



Financial Results for Fiscal Year 2011 (Consolidated)

May 9, 2012

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

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2012

Scheduled date of dividend payments: June 28, 2012

Scheduled date of annual securities report submission: June 28, 2012

Preparation of supplemental material for financial results: Yes

Holding of presentation for 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, 2011 to March 31, 2012

(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	%
Year ended March 31, 2012	267,275	(5.3)	47,003	0.2	46,093	2.0	27,101	35.3
Year ended March 31, 2011	282,350	1.4	46,892	(10.6)	45,176	(10.6)	20,026	(48.2)

Reference: Comprehensive income: Year ended March 31, 2012: 29,481 million yen (- %) Year ended March 31, 2011: (640) million yen (- %)

	Earnings per share	Earnings per share (diluted)	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2012	80.93	80.91	8.1	8.8	17.6
Year ended March 31, 2011	59.80	—	6.0	8.5	16.6

Reference: Equity in earnings (losses) of affiliates: Year ended March 31, 2012: (485) million yen Year ended March 31, 2011: (1,362) million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	522,161	347,198	65.9	1,027.83
As of March 31, 2011	523,242	328,096	62.7	979.69

Reference: Shareholders' equity As of March 31, 2012: 344,216 million yen As of March 31, 2011: 328,069 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2012	54,724	(38,290)	(27,749)	98,687
Year ended March 31, 2011	56,528	(13,947)	(27,011)	110,691

2. Dividends

(Date of record)	Dividends per share					Total dividends (Annual)	Payout ratio (consolidated)	Ratio of dividends to net assets
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	Millions of yen	%	%
Year ended March 31, 2011	—	20.00	—	20.00	40.00	13,396	66.9	4.0
Year ended March 31, 2012	—	20.00	—	20.00	40.00	13,395	49.4	4.0
Year ending March 31, 2013 (forecast)		20.00		20.00	40.00		41.9	

3. Consolidated financial forecast for the year ending March 31, 2013

(% 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 month ending September 30, 2012	138,000	11.3	24,500	34.3	23,500	27.5	14,000	70.7	41.80
Year ending March 31, 2013	289,000	8.1	56,000	19.1	54,000	17.2	32,000	18.1	95.55

4. Others

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation): None
- (2) Changes in accounting policies, changes/restatements of accounting estimates
- a) Changes in accounting policies in connection with amendments to accounting standards, etc.: None
- b) Changes in accounting policies other than a) above: None
- c) Changes in accounting estimates: None
- d) Restatements: None
- (3) Number of shares issued (common stock)
- a) Number of shares issued (including treasury stock)
- | | |
|-----------------------|--------------------|
| As of March 31, 2012: | 351,136,165 shares |
| As of March 31, 2011: | 351,136,165 shares |
- b) Number of treasury stock
- | | |
|-----------------------|-------------------|
| As of March 31, 2012: | 16,240,245 shares |
| As of March 31, 2011: | 16,237,775 shares |
- c) Average number of shares issued during the period
- | | |
|-----------------------|--------------------|
| As of March 31, 2012: | 334,897,129 shares |
| As of March 31, 2011: | 334,902,090 shares |

(Reference) Non-consolidated financial results

Non-consolidated results for the period from April 1, 2011 to March 31, 2012

(1) Non-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	%
Year ended March 31, 2012	256,187	2.5	62,875	4.0	63,536	5.3	43,678	4.9
Year ended March 31, 2011	249,989	9.4	60,435	22.7	60,337	20.8	41,657	2.2

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Year ended March 31, 2012	130.42	130.40
Year ended March 31, 2011	124.39	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	575,447	423,827	73.6	1,265.37
As of March 31, 2011	565,170	389,344	68.9	1,162.57

Reference: Shareholders' equity As of March 31, 2012: 423,768 million yen As of March 31, 2011: 389,344 million yen

※ Implementation Status of Audit Procedures

This Financial Results Report is exempt from the audit procedures stipulated under the Financial Instruments and Exchange Act of Japan. Audit procedures applicable to financial statements stipulated under the Financial Instruments and Exchange Act had not been completed at the time of disclosure of this Financial Results Report.

