	17,000	(7.9)	16,000	(15.7)	10,000	(15.5)	29.86
For the year ending March 31, 2010	280,000	23.1	60,000	87.4	58,000	81.2	35,000	123.5	104.49

Note: Revisions to consolidated financial forecast during this period: yes

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation): None

(2) Adoption of simplified accounting methods and accounting methods specific to quarterly consolidated financial statements: yes

Note: For details, please see page 5 "4.Others" of "Qualitative Information, Financial Statements".

(3) Changes in accounting principles, procedures and presentation methods for quarterly consolidated financial statements

a) Changes and amendments of accounting standards: None

b) Other changes: Yes

Note: For details, please see page 5 "4.Others" of "Qualitative Information, Financial Statements".

(4) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of June 30, 2009: 351,136,165 shares

As of March 31, 2009: 351,136,165 shares

b) Number of treasury stock

As of June 30, 2009: 16,208,529 shares

As of March 31, 2009: 16,189,825 shares

c) Average number of shares issued during the period

Three months ended June 30, 2009: 334,933,582 shares

Three months ended June 30, 2008: 335,106,084 shares

Notes

This document contains various forward-looking statements based on assumptions, expectations, and plans regarding future events, circumstances, results, and aspirations. Forward-looking statements are subject to risks and uncertainties, related to the competitive environment and other factors that may cause Shionogi & Co.'s actual future results to differ materially from those set forth in or implied by its forward-looking statements.

【Qualitative Information, Financial Statements】

1. Qualitative information regarding consolidated operating results

In the first quarter ended June 30, 2009, factors including the growing adoption of the Diagnosis Related Group/Prospective Payment System (DRG/PPS) and ongoing promotion of the use of generic drugs continued to create challenging conditions in the pharmaceutical market in Japan. In these circumstances, the Shionogi Group worked energetically to expand sales of the hyperlipidemia treatment Crestor, the antihypertensive Irbetan, which was launched in the previous fiscal year, the topical acne vulgaris treatment Differin, and the idiopathic pulmonary fibrosis treatment Pirespa.

For the first quarter ended June 30, 2009, net sales were ¥64,026 million, operating income was ¥6,078 million, ordinary income was ¥5,835 million, and net income was ¥4,601 million.

With regard to net sales, the market share of Crestor continued to expand, and Differin and Pirespa also contributed to sales. On the other hand, sales of antibiotics and other existing products decreased due to factors including market contraction. Overall sales of prescription drugs decreased 2.2 percent compared with the same period of the previous fiscal year. Royalty income from industrial property rights increased significantly, and Sciele Pharma, Inc. became a consolidated subsidiary. As a result, net sales increased 23.8 percent overall compared with the same period of the previous fiscal year.

In terms of profit, gross profit increased 33.1 percent compared with the same period of the previous fiscal year due to the increase in royalty income, but operating income decreased 24.8 percent because research and development expenses increased 53.4 percent as expenses related to drugs in development were concentrated in the first quarter. Ordinary income likewise decreased 30.3 percent, and net income decreased 14.6 percent.

2. Qualitative information regarding consolidated financial position

(1) Assets, Liabilities and Net Assets

As of June 30, 2009, total assets were ¥530,863 million, an increase of ¥29,010 million compared with the end of the previous fiscal year. Current assets increased ¥23,701 million from the end of the previous fiscal year to ¥226,425 million. This was primarily the result of an increase in cash on hand (marketable securities) due to the issuance of bonds. Noncurrent assets increased ¥5,309 million to ¥304,437 million.

Total liabilities increased ¥16,628 million compared with the end of the previous fiscal year to ¥208,387 million. Current liabilities decreased ¥13,478 million to ¥63,325 million due to factors including repayment of short-term loans payable. Non-current liabilities increased ¥30,107 million to ¥145,062 million due to factors including the increase from the issuance of bonds.

