



Financial Results for the First Quarter of Fiscal Year 2010

August 2, 2010

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

Listed Exchanges: Section I of Tokyo and Osaka

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

Representative: Isao Teshirogi, President

Contact responsibility: Noriyuki Kishida, General Manager of Public Relations Unit Tel.: (06)6202-2161

Scheduled date of quarterly securities report submission: August 6, 2010

Scheduled date of dividend payments: —

Preparation of supplemental material for the quarterly financial results: Yes

Holding of presentation for the quarterly financial results: Yes (for investment analysts)

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

1. Consolidated results for the period from April 1, 2010 to June 30, 2010

(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, 2010	75,230	17.5	7,969	31.1	7,211	23.6	4,825	4.9
Three months ended June 30, 2009	64,026	23.8	6,078	(24.8)	5,835	(30.3)	4,601	(14.6)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended June 30, 2010	14.41	—
Three months ended June 30, 2009	13.74	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	537,815	331,663	61.6	989.01
As of March 31, 2010	540,761	341,976	63.2	1,019.71

Reference: Shareholders' equity As of June 30, 2010: 331,224 million yen As of March 31, 2010: 341,504 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, 2010	Yen —	Yen 18.0	Yen —	Yen 18.0	Yen 36.0
Year ending March 31, 2011	—				
Year ending March 31, 2011 (forecast)		20.0	—	20.0	40.0

Note: Revisions to dividend forecast during this period: None

3. Consolidated financial forecast for the year ending March 31, 2011

(% 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
Six months ending September 30, 2010	142,800	7.7	19,700	10.4	18,700	14.0	11,000	(5.1)	32.85
Year ending March 31, 2011	290,000	4.1	57,000	8.7	55,000	8.9	36,000	(6.8)	107.49

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 4 "(2) Adoption of simplified accounting methods and accounting methods specific to quarterly consolidated financial statements" of "2. Others".

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

a) Changes and amendments of accounting standards: Yes

b) Other changes: Yes

Note: For details, please see page 4 "(3) Changes in accounting principles, procedures and presentation methods for quarterly consolidated financial statements" of "2. Others".

(4) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of June 30, 2010: 351,136,165 shares

As of March 31, 2010: 351,136,165 shares

b) Number of treasury stock

As of June 30, 2010: 16,231,932 shares

As of March 31, 2010: 16,231,245 shares

c) Average number of shares issued during the period

Three months ended June 30, 2010: 334,904,414 shares

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

※ *Implementation status of quarterly review procedures*

This summary of quarterly results is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act. Review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Act had not been completed at the time of disclosure of this summary of quarterly results.

※ *Notes to consolidated financial forecasts and other items*

The forecasts and other forward-looking statements contained in this document are based on the information currently available and certain assumptions that it judges to be reasonable. Actual results may differ materially due to a variety of factors.

For the assumptions used in forecasts and precautionary statements regarding the use of the forecasts, please refer to "Qualitative information regarding consolidated financial forecast" on page 3 of the supplemental materials for the "Financial Results for the First Quarter of Fiscal Year 2010"

CONTENTS

1. Qualitative Information, Financial Statements	2
(1) Qualitative information regarding consolidated operating results	2
(2) Qualitative information regarding consolidated financial position	2
(3) Qualitative information regarding consolidated financial forecast	3
2. Others	4
(1) Significant changes in subsidiaries	4
(2) Adoption of simplified accounting methods	4
(3) Changes in accounting principles, procedures and presentation methods	4
(4) Going concern assumption	4
3. Consolidated Financial Statements	5
(1) Consolidated balance sheets	5
(2) Consolidated statements of income	7
(3) Consolidated statements of cash flows	8
(4) Going concern assumption	9
(5) Segment information	9
(6) Significant changes in shareholders'	9

1. Qualitative Information, Financial Statements

(1) Qualitative information regarding consolidated operating results

In the first quarter ended June 30, 2010 (April 1, 2010 to June 30, 2010), conditions remained challenging in Japan's pharmaceutical market due to the implementation of NHI drug price revisions in April. In these circumstances, the Shionogi Group worked energetically to expand sales, particularly for the anti-hyperlipidemia treatment Crestor, the hypertension treatment Irbetan, and the antidepressant drug Cymbalta, which was launched in April 2010.