※ Explanation Concerning the Appropriate Use of Financial Results Forecasts and Other Special Instructions

(Cautionary note concerning forward-looking statements)

The forecast of financial results and forward-looking statements contained in this report are based on information currently available to the Company as well as certain assumptions that it judges to be reasonable. Actual results may differ materially due to a variety of factors.

For details of the assumptions used in the forecast of financial results and a cautionary note concerning appropriate use, please refer to "2. Financial forecast for the year ending March 31, 2013" on page 4 of the accompanying materials.

(Method of Obtaining Financial Results Supplementary Materials and Details of Results Briefing Meeting)

Financial results supplementary materials are posted via TDnet on the date of disclosure. The Company plans to hold a results briefing meeting for analysts on Thursday, May 10, 2012. Plans are also in place to post audio explanatory details together with financial results explanatory materials distributed to analysts on May 10, 2012 on the Company's website in a timely manner after the results briefing.

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1. Results of operations

(1) Analysis of results of operations

1) Results for the fiscal year ended March 31, 2012

a. General overview

In the pharmaceutical industry, international competition is intensifying as operations globalize. Major European and North American pharmaceutical companies are advancing aggressively into markets in Japan, emerging countries in Asia and elsewhere, while Japanese pharmaceutical companies are accelerating business development in Europe, North America and emerging countries. In these circumstances, the target of research and development is shifting away from blockbuster markets with many patients centered on lifestyle diseases toward creating pharmaceuticals for specialty markets, which are therapeutic areas with fewer patients and unmet medical needs (such as medical conditions without effective treatments). Pharmaceutical companies that can quickly identify unmet medical needs and continuously deliver innovative pharmaceuticals to patients will be able to lead the global pharmaceutical industry of the future.

In this business environment, net sales decreased year on year. Sales of prescription drugs in Japan increased, but sales in the United States decreased substantially due to increases in the allowance for sales returns and the provision to the reserve for Medicaid rebates, which are charged to pharmaceutical companies under the U.S. system of healthcare subsidies for low-income patients. However, operating income and ordinary income increased slightly due to factors including reduced activity as a result of the Great East Japan Earthquake and Groupwide expense reduction activities aimed at increasing productivity. Net income increased substantially year on year absent extraordinary losses totaling ¥18.3 billion in the previous fiscal year that included loss on disaster due to the Great East Japan Earthquake, business structure improvement expenses, and impairment loss.

The Great East Japan Earthquake that occurred in March 2011 significantly impacted the Group, including production activities at the Kanegasaki Plant in Iwate Prefecture and sales activities in East Japan. Recovery was largely complete about six months after the earthquake as a result of Groupwide efforts to quickly restore operations.

Consolidated operating results

	<i>Millions of yen</i>			
	Net sales	Operating income	Ordinary income	Net income
Year ended March 31, 2012	267,275	47,003	46,093	27,101
Year ended March 31, 2011	282,350	46,892	45,176	20,026
Percentage increase	(5.3)	0.2	2.0	35.3

Sales

Net sales decreased 5.3 percent year on year to ¥267.3 billion.

	<i>Billions of yen</i>			
	FY2010 Results	FY2011 Results	Change	change %
Sales	282.4	267.3	(15.1)	(5.3)
Prescription drugs	158.9	164.4	5.5	3.4
Export/Overseas subsidiaries	37.4	17.0	(20.4)	(54.6)
Shionogi INC.	27.0	5.8	(21.2)	(78.4)
C&O	—	1.9	1.9	—
Royalty income	68.9	68.7	(0.2)	(0.4)
CRESTOR	64.2	64.7	0.5	0.8

1. Domestic Sales of Prescription Drugs

Sales of eight strategic products centered on anti-hyperlipidemia treatment Crestor, hypertension treatment Irbetan, and antidepressant drug Cymbalta increased 25.6 percent year on year to ¥73.2 billion, which compensated for the lower sales of existing products and contributed to the overall increase in domestic sales.