Net assets increased ¥12,381 million compared with the end of the previous fiscal year to ¥322,475 million. Shareholders' equity decreased ¥120 million to ¥326,495 million, reflecting an increase from net income and a decrease due to cash dividends paid. Valuation and translation adjustments were negative ¥4,485 million, an increase of ¥12,495 million from the end of the previous fiscal year, due to increases in foreign currency translation adjustment and valuation difference on available-for-sale securities

(2) Cash Flow

Net cash provided by operating activities during the three months ended June 30, 2009 was ¥8,859 million, an increase of ¥231 million compared with the same period of the previous fiscal year. The principal factors included income before income taxes and minority interests of ¥5,700 million, depreciation and amortization of ¥4,210 million and income tax paid of ¥8,303 million.

Net cash provided by investing activities was ¥811 million, an increase of ¥4,705 million compared with the same period of the previous fiscal year, due to factors including purchases of property, plant and equipment totaling ¥2,823 million and proceeds from redemption of investment securities totaling ¥5,000 million.

Net cash provided by financing activities was ¥14,447 million, an increase of ¥18,717 million compared with the same period of the previous fiscal year. Principal factors were a net decrease in short-term loans payable of ¥10,000 million, proceeds from issuance of bonds of ¥30,000 million and cash dividends paid of ¥4,690 million.

As a result, cash and cash equivalents at the end of the first quarter totaled ¥76,192 million, an increase of ¥24,656 million compared with the end of the previous fiscal year.

3. Qualitative information regarding consolidated financial forecast

Based on recent performance trends, Shionogi has revised its financial forecast released on May 11, 2009, as follows:

(1) Revisions of financial forecast

a) Revised forecasts for the six months ending September 30, 2009

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Previous forecast (A)	133,000		19,000		18,000		11,000		32.84
New forecast (B)	130,000		17,000		16,000		10,000		29.86
Change (B-A)	(3,000)		(2,000)		(2,000)		(1,000)		—
Percentage change (%)	(2.3)		(10.5)		(11.1)		(9.1)		—
(reference) For the six month ended March 31, 2009	105,056		18,464		18,969		11,835		35.32

b) Revised forecasts for the year ending March 31, 2010

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Previous forecast (A)	284,000		60,000		58,000		35,000		104.49
New forecast (B)	280,000		60,000		58,000		35,000		104.49
Change (B-A)	(4,000)		—		—		—		—
Percentage change (%)	(1.4)		—		—		—		—
(reference) For the year ended March 31, 2009	227,511		32,014		32,003		15,661		46.75

(2) Reason for revision of forecasts

Shionogi revised its sales and income forecasts for the first six months of the year ending March 31, 2010 because consolidated subsidiary Sciele Pharma, Inc. terminated an acquisition it had been planning, and because sales of Sciele Pharma's existing products were slower than planned due to reduction of inventories in response to changes in economic conditions.

In the forecasts for the fiscal year ending March 31, 2010, Shionogi has revised sales due to the termination of the acquisition. However, the forecast for income is unchanged due to improvement in the cost ratio at the parent company and the anticipated effects of reduction of SG&A expenses

(Reference) Revision of non-consolidated financial forecast

Revision of non-consolidated financial forecast for the six months ending March 31, 2010

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Previous forecast (A)	225,500		49,500		49,500		31,000		92.55
New forecast (B)	225,500		51,500		51,500		32,000		95.54
Change (B-A)	—		2,000		2,000		1,000		—
Percentage change (%)	—		4.0		4.0		3.2		—
(reference) For the year ended March 31, 2009	206,753		36,236		37,924		23,863		71.23

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation): None

(2) Adoption of simplified accounting methods and accounting methods specific to quarterly consolidated financial statements: There are no significant matters to report.

(3) Changes in accounting principles, procedures and presentation methods for quarterly consolidated financial statements

Shionogi formerly translated the income and expenses of foreign subsidiaries and affiliates to Japanese yen using the spot exchange rate on the balance sheet date. Beginning in the first quarter ended June 30, 2009, the Company has changed to a method of translating these amounts to Japanese yen using the average spot rate during the period.