For the first quarter ended June 30, 2010, net sales were ¥75,230 million, operating income was ¥7,969 million, ordinary income was ¥7,211 million, and net income was ¥4,825 million.

With regard to net sales, the market shares of Crestor and Irbetan continued to expand, and Cymbalta also contributed to sales. On the other hand, sales of some products decreased due to the impact of NHI drug price revisions and other factors. As a result, prescription drugs in Japan increased 2.1 percent compared with the same period of the previous fiscal year. In addition, U.S. consolidated subsidiary Shionogi Inc. decrease its sales during the period from April 1 to June 30, 2010 because of the reduction of wholesale-inventories and the impact of generic products. However, royalty income from industrial property rights increased significantly. As a result, net sales increased 17.5 percent overall compared with the same period of the previous fiscal year.

In terms of profit, gross profit increased 16.1 percent compared with the same period of the previous fiscal year due to the increase in royalty income, though there was negative impacts of increases in return and discount rates and devaluation of inventories resulting from the changes to the product lineup of Shionogi Inc. Operating income increased 31.1 percent as research and development expenses decreased 19.1 percent because of substantial research and development expenses in the previous fiscal year. Ordinary income likewise increased 23.6 percent, but net income increased only 4.9 percent as a result of extraordinary loss. Business structure improvement expenses included in extraordinary loss were for the integration of U.S. subsidiaries in order to increase the efficiency of U.S. operations.

In addition, the fiscal year-ends of our U.S. subsidiaries have changed from December 31 to March 31 from the current fiscal year. As a result, the first quarter ended June 30, 2010 includes six months of their results. Excluding this factor, net sales increased 1.8 percent, operating income increased 41.5 percent, ordinary income increased 33.8 percent, and net income increased 19.2 percent.

(2) Qualitative information regarding consolidated financial position

(1) Assets, Liabilities and Net Assets

As of June 30, 2010, total assets were ¥537,815 million, a decrease of ¥2,945 million compared with the end of the previous fiscal year. Current assets decreased ¥3,140 million from the end of the previous fiscal year to ¥247,523 million. Noncurrent assets increased ¥194 million to ¥290,291 million.

Total liabilities increased ¥7,366 million compared with the end of the previous fiscal year to ¥206,152 million. Current liabilities increased ¥2,948 million to ¥69,778 million due to factors including an increase in accounts payable. Noncurrent liabilities increased ¥4,418 million to ¥136,374 million due to factors including an increase in long-term accounts payable-other.

Net assets decreased ¥10,312 million compared with the end of the previous consolidated fiscal year to ¥331,663 million. Shareholders' equity decreased ¥1,203 million to ¥353,240 million, reflecting factors including an increase from net income and a decrease due to cash dividends paid. Valuation and translation adjustments were negative ¥22,015 million, a decrease of ¥9,076 million from the end of the previous fiscal year, due to decreases in foreign currency translation adjustment and valuation difference on available-for-sale securities.

(2) Cash Flow

Net cash provided by operating activities was ¥10,969 million, an increase of ¥2,109 million compared with the same period of the previous fiscal year. Factors included income before income taxes and minority interests of ¥5,074 million, depreciation and amortization of ¥5,787 million and income taxes paid of ¥13,733 million.

Net cash used in investing activities was ¥11,869 million, an increase in cash used of ¥12,681 million compared with the same period of the previous fiscal year, due to factors including purchase of property, plant and equipment totaling ¥1,686 million and purchase of investment securities totaling ¥10,135 million.

Net cash used in financing activities was ¥6,613 million, an increase of in cash used of ¥21,060 million compared with the same period of the previous fiscal year. The principal use of cash was cash dividends paid totaling ¥6,030 million.

As a result, cash and cash equivalents at the end of the first quarter totaled ¥88,986 million, a decrease of ¥8,676 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 10, 2010, as follows:

(1) Revisions of financial forecast**a) Revised forecasts for the six months ending September 30, 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)	146,000		23,000		22,000		14,500		43.30
New forecast (B)	142,800		19,700		18,700		11,000		32.85
Change (B-A)	(3,200)		(3,300)		(3,300)		(3,500)		—
Percentage change (%)	(2.2)		(14.3)		(15.0)		(24.1)		—
(reference) For the six month ended March 31, 2010	132,639		17,838		16,397		11,591		34.61

b) Revised forecasts for the year ending March 31, 2011

	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)	295,000		61,000		59,000		39,000		116.45
New forecast (B)	290,000		57,000		55,000		36,000		107.49
Change (B-A)	(5,000)		(4,000)		(4,000)		(3,000)		—
Percentage change (%)	(1.7)		(6.6)		(6.8)		(7.7)		—
(reference) For the year ended March 31, 2010	278,502		52,438		50,522		38,625		115.33