2. Exports and Overseas Subsidiaries

At Shionogi Inc., actual product returns exceeded estimates at the beginning of the fiscal year. Shionogi Inc. therefore took this opportunity to revise its process for calculating the necessary allowance for product returns in the future and to recalculate Medicaid rebates. These initiatives were part of Shionogi Inc.'s significant revision of its assumptions for providing for product returns and rebate payments.

As a result, increases during the fiscal year ended March 31, 2012 in the allowance for sales returns and the provision to reserve for Medicaid rebates increased sales deductions, which was a factor in the decrease in sales. However, these

increases secured the allowances and reserves that enable the Shionogi Group to accommodate changes in its U.S. business.

In addition, on October 12, 2011 Shionogi completed the acquisition of China-based pharmaceutical company C&O Pharmaceutical Technology (Holdings) Limited (C&O), which contributed to consolidated results in the fiscal year ended March 31, 2012.

3. Royalty Income

AstraZeneca's global sales of Crestor expanded steadily in 2011. However, royalty income from Crestor has only increased slightly in yen terms because of the appreciation of the yen. Total royalty income decreased slightly year on year to ¥68.7 billion.

Income

Operating income increased 0.2 percent year on year to ¥47.0 billion. Gross profit decreased 5.5 percent year on year due to factors including sales deductions at Shionogi Inc. and the reduced profitability of exports due to factors such as the strong yen.

Except for research and development expenses, selling, general and administrative expenses decreased 13.5 percent because of factors including the 15-month period for Shionogi Inc. in the fiscal year ended March 31, 2011 to align its fiscal year with Shionogi & Co., Ltd.; the inability of the Shionogi Group to fully conduct sales activities in the first half of the fiscal year ended March 31, 2012 because of the Great East Japan earthquake; and Groupwide expense reduction activities. As a result, selling, general and administrative expenses decreased 7.3 percent, and operating income increased slightly.

Ordinary income increased 2.0 percent year on year to ¥46.1 billion because of subsidy income and other income.

Net income increased 35.3 percent to ¥27.1 billion because extraordinary losses associated with the earthquake and U.S. operations decreased year on year.

Research and Development

The Shionogi Group aims to achieve world-class research productivity and to quickly supply pharmaceuticals to global markets in conducting research and development activities. The Group quickly identifies unmet medical needs and deploys various technologies including small molecular drug discovery, one of the Shionogi Group's strengths, to continuously supply innovative pharmaceuticals to patients.

1. Research Activities

In July 2011, the Shionogi Group completed its core drug discovery research facility on the grounds of the Shionogi Pharmaceutical Research Center (SPRC) in Toyonaka City, Osaka Prefecture. The new facility consolidates drug discovery functions previously dispersed among four research facilities in Osaka and Shiga prefectures. The Group aims to discover innovative new drugs at the SPRC by further strengthening cooperation in its organization and achieving top-class research productivity in fulfilling its deep commitment to providing even better pharmaceuticals worldwide from Osaka.

2. Development Activities

In February 2012, the Shionogi Group established a wholly owned subsidiary, Shionogi Limited, in London, United Kingdom as a development base in Europe. It complements bases in Japan and the United States, enabling faster and more efficient development by selecting the region for conducting clinical trials from regions worldwide depending on the stage.

3. In-licensing

The Shionogi Group concluded a contract with Shire plc of Ireland to co-develop and co-commercialize in Japan two of Shire's drugs for attention deficit hyperactivity disorder (ADHD). Characterized by inattention and/or hyperactivity-impulsiveness that is more frequent and severe than is typically observed in individuals at a comparable age and level of development, ADHD interferes with daily life and academics. The Group will make a broad contribution to treating patients with central nervous system disorders by providing ADHD patients in Japan with a new treatment option.

Capital investment

Shionogi Group capital investment in the fiscal year ended March 31, 2012 totaled ¥13.2 billion. Aggressive investment centered on research facility expansion, including the construction of the new research facility at SPRC and a facility for producing active pharmaceutical ingredients for beta-lactam clinical trials at the Kanegasaki Plant.

2) Financial forecast for the year ending March 31, 2013

Financial forecast for the year ending March 31, 2013 are as follows.