The Company made this change to obtain a more accurate understanding of profit and loss by excluding excessive effects on income due to any sharp fluctuations in exchange rates on the balance sheet dates of foreign consolidated subsidiaries and affiliates.

As a result, net sales decreased ¥472 million, operating income increased ¥0 million and ordinary income and income before income taxes and minority interests each decreased ¥58 million compared with their respective amounts calculated using the former method.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

Millions of yen

	As of June 30, 2009	(Reference) As of March 31, 2009
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	31,197	23,349
Notes and accounts receivable-trade	74,728	75,380
Short-term investment securities	52,573	35,453
Merchandise and finished goods	23,019	20,632
Work in process	13,340	12,556
Raw materials and supplies	9,170	9,838
Other	22,407	25,525
Allowance for doubtful accounts	(12)	(12)
Total current assets	226,425	202,724
Noncurrent assets		
Property, plant and equipment	71,101	71,811
Intangible assets		
Goodwill	76,303	71,625
Other	51,078	48,763
Total intangible assets	127,382	120,388
Investments and other assets		
Investment securities	66,890	66,813
Other	39,185	40,236
Allowance for doubtful accounts	(121)	(121)
Total investments and other assets	105,953	106,928
Total noncurrent assets	304,437	299,128
Total assets	530,863	501,852
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,760	15,444
Short-term loans payable	—	10,000
Current portion of long-term loans payable	14,000	14,000
Income taxes payable	2,817	8,131
Provision for bonuses	8,591	5,325
Other provision	1,924	2,336
Other	20,231	21,566
Total current liabilities	63,325	76,804
Noncurrent liabilities		
Bonds payable	30,000	—
Long-term loans payable	90,500	91,000
Provision for retirement benefits	7,901	7,793
Other provision	—	155
Other	16,660	16,005
Total noncurrent liabilities	145,062	114,954
Total liabilities	208,387	191,759

Millions of yen

	As of June 30, 2009	(Reference) As of March 31, 2009
Net assets		
Shareholders' equity		
Capital stock	21,279	21,279
Capital surplus	20,227	20,227
Retained earnings	304,674	304,761
Treasury stock	(19,686)	(19,652)
Total shareholders' equity	326,495	326,616
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,983	8,207
Foreign currency translation adjustment	(15,468)	(25,188)
Total valuation and translation adjustments	(4,485)	(16,980)
Minority interests	465	458
Total net assets	322,475	310,093
Total liabilities and net assets	530,863	501,852

(2) Consolidated statements of income

Millions of yen

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	51,721	64,026
Cost of sales	16,531	17,201
Gross profit	35,189	46,825
Selling, general and administrative expenses	27,105	40,746
Operating income	8,083	6,078
Non-operating income		
Interest income	140	45
Dividends income	629	507
Other	241	254
Total non-operating income	1,011	807
Non-operating expenses		
Interest expenses	14	446
Contribution	358	175
Foreign exchange losses	164	—
Other	186	429
Total non-operating expenses	724	1,050
Ordinary income	8,371	5,835
Extraordinary loss		
Loss on valuation of investment securities	—	135
Loss on valuation of inventories	89	—
Total extraordinary losses	89	135
Income before income taxes and minority interests	8,282	5,700
Income taxes-current	3,592	3,000
Income taxes-deferred	(683)	(1,909)
Total income taxes	2,908	1,090
Minority interests in income	(14)	7
Net income	5,388	4,601