(2) Reason for revision of forecasts

The net sales forecasts for the six months ending September 30, 2010 and the fiscal year ending March 31, 2011 have been revised as a result of factors affecting consolidated subsidiary Shionogi Inc. in its first quarter (the six months from January to June 2010, due to the change in the fiscal year-end). These factors of a decrease in sales include reduction of wholesale-inventories and the increase of generic products. Operating income, ordinary income and net income are forecast to decrease due to increases in return and discount rates and devaluation of inventories resulting from the changes to the product lineup of Shionogi Inc.

The revised forecasts for net income include extraordinary loss consisting of restructuring expenses for the integration of U.S. subsidiaries.

2. Others

(1) Significant changes in subsidiaries during the period: 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

a) Closing date of consolidated subsidiaries

Ten of Shionogi's consolidated subsidiaries are overseas subsidiaries. One overseas consolidated subsidiary closes its accounts on December 31. The consolidated financial statements have been prepared using that subsidiary's financial statements as of December 31. Necessary adjustments have been made to reflect any significant transactions occurring from January 1 to March 31.

Moreover, from the fiscal year ending March 31, 2011, Shionogi, Inc. (name changed from Shionogi USA Holdings, Inc. in July 2010) and 8 other companies have changed their fiscal year-end dates to March 31.

As a result, these 9 consolidated subsidiaries will have 15-month fiscal years from January 1, 2010 to March 31, 2011.

Due to this change in fiscal years, the consolidated statements of income for the first quarter ended June 30, 2010 include the results for these companies for the six months beginning January 1, 2010. Compared with the previous standard, net sales increased ¥10,074 million, operating income decreased ¥634 million, ordinary income decreased ¥597 million, income before income taxes and minority interests decreased ¥1,054 million, and net income decreased ¥657 million.

b) Changes in method of presentation

Due to the application of a Cabinet Office Ordinance partially revising regulations concerning financial statements (Cabinet Office Ordinance No. 5, March 24, 2009) based on "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), from the first quarter ended June 30, 2010 the Company presents "Income before minority interests."

(4) Going concern assumption: None

3. Consolidated Financial Statements**(1) Consolidated balance sheets***Millions of yen*

	As of June 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	69,310	33,532
Notes and accounts receivable-trade	73,657	79,414
Short-term investment securities	33,488	70,677
Merchandise and finished goods	27,831	26,931
Work in process	13,025	14,058
Raw materials and supplies	9,601	8,350
Other	20,621	17,710
Allowance for doubtful accounts	(13)	(11)
Total current assets	247,523	250,664
Noncurrent assets		
Property, plant and equipment	66,988	62,447
Intangible assets		
Goodwill	65,311	69,874
Other	52,496	49,190
Total intangible assets	117,807	119,065
Investments and other assets		
Investment securities	69,458	71,870
Other	36,158	36,835
Allowance for doubtful accounts	(121)	(121)
Total investments and other assets	105,495	108,584
Total noncurrent assets	290,291	290,097
Total assets	537,815	540,761
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,371	13,400
Current portion of long-term loans payable	14,000	14,000
Income taxes payable	4,453	13,479
Provision for bonuses	8,943	6,473
Other provision	1,424	1,316
Other	25,585	18,159
Total current liabilities	69,778	66,829
Noncurrent liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	76,500	77,000
Provision for retirement benefits	8,280	8,077
Other	21,593	16,878
Total noncurrent liabilities	136,374	131,955
Total liabilities	206,152	198,785

Millions of yen

	As of June 30, 2010	As of March 31, 2010
Net assets		
Shareholders' equity		
Capital stock	21,279	21,279
Capital surplus	20,227	20,227
Retained earnings	331,467	332,669
Treasury stock	(19,734)	(19,733)
Total shareholders' equity	353,240	354,443
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,864	10,362
Foreign currency translation adjustment	(30,879)	(23,301)
Total valuation and translation adjustments	(22,015)	(12,939)
Minority interests	438	471
Total net assets	331,663	341,976
Total liabilities and net assets	537,815	540,761

(2) Consolidated statements of income

Millions of yen

	Three month ended June 30, 2009	Three month ended June 30, 2010
Net sales	64,026	75,230
Cost of sales	17,201	20,855
Gross profit	46,825	54,375
Selling, general and administrative expenses	40,746	46,406
Operating income	6,078	7,969
Non-operating income		
Interest income	45	44
Dividends income	507	561
Other	254	188
Total non-operating income	807	794
Non-operating expenses		
Interest expenses	446	394
Contribution	175	166
Foreign exchange losses	—	530
Other	429	460
Total non-operating expenses	1,050	1,551
Ordinary income	5,835	7,211
Extraordinary income		
Gain on forgiveness of debts	—	279
Total extraordinary income	—	279
Extraordinary loss		
Business structure improvement expenses	—	2,177
Impairment loss	—	127
Loss on valuation of investment securities	135	112
Total extraordinary losses	135	2,417
Income before income taxes and minority interests	5,700	5,074
Income taxes-current	3,000	1,261
Income taxes-deferred	(1,909)	(991)
Total income taxes	1,090	269
Income before minority interests	—	4,804
Minority interests in income (loss)	7	(21)
Net income	4,601	4,825

(3) Consolidated statements of cash flows

Millions of yen

	Three month ended June 30, 2009	Three month ended June 30, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,700	5,074
Depreciation and amortization	4,210	5,787
Impairment loss	—	127
Amortization of goodwill	933	1,845
Interest and dividends income	(553)	(605)
Interest expenses	446	394
Foreign exchange losses (gains)	(26)	473
Decrease (increase) in notes and accounts receivable-trade	1,383	5,433
Decrease (increase) in inventories	(2,327)	(1,214)
Increase (decrease) in notes and accounts payable-trade	128	2,086
Other, net	6,985	4,970
Subtotal	16,879	24,372
Interest and dividends income received	399	593
Interest expenses paid	(115)	(263)
Income taxes paid	(8,303)	(13,733)
Net cash provided by (used in) operating activities	8,859	10,969
Net cash provided by (used in) investing activities		
Payments into time deposits	(918)	(947)
Proceeds from withdrawal of time deposits	918	946
Purchase of short-term investment securities	—	(10,135)
Proceeds from sales of short-term investment securities	—	2,696
Purchase of property, plant and equipment	(2,823)	(1,686)
Proceeds from sales of property, plant and equipment	1	11
Proceeds from redemption of investment securities	5,000	—
Collection of loans receivable	2	—
Other, net	(1,368)	(2,754)
Net cash provided by (used in) investing activities	811	(11,869)
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)	(500)
Proceeds from issuance of bonds	30,000	—
Cash dividends paid	(4,690)	(6,030)
Cash dividends paid to minority shareholders	(2)	(2)
Other, net	(359)	(80)
Net cash provided by (used in) financing activities	14,447	(6,613)
Effect of exchange rate change on cash and cash equivalents	537	(1,163)
Net increase (decrease) in cash and cash equivalents	24,656	(8,676)
Cash and cash equivalents at beginning of period	51,536	97,663
Cash and cash equivalents at end of period	76,192	88,986

(4) Going concern assumption

None

(5) Segment information

Business segment information

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, 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, 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%

Segment information

Shionogi group has a single business segment related to prescription drugs. The group operates research, development, purchase, manufacturing, and distributing prescription drugs and related businesses. While analysis of each product sales and profits or expenses of each subsidiary are made, decision of business strategy and allocation of the management resources, especially allocation of R&D expenses, are made on a company-wide basis. Therefore disclosure of segment information is omitted.

(6) Significant changes in shareholders' equity

None

Supplemental material for financial results for the 1st quarter of fiscal year 2010

August 2, 2010

Shionogi & Co., Ltd.