(3) Consolidated statements of cash flows

Millions of yen

	Three months ended June 30, 2008	Three months ended June 30, 2009
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,282	5,700
Depreciation and amortization	2,666	4,210
Amortization of goodwill	—	933
Increase (decrease) in allowance for doubtful accounts	(45)	—
Interest and dividends income	(769)	(553)
Interest expenses	14	446
Foreign exchange losses (gains)	2	(26)
Decrease (increase) in notes and accounts receivable-trade	3,082	1,383
Decrease (increase) in inventories	(1,603)	(2,327)
Increase (decrease) in notes and accounts payable-trade	95	128
Other, net	3,481	6,985
Subtotal	15,207	16,879
Interest and dividends income received	781	399
Interest expenses paid	(10)	(115)
Income taxes paid	(7,350)	(8,303)
Net cash provided by (used in) operating activities	8,628	8,859
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,098)	(918)
Proceeds from withdrawal of time deposits	932	918
Purchase of property, plant and equipment	(1,846)	(2,823)
Proceeds from sales of property, plant and equipment	35	1
Purchase of investment securities	(1,012)	—
Proceeds from redemption of investment securities	—	5,000
Collection of loans receivable	1	2
Other, net	(906)	(1,368)
Net cash provided by (used in) investing activities	(3,893)	811
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	—	(10,000)
Repayment of long-term loans payable	—	(500)
Proceeds from issuance of bonds	—	30,000
Cash dividends paid	(4,022)	(4,690)
Cash dividends paid to minority shareholders	(2)	(2)
Other, net	(244)	(359)
Net cash provided by (used in) financing activities	(4,269)	14,447
Effect of exchange rate change on cash and cash equivalents	(274)	537
Net increase (decrease) in cash and cash equivalents	190	24,656
Cash and cash equivalents at beginning of period	67,609	51,536
Cash and cash equivalents at end of period	67,800	76,192

(4) Going concern assumption

None

(5) Segment information

Business segment information

Three months ended June 30, 2008 (April 1, 2008 to June 30, 2008)

Business segment information has been omitted because pharmaceuticals and related businesses operations account for more than 90% of net sales and operating income in all segments.

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Business segment information has been omitted because pharmaceuticals and related businesses operations account for more than 90% of net sales and operating income in all segments.

Geographical segment information

Three months ended June 30, 2008 (April 1, 2008 to June 30, 2008)

Geographic segment information has been omitted because Japanese operations account for more than 90% of net sales in all segments.

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Millions of yen

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Net sales						
(1) Sales to third parties	54,082	9,540	403	64,026	—	64,026
(2) Inter-group sales and transfers	14	797	27	839	(839)	—
Total	54,096	10,338	430	64,865	(839)	64,026
Operating income (loss)	6,168	733	110	7,012	(933)	6,078

Overseas sales

Three months ended June 30, 2008 (April 1, 2008 to June 30, 2008)

Millions of yen

	Europe	Other	Total
I. Overseas sales	8,074	1,180	9,254
II. Consolidated net sales	—	—	51,721
III. Overseas sales as a percentage of consolidated net sales	15.6%	2.3%	17.9%

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)

Millions of yen

	North America	Europe	Other	Total
I. Overseas sales	10,904	10,337	927	22,168
II. Consolidated net sales	—	—	—	64,026
III. Overseas sales as a percentage of consolidated net sales	17.0%	16.2%	1.4%	34.6%

(6) Significant changes in shareholders' equity

None

Supplemental material for financial results for the 1st quarter of fiscal year 2009

August 3, 2009

Shionogi & Co., Ltd.

1. Sales by Segment

(Billions of yen)