1. Sales of main products

(Billions of yen)

	FY2010 1H	FY2010	FY2010 1Q	FY2009 1Q	FY2010 1H	FY2010	FY2010 1H	FY2010
	original forecast	original forecast	actual	actual	revised forecast	revised forecast	change from original	change from original
Prescription drugs	73.9	153.6	38.0	37.2	74.9	155.2	1.0	1.6
change %	(1.1)	0.7	2.1	(2.2)	0.3	1.7		
CRESTOR	14.5	30.0	6.6	5.5	14.5	30.0	-	-
IRBETAN	3.8	8.3	1.6	0.4	3.8	8.3	-	-
CYMBALTA	0.5	1.0	0.4	-	0.8	1.8	0.3	0.8
Total of 3 key strategic products	18.8	39.3	8.5	5.8	19.1	40.1	0.3	0.8
OXYCONTIN	4.7	9.5	2.5	2.2	4.7	9.5	-	-
FINIBAX	2.1	4.3	0.9	0.8	2.1	4.3	-	-
DIFFERIN	1.9	3.9	0.6	0.5	1.9	3.9	-	-
PIRESPA	1.4	3.4	0.7	0.3	1.4	3.4	-	-
RAPIACTA	0.5	4.0	-	-	-	3.0	(0.5)	(1.0)
Total of 8 new products	29.4	64.4	13.2	9.6	29.2	64.2	(0.2)	(0.2)
FLOMOX	9.0	19.0	5.3	5.8	9.0	19.0	-	-
RINDERON	4.8	8.9	2.5	2.6	4.8	8.9	-	-
FLUMARIN	3.6	6.6	1.8	2.2	3.6	6.6	-	-
CLARITIN	3.4	8.1	1.6	1.8	3.4	8.1	-	-
VANCOMYCIN	2.2	3.9	1.2	1.7	2.2	3.9	-	-
IMUNACE	2.0	3.7	0.8	1.3	2.0	3.7	-	-
AVELOX	0.3	0.3	0.2	0.3	0.2	0.2	(0.1)	(0.1)
Export/Overseas subsidiaries	34.0	61.6	17.1	11.9	26.9	52.1	(7.1)	(9.5)
change %	42.4	25.5	42.6	521.0	12.6	6.2		
Shionogi Inc.	*1 29.7	*2 51.3	*3 15.2	9.5	*1 22.6	*2 41.8	(7.1)	(9.5)
DORIPENEM	1.8	5.4	0.5	1.2	1.8	5.4	-	-
Contract manufacturing	0.9	2.5	1.0	1.4	1.5	3.1	0.6	0.6
change %	(73.8)	(66.3)	(35.7)	22.8	(56.3)	(58.3)		
OTC and quasi-drugs	2.9	5.5	1.4	1.4	2.9	5.5	-	-
change %	(1.9)	1.1	(3.9)	(0.8)	(1.9)	1.1		
SEDES	1.2	2.4	0.6	0.6	1.2	2.4	-	-
POPON-S	0.6	1.1	0.3	0.2	0.6	1.1	-	-
Diagnostics	1.3	2.8	0.7	0.8	1.3	2.8	-	-
change %	(16.8)	(4.9)	(9.7)	(10.7)	(16.8)	(4.9)		
Royalty income	32.0	66.0	16.4	10.5	34.3	68.3	2.3	2.3
change %	33.3	15.8	56.6	39.4	42.9	19.8		
CRESTOR	30.5	63.5	15.4	10.0	32.5	65.5	2.0	2.0
Others	1.0	3.0	0.6	0.5	1.0	3.0	-	-
change %	(52.3)	(26.2)	2.8	(9.1)	(52.3)	(26.2)		
Total	146.0	295.0	75.2	64.0	142.8	290.0	(3.2)	(5.0)
change %	10.1	5.9	17.5	23.8	7.7	4.1		

Note: Change % shows changes from the same period of the previous fiscal year

Sales of each product are shown on non-consolidated basis

Because of changing fiscal term *1 Include 9-month forecasts from January to September 2010 of subsidiaries in the United States.

*2 Include 15-month forecasts from January 2010 to March 2011 of subsidiaries in the United States.

*3 Include 6-month actuals from January to June 2010 of subsidiaries in the United States.