	FY2009 1H forecast	FY2009 forecast	FY2009 1Q actual	FY2008 1Q actual	change	Progress % vs. 2009 1H forecast
Pharmaceuticals and related business	128.1	276.2	63.4	51.1	12.3	49.5
<i>change %</i>	23.5	23.8	24.2	2.9		
Ethical drugs	74.3	155.5	37.2	38.0	(0.8)	50.1
<i>change %</i>	0.0	1.5	(2.2)	0.5		
FLOMOX	11.0	24.0	5.8	6.1	(0.3)	53.1
CRESTOR	10.5	23.0	5.5	3.8	1.7	52.0
RINDERON	5.0	9.5	2.6	2.6	0.0	51.2
OXYCONTIN	4.2	8.8	2.2	2.0	0.2	51.9
FLUMARIN	4.5	9.0	2.2	2.5	(0.3)	48.2
CLARITIN	3.5	9.7	1.8	1.8	0.0	50.6
VANCOMYCIN	3.4	6.5	1.7	2.3	(0.6)	50.9
IMUNACE	1.8	3.0	1.3	2.0	(0.7)	74.4
FINIBAX	1.9	4.0	0.8	0.6	0.2	43.7
DIFFERIN	1.4	3.2	0.5	-	0.5	34.3
IRBETAN	1.4	3.5	0.4	0.8	(0.4)	25.8
AVELOX	0.8	1.8	0.3	0.4	(0.1)	38.3
PIRESPA	0.8	2.0	0.3	-	0.3	32.5
Export/Overseas operations	23.4	54.3	11.9	1.9	10.0	51.2
<i>change %</i>	470.3	191.6	521.0	25.4		
Sciele Pharma, Inc.	18.1	43.7	9.5	-	9.5	52.7
DORIPENEM	2.5	5.0	1.2	0.5	0.7	48.8
Contract manufacturing	2.8	6.4	1.4	1.2	0.2	53.2
<i>change %</i>	(7.7)	11.0	22.8	22.5		
OTC and quasi-drugs	2.6	5.0	1.4	1.4	0.0	54.6
<i>change %</i>	(8.6)	(4.2)	(0.8)	(2.6)		
SEDES	1.2	2.4	0.6	0.6	0.0	52.5
POPON-S	0.5	1.0	0.2	0.3	(0.1)	49.5
Diagnostics	1.6	3.0	0.8	0.9	(0.1)	51.5
<i>change %</i>	(5.7)	(9.6)	(10.7)	0.6		
Royalty income	23.4	52.0	10.5	7.5	3.0	45.0
<i>change %</i>	31.6	41.0	39.4	9.5		
CRESTOR	22.0	49.5	10.0	7.2	2.8	45.4
Other business	1.9	3.8	0.5	0.6	(0.1)	29.3
<i>change %</i>	42.7	(14.2)	(9.1)	14.5		
Total	130.0	280.0	64.0	51.7	12.3	49.3
<i>change %</i>	23.7	23.1	23.8	3.0		

Note: Change % shows changes from the same period of the previous fiscal year
Sales of each product are shown on non-consolidated basis

2-1 Quarterly trend for FY2008 and FY2009 (Sales by Segment)

Fiscal year ended March 31, 2009

(Billions of yen)

	FY2008 1Q actual	Y on Y change %	FY2008 2Q actual	Y on Y change %	FY2008 3Q actual	Y on Y change %	FY2008 4Q actual	Y on Y change %
Pharmaceuticals and related business	51.1	2.9	52.6	4.8	58.7	2.2	60.6	18.7
Ethical drugs	38.0	0.5	36.2	(0.3)	42.3	(4.1)	36.7	(0.5)
FLOMOX	6.1	(5.8)	6.0	1.9	8.8	(4.4)	6.4	(9.4)
CRESTOR	3.8	99.9	4.6	79.7	4.8	55.0	4.5	56.1
RINDERON	2.6	(2.4)	2.6	(3.2)	2.5	(6.7)	2.0	(4.0)
OXYCONTIN	2.0	27.7	1.9	22.3	2.4	12.3	1.4	2.1
FLUMARIN	2.5	(17.3)	3.0	(10.8)	2.7	(19.6)	1.9	(21.7)
CLARITIN	1.8	6.4	1.5	25.1	2.0	32.6	4.4	(5.7)
VANCOMYCIN	2.3	(22.2)	2.3	(10.3)	1.8	(39.4)	1.7	(17.8)
IMUNACE	2.0	(35.4)	1.6	(52.2)	1.2	(53.3)	1.3	(51.8)
FINIBAX	0.6	16.5	0.7	10.1	0.9	15.7	0.7	17.7
DIFFERIN	-	-	-	-	0.7	-	0.5	-
IRBETAN	0.8	-	0.2	-	0.1	-	0.1	-
AVELOX	0.4	14.2	0.2	(40.9)	0.5	(21.5)	0.3	(20.7)
PIRESPA	-	-	-	-	0.04	-	0.1	-
Export/Overseas operations	1.9	25.4	2.2	53.3	2.8	104.1	11.7	502.3
Sciele Pharma, Inc.	-	-	-	-	-	-	9.2	-
DORIPENEM	0.5	-	0.6	528.6	1.5	-	0.9	246.5
Contract manufacturing	1.2	22.5	1.8	8.6	1.6	(14.1)	1.2	(16.9)
OTC and quasi-drugs	1.4	(2.6)	1.4	(1.4)	1.4	(11.9)	1.0	(13.3)
SEDES	0.6	(2.5)	0.6	3.2	0.6	(15.8)	0.4	(14.5)
POPON-S	0.3	3.5	0.3	(12.0)	0.3	4.1	0.2	(9.7)
Diagnostics	0.9	0.6	0.8	(1.2)	0.8	(6.0)	0.8	(2.1)
Royalty income	7.5	9.5	10.2	19.3	9.8	27.7	9.3	4.6
CRESTOR	7.2	8.3	9.3	20.6	9.3	26.6	8.4	4.5
Other business	0.6	14.5	0.7	(80.8)	1.1	37.6	2.0	160.5
Total	51.7	3.0	53.3	(1.1)	59.8	2.7	62.6	20.8

Fiscal year ended March 31, 2010

	FY2009 1Q actual	Y on Y change %
Pharmaceuticals and related business	63.4	24.2
Ethical drugs	37.2	(2.2)
FLOMOX	5.8	(4.6)
CRESTOR	5.5	44.1
RINDERON	2.6	(1.2)
OXYCONTIN	2.2	6.5
FLUMARIN	2.2	(12.9)
CLARITIN	1.8	1.1
VANCOMYCIN	1.7	(26.3)
IMUNACE	1.3	(34.3)
FINIBAX	0.8	35.0
DIFFERIN	0.5	-
IRBETAN	0.4	(53.5)
AVELOX	0.3	(26.7)
PIRESPA	0.3	-
Export/Overseas operations	11.9	521.0
Sciele Pharma, Inc.	9.5	-
DORIPENEM	1.2	157.5
Contract manufacturing	1.4	22.8
OTC and quasi-drugs	1.4	(0.8)
SEDES	0.6	5.7
POPON-S	0.2	(6.4)
Diagnostics	0.8	(10.7)
Royalty income	10.5	39.4
CRESTOR	10.0	38.2
Other business	0.5	(9.1)
Total	64.0	23.8

Note: Sales of each product are shown on non-consolidated basis

2-2 Quarterly trend for FY2008 and FY2009 (Consolidated statements of income)

Fiscal year ended March 31, 2009

(Billions of yen)

	FY2008 1Q actual	Y on Y change %	FY2008 2Q actual	Y on Y change %	FY2008 3Q actual	Y on Y change %	FY2008 4Q actual	Y on Y change %
Net sales	51.7	3.0	53.3	(1.1)	59.8	2.7	62.6	20.8
Cost of sales	32.0 16.5	2.6	30.8 16.4	(11.5)	32.1 19.1	4.8	30.0 18.7	20.3
Gross profit	35.1	3.2	36.8	4.3	40.6	1.7	43.8	21.0
SG & A expenses	52.4 27.1	3.8	49.7 26.5	1.1	60.4 36.1	31.6	55.6 34.8	36.6
Selling & general expenses	16.6	1.4	16.2	(1.0)	17.0	4.7	21.8	37.2
R & D expenses	10.4	7.8	10.2	4.5	19.0	71.0	12.9	35.7
Operating income	15.6 8.0	1.1	19.5 10.3	13.4	7.5 4.4	(64.0)	14.5 9.0	(15.9)
Non-operating income & expenses	0.2		0.2		0.0		(0.4)	
Ordinary income	16.2 8.3	(2.1)	19.9 10.5	23.2	7.4 4.4	(64.3)	13.7 8.5	(16.5)
Extraordinary income & loss	0.0		0.0		0.0		(1.0)	
Income before income taxes and minority interests	8.2		10.6		4.3		7.5	
Income taxes and minority interests	2.9		4.1		5.3		2.7	
Net income	10.4 5.3	0.3	12.1 6.4	19.1	- (0.9)	-	7.7 4.8	(24.6)