2-1. Quarterly trend for FY2009 and FY2010 (Sales of main products)

Fiscal year ended March 31, 2010

(Billions of yen)

	FY2009 1Q actual	Y on Y change %	FY2009 2Q actual	Y on Y change %	FY2009 3Q actual	Y on Y change %	FY2009 4Q actual	Y on Y change %
Pharmaceuticals and related business	63.4	24.2	67.1	27.5	72.8	23.9	71.1	17.3
Ethical drugs	37.2	(2.2)	37.5	3.5	42.4	0.3	35.4	(3.4)
CRESTOR	5.5	44.1	6.0	33.2	6.9	43.6	5.8	26.3
FLOMOX	5.8	(4.6)	5.5	(9.1)	7.9	(10.2)	4.8	(24.6)
RINDERON	2.6	(1.2)	2.5	0.2	2.3	(5.3)	2.1	1.9
CLARITIN	1.8	1.1	1.6	8.0	2.0	2.2	3.6	(18.3)
FLUMARIN	2.2	(12.9)	2.5	(14.7)	2.3	(16.6)	1.7	(10.2)
OXYCONTIN	2.2	6.5	2.0	6.0	2.5	6.5	1.8	30.4
VANCOMYCIN	1.7	(26.3)	1.7	(24.2)	1.5	(18.1)	1.2	(28.8)
IMUNACE	1.3	(34.3)	1.3	(21.3)	1.1	(8.9)	0.9	(29.1)
IRBETAN	0.4	(53.5)	0.8	359.7	1.2	-	1.4	919.3
FINIBAX	0.8	35.0	1.0	26.2	0.8	(6.5)	0.8	14.4
DIFFERIN	0.5	-	0.5	-	0.6	(6.0)	0.6	5.1
PIRESPA	0.3	-	0.3	-	0.4	-	0.5	280.8
AVELOX	0.3	(26.7)	0.2	(10.4)	0.3	(42.8)	0.2	(37.0)
RAPIACTA	-	-	-	-	-	-	0.6	-
Export/Overseas operations	11.9	521.0	12.0	447.6	12.7	346.7	12.5	7.1
Shionogi Pharma, Inc.	9.5	-	8.8	-	9.9	-	10.4	12.2
DORIPENEM	1.2	157.5	1.7	189.2	1.3	(18.8)	1.0	16.7
Contract manufacturing	1.4	22.8	2.0	6.9	1.9	20.5	2.1	79.6
OTC and quasi-drugs	1.4	(0.8)	1.6	8.8	1.4	(3.2)	1.0	10.1
SEDES	0.6	5.7	0.8	12.0	0.6	(0.1)	0.4	8.0
POPON-S	0.2	(6.4)	0.4	30.4	0.3	(4.0)	0.2	1.4
Diagnostics	0.8	(10.7)	0.8	(4.7)	0.6	(23.3)	0.7	(5.7)
Royalty income	10.5	39.4	13.5	31.8	13.8	40.8	19.2	106.6
CRESTOR	10.0	38.2	12.5	34.4	13.2	41.5	14.3	69.4
Other business	0.5	(9.1)	1.6	114.2	1.0	(5.0)	1.0	(53.4)
Total	64.0	23.8	68.6	28.6	73.8	23.4	72.1	15.0

Fiscal year ending March 31, 2011

	FY2010 1Q actual	Y on Y change %
Prescription drugs	38.0	2.1
CRESTOR	6.6	19.9
IRBETAN	1.6	347.9
CYMBALTA	0.4	-
Total of 3 key strategic products	8.5	46.6
OXYCONTIN	2.5	13.7
FINIBAX	0.9	5.2
DIFFERIN	0.6	32.2
PIRESPA	0.7	150.1
RAPIACTA	-	-
Total of 8 new products	13.2	37.6
FLOMOX	5.3	(8.6)
RINDERON	2.5	(1.1)
FLUMARIN	1.8	(16.5)
CLARITIN	1.6	(8.0)
VANCOMYCIN	1.2	(29.4)
IMUNACE	0.8	(40.8)
AVELOX	0.2	(23.1)
Export/Overseas subsidiaries	17.1	42.6
Shionogi Inc.	15.2	58.8
DORIPENEM	0.5	(57.3)
Contract manufacturing	1.0	(35.7)
OTC and quasi-drugs	1.4	(3.9)
SEDES	0.6	(10.5)
POPON-S	0.3	14.0
Diagnostics	0.7	(9.7)
Royalty income	16.4	56.6
CRESTOR	15.4	53.6
Others	0.6	2.8
Total	75.2	17.5

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

Because of changing fiscal term, FY2010 1Q actuals of subsidiaries in the United States include 6-month sales from January to June 2010.