Fiscal year ending March 31, 2010

	FY2009 1Q actual	Y on Y change %
Net sales	64.0	23.8
Cost of sales	26.9 17.2	4.1
Gross profit	46.8	33.1
SG & A expenses	63.6 40.7	50.3
Selling & general expenses	24.6	48.4
R & D expenses	16.1	53.4
Operating income	9.5 6.0	(24.8)
Non-operating income & expenses	(0.2)	
Ordinary income	9.1 5.8	(30.3)
Extraordinary income & loss	(0.1)	
Income before income taxes and minority interests	5.7	
Income taxes and minority interests	1.0	
Net income	7.2 4.6	(14.6)

3. Pipeline (as of August, 2009)

<In Japan>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & noradrenaline reuptake inhibitor) (Oral)	Depression	NDA submission (January, 2008)	Eli Lilly and Company (USA)	In-house
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & noradrenaline reuptake inhibitor) (Oral)	Diabetic peripheral neuropathic pain	NDA submission (in preparation)	Eli Lilly and Company (USA)	Co-development: Eli Lilly Japan K.K.
S-021812 (Peramivir)	Neuraminidase inhibitor (Injection)	Influenza infection	NDA submission (in preparation)	BioCryst Pharmaceuticals, Inc. (USA)	In-house
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Pediatric infection	Phase III	In-house	In-house
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Addition of new dosage regimen (1g t.i.d. for serious infection)	Phase III	In-house	In-house
S-811717 (Oxycodone hydrochloride)	Natural opium alkaloids (Injection)	For the treatment of moderate to severe pain in patients with cancer pain	Phase III	Napp Pharmaceutical Limited (UK)	In-house
S-013420 (Modithromycin)	Novel macrolide antibiotic (Oral)	Bacterial infection	Phase IIb	Enanta Pharmaceuticals, Inc. (USA)	In-house
NS75B (Cetrorelix pamoate)	Gonadotropin releasing hormone antagonist (Injection)	Benign prostatic hypertrophy	Phase IIb	Æterna Zentaris GmbH (Canada)	In-house
S-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Phase IIa	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Phase IIa	In-house	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	Phase I	In-house	In-house
S-297995	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid-induced adverse effect	Phase I	In-house	In-house
S-444823	Cannabinoid receptor agonist (Topical)	Atopic dermatitis	Phase I	In-house	In-house
S-2367	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	Phase I	In-house	In-house

<Outside Japan>

Code No.	Category (Administration)	Indication	Stage	Origin	Development
S-2367	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase IIb	In-house	In-house
S-349572/S-265744/ S-247303	Integrase inhibitor (Oral)	HIV infection	USA, Europe: Phase IIb (the most advanced phase)	Shionogi & GlaxoSmithKline	Shionogi-GlaxoSmithKline Pharmaceuticals LLC (USA)
S-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Europe: Phase I	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Europe: POM	In-house	In-house
S-222611	Her2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase I	In-house	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA: Phase I	In-house	In-house