2-2. Quarterly trend for FY2009 and FY2010 (Consolidated statements of income)

Fiscal year ended March 31, 2010

(Billions of yen)

	FY2009 1Q actual	Y on Y change %	FY2009 2Q actual	Y on Y change %	FY2009 3Q actual	Y on Y change %	FY2009 4Q actual	Y on Y change %
Net sales	64.0	23.8	68.6	28.6	73.8	23.4	72.0	15.0
Cost of sales	26.9 17.2	4.1	28.7 19.6	19.5	27.5 20.2	5.7	26.6 19.1	1.9
Gross profit	46.8	33.1	48.9	32.7	53.5	31.8	52.9	20.6
SG & A expenses	63.6 40.7	50.3	54.2 37.2	40.3	49.3 36.3	0.6	49.3 35.5	2.0
Selling & general expenses	24.6	48.4	25.4	56.5	23.8	39.4	24.1	10.6
R & D expenses	16.1	53.4	11.8	14.8	12.5	(34.2)	11.3	(12.5)
Operating income	9.5 6.0	(24.8)	17.1 11.8	13.3	23.3 17.1	282.4	24.2 17.4	92.3
Non-operating income & expenses	(0.2)		(1.2)		(0.1)		(0.2)	
Ordinary income	9.1 5.8	(30.3)	15.4 10.5	(0.3)	23.0 16.9	282.8	23.8 17.1	99.3
Extraordinary income & loss	(0.1)		0.1		4.8		3.1	
Income before income taxes and minority interests	5.7		10.6		21.8		20.3	
Income taxes and minority interests	1.0		(3.7)		(7.9)		(7.2)	
Net income	7.2 4.6	(14.6)	10.2 6.9	8.4	18.9 13.9	-	18.2 13.0	172.2

Fiscal year ending March 31, 2011

	FY2010 1Q actual	Y on Y change %
Net sales	75.2	17.5
Cost of sales	27.7 20.8	21.2
Gross profit	54.3	16.1
SG & A expenses	61.7 46.4	13.9
Selling & general expenses	33.3	35.4
R & D expenses	13.0	(19.1)
Operating income	10.6 7.9	31.1
Non-operating income & expenses	(0.7)	
Ordinary income	9.6 7.2	23.6
Extraordinary income & loss	(2.1)	
Income before income taxes and minority interests	5.0	
Income taxes and minority interests	0.2	
Net income	6.4 4.8	4.9

Because of changing fiscal term, FY2010 1Q actuals of subsidiaries in the United States include 6-month results from January to June 2010.

3. Impact of changing fiscal term of subsidiaries in the United States

For the first quarter ended June 30, 2010

Summary of statement of income (consolidated)

Fiscal year ending March 31, 2011

(Billions of yen)

	FY2010 1Q actual <i>*1</i>	U.S. subsidiaries Jan.1-Mar.31,2010		FY2010 1Q actual <i>*2</i>	FY2009 1Q actual	Y on Y change %
		actual	Amortization of goodwill and intangible assets			
Net sales	75.2	10.0	-	65.1	64.0	1.8
Operating income	7.9	1.0	(1.7)	8.6	6.0	41.5
Ordinary income	7.2	1.1	(1.7)	7.8	5.8	33.8
Net income	4.8	0.7	(1.4)	5.4	4.6	19.2