<Out-Licensing Activity>

Code No.	Category (Administration)	Indication	Stage	Origin	Development
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Bacterial infection	USA: Approval (October, 2007) Complicated intra-abdominal infections, Complicated urinary tract infections including pyelonephritis NDA submission (June, 2007) Hospital-acquired (nosocomial) pneumonia including ventilator-associated pneumonia EU: Approved July, 2008)	In-house	Peninsula (USA) ↓ Johnson & Johnson (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan: Phase II	In-house	Kissei Pharmaceutical Co., Ltd.
S-3013 (Varespladib methyl)	Secretory PLA2(sPLA2) inhibitor (Oral)	Acute coronary syndromes Mixed dyslipidemia	USA, EU: Phase IIb	Shionogi & Eli Lilly and Company (USA)	Anthera (USA)

Since May, 2009

Change of phase	LY248686 <In Japan> Diabetic peripheral neuropathic pain : Phase III → NDA submission (in preparation)
	S-021812 <In Japan> : Phase III → NDA submission (in preparation)
	S-555739 <In Japan> : Phase I → Phase II a
	S-349572/S-265744/S-247303 <Outside Japan> : USA Phase II b (in preparation) → USA, Europe Phase II b
Compound added to the list	S-2367 <In Japan> : Phase I
Compound erased	S-777469 <In Japan and overseas> : Discontinued

<Sciele Pharma, Inc.>

Product (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
PrandiMet (Repaglinide and metformin HCl)	Fast-acting insulin secretagogue and metformin; antihyperglycemic insulin sensitizer (Oral)	Type 2 Diabetes	Launch January 2009	Novo Nordisk	Novo Nordisk
Ulesfia (Benzyl alcohol)	Topical benzyl alcohol pediculocide (Topical lotion)	Head lice	Launch July 2009	Summers Laboratories, Inc	Summers Laboratories, Inc
Prenate DHA (Vitamins, minerals, DHA and metafolin)	Vitamins, minerals, metafolin (active form of folate), omega-3 fatty acids (Oral)	Prenatal DHA vitamin	Launch April 2009 (NDA not required)	Sciele Pharma, Inc.	Sciele Pharma, Inc.
Clonidine XR (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Hypertension	USA: Phase III trial completed	Addrenex Pharmaceuticals, Inc	Addrenex Pharmaceuticals, Inc
Glycopyrrolate (Glycopyrrolate Liquid)	Anticholinergic (Oral)	Chronic moderate-to-severe drooling in pediatric patients	USA: Phase III trial completed	Sciele Pharma, Inc.	Sciele Pharma, Inc.
Self-injectable epinephrine (Epinephrine)	(Single-dose epinephrine auto-injector)	Anaphylaxis	USA: Phase III trial	Sciele Pharma, Inc.	Sciele Pharma, Inc.
Clonicef (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Attention Deficit Hyperactivity Disorder (ADHD)	USA: Phase III monotherapy trial completed; Phase III combination therapy completed	Addrenex Pharmaceuticals, Inc.	Addrenex Pharmaceuticals, Inc.
PravaFen (Pravastatin/fenofibrate combination)	Statin-HMG-CoA reductase inhibitors, fenofibrate lipid regulating agent (Oral)	Lowering non-HDL cholesterol and triglycerides	USA: Phase III efficacy study completed	Galephar, PR Inc / SMB Laboratories	Sciele Pharma, Inc. and SMB Laboratories
Prenate Elite (Vitamin, minerals and metafolin)	Vitamins, minerals, metafolin (active form of folate) (Oral)	Prenatal Vitamin	USA: NDA not required	Sciele Pharma, Inc.	Sciele Pharma, Inc.
PSD502 (Lidocaine/prilocaine)	Eutectic mixture of anesthetics (Metered-dose topical aerosol spray)	Premature Ejaculation (PE)	Europe: Phase III trial completed; USA: Phase III trial ongoing	Plethora Solutions Holdings PLC	Plethora Solutions Holdings PLC
ADX415	2 alpha specific adrenergic agonist (Oral)	Hypertension	USA: Phase II clinical trials	Addrenex Pharmaceuticals, Inc.	Addrenex Pharmaceuticals, Inc. and Sciele Pharma, Inc

Since May, 2009

Change of phases	Ulesfia (Benzyl Alcohol Lotion 5%): Approval→ Launched
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