**1 Include 6-month results from January to June 2010 of subsidiaries in the United States.*

**2 Exclude 3-month results from January to March 2010 of subsidiaries in the United States.*

4. Pipeline (as of August, 2010)

<Metabolic Syndrome, Infectious Diseases and Pain>

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Metabolic Syndrome	Pravastatin/Fenofibrate (Pravastatin/fenofibrate combination)	Statin-HMG-CoA reductase inhibitors/fenofibrate lipid regulating agent combination (Oral)	Lowering non-HDL cholesterol and triglycerides	USA: NDA filed (November 2009)	Galephar PR, Inc. (Puerto Rico)/SMB Laboratories (Belgium)	Shionogi/SMB Laboratories
	Jenloga XR (Clonidine hydrochloride)	2 alpha specific adrenergic agonist (Oral)	Hypertension	USA: Phase III	In-house	In-house
	S-474474 (Irbesartan/trichlormethiazide combination)	Angiotensin receptor blocker/diuretic combination (Oral)	Hypertension	Japan: Phase III	Irbesartan: Sanofi Aventis (France) Trichlormethiazide: Shionogi	In-house
	S-2367 (Velneperit)	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase II Japan: Phase II	In-house	In-house
	ADX415	2 alpha specific adrenergic agonist (Oral)	Hypertension	USA: Phase II (in preparation)	In-house	In-house
	S-234462	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase I	In-house	In-house
	S-707106	Insulin sensitizer (Oral)	Type 2 Diabetes	USA: Phase I	In-house	In-house
Infectious Diseases	S-021812 (Peramivir) 【RAPIACTA®】	Neuraminidase inhibitor (Injection)	Pediatric influenza infection	Japan: NDA submission (February 2010)	BioCryst Pharmaceuticals, Inc. (USA)	In-house
	S-4661 (Doripenem hydrate) 【FINIBAX®】	Carbapenem antibiotic (Injection)	Addition of new dosage regimen (1g t.i.d. for serious infection)	Japan: NDA submission (March 2010)	In-house	In-house
	S-4661 (Doripenem hydrate) 【FINIBAX®】	Carbapenem antibiotic (Injection)	Pediatric infection	Japan: Phase III	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-ViiV Healthcare LLC
Pain	LY248686 (Duloxetine hydrochloride) 【CYMBALTA®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Diabetic peripheral neuropathic pain	Japan: NDA submission (September 2009)	Eli Lilly and Company (USA)	Shionogi/Eli Lilly Japan K.K.
	S-811717 (Oxycodone hydrochloride)	Natural opium alkaloids (Injection)	For the treatment of moderate to severe pain in patients with cancer pain	Japan: NDA submission (in preparation)	Napp Pharmaceuticals Limited (UK)	In-house
	S-297995	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid-induced adverse effect	USA: Phase IIa Japan: Phase I	In-house	In-house

<Other>

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Woman's Health	PSD502 (Lidocaine/prilocaine)	Eutectic mixture of anesthetics (Metered-dose topical aerosol spray)	Premature ejaculation	USA, Europe: Phase III	Plethora Solutions Holdings PLC (UK)	Shionogi/Plethora Solutions Holdings PLC
	Ospemifene	Selective estrogen receptor modulator	Post-menopausal vaginal atrophy	USA: Phase III	QuatRx Pharmaceuticals Company (USA)	Shionogi/QuatRx Pharmaceuticals Company
Pediatrics	Glycopyrrolate (Glycopyrrolate oral solution) 【CUVPOSA™】	Anticholinergic (Oral)	Chronic moderate-to-severe drooling in pediatric patients	USA: Approved (July 2010)	In-house	In-house
	Clonidine HCL (Clonidine hydrochloride)	2 alpha specific adrenergic agonist (Oral)	Attention Deficit Hyperactivity Disorder	USA: sNDA filed (October 2009)	In-house	In-house
Other	S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Japan: Phase IIa Europe: POM (Proof of Mechanism)	In-house	In-house
	S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA, Europe: Phase II Japan: Phase I	In-house	In-house
	S-444823	Cannabinoid receptor agonist (Topical)	Atopic dermatitis	Japan: Phase IIa	In-house	In-house
	S-288310	Peptide cancer vaccine (Injection)	Bladder cancer	Japan: Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
	S-222611	Her2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase Ib	In-house	In-house
	S-488410	Peptide cancer vaccine (Injection)	Esophageal cancer	Japan: Phase I/II (in preparation)	OncoTherapy Science, Inc.	In-house

<Out-Licensing Activity>

Code No. (Generic name)	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 Europe: Appr	In-house	Johnson & Johnson (USA)
S-3013 (Varespladib methyl)	Secretory PLA2(sPLA2) inhibitor (Oral)	Acute coronary syndromes Mixed dyslipidemia	USA, Europe: Phase III	Shionogi/Eli Lilly and Company	Anthera Pharmaceuticals, Inc. (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan: Phase II	In-house	Kissei Pharmaceutical Co., Ltd.

Since May, 2010

Change of phase	Glycopyrrolate <USA>: NDA filed → Approved
	S-811717 <Japan>: Phase III → NDA submission (in preparation)
	S-3013 <Out-Licensing Activity>: Phase IIb → Phase III
Compound added to the list	S-488410 <Japan>: Phase I/II (in preparation)
Compound erased	Prenate DHA <USA>: Launched in April 2009
	Ulesfia <USA>: Launched in July 2009
	Adrenaclick <USA>: Launched in January 2010
	Prenate Essential <USA>: Launched in April 2010
	LY248686 <Japan>: Launched in April 2010