Millions of yen

	Net sales	Operating income	Ordinary income	Net income
Year ending March 31, 2013	289,000	56,000	54,000	32,000
Year ended March 31, 2012	267,275	47,003	46,093	27,101
Percentage increase	8.1	19.1	17.2	18.1

In the domestic prescription pharmaceuticals market, challenging conditions are expected to continue due to factors such as over 6 percent National Health Insurance (NHI) drug price revision implemented in April 2012. However, the Shionogi Group forecasts that continued growth in sales of strategic products centered on Crestor, Irbetan, and Cymbalta will compensate for the decrease in sales from the NHI drug price revision, and that net sales will increase. Overall, the Group expect sales to increase because of ongoing initiatives to stabilize the operations of its U.S. subsidiary and the impact of adding C&O as a consolidated subsidiary.

Regarding profits, the Shionogi Group forecasts that increased sales in the domestic prescription pharmaceutical market and reduced losses in its U.S. operations will compensate for increased R&D expenses, resulting in higher operating income, ordinary income and net income.

(2) Analysis of financial position

1) Assets, Liabilities and Net assets

As of March 31, 2012, total assets were ¥522,161 million, a decrease of ¥1,080 million compared with the end of the previous fiscal year. Current assets decreased ¥16,006 million, primarily because the acquisition of C&O shares reduced cash and cash equivalents and revision of payment terms reduced notes and accounts receivable-trade. On the other hand, non-current assets increased ¥14,925 million because the acquisition of C&O increased goodwill and other intangible assets.

Total liabilities decreased ¥20,182 million compared with the end of the previous fiscal year to ¥174,963 million, largely because income taxes payable and long-term loans payable decreased.

Net assets increased ¥19,101 million compared with the end of the previous fiscal year to ¥347,198 million. Shareholders' equity increased ¥13,703 million because of a net increase in retained earnings after addition of net income and deduction of dividends. Also, the stock market prices were higher than at the previous fiscal year-end, which increased valuation difference on available-for-sale securities.

2) Cash flows

For the fiscal year ended March 31, 2012, net cash provided by operating activities decreased ¥1,803 million compared with the previous fiscal year to ¥54,724 million. Income before income taxes and minority interests increased ¥8,359 million, while depreciation and amortization and non-cash charges including impairment loss decreased. Other factors included a decrease in the provision for loss on disaster attributable to the Great East Japan Earthquake and an increase in inventories.

Net cash used in investing activities increased ¥24,343 million compared with the previous fiscal year to ¥38,290 million. Factors included capital investments such as the construction of the new research facility at the SPRC and the use of cash in connection with the C&O acquisition.

Net cash used in financing activities increased ¥737 million compared with the previous fiscal year to ¥27,749 million as a result of factors including repayment of debt and payment of dividends.

As a result, cash and cash equivalents at the end of the fiscal year decreased ¥12,003 million from the end of the previous fiscal year to ¥98,687 million.

Cash flow indicators

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Net worth ratio	82.7%	61.7%	63.2%	62.7%	65.9%
Net worth ratio on market value basis	137.9%	112.4%	110.1%	90.8%	73.4%
Interest-bearing liabilities/ Cash flow ratio	0.1	4.0	2.3	1.9	1.7
Interest coverage ratio (times)	306.3	37.3	35.0	37.9	44.5

Notes: *Net worth ratio: Total net assets/Total assets*

Net worth ratio on market value basis: Total market value of stock/Total assets

Interest-bearing liabilities/Cash flow ratio: Interest-bearing liabilities/ Net cash provided by operating activities

Interest coverage ratio: Net cash provided by operating activities/Interest expense

1. All indicators are calculated on a consolidated basis.

2. Total market value of stock is calculated based on the total number of shares outstanding excluding treasury stock.

3. Net cash provided by operating activities is as reported in the consolidated statements of cash flows.

4. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid.

(3) Fundamental policy on the appropriation of retained earnings and cash dividends for the fiscal years ended March 31, 2012 and ending March 31, 2013

The Company takes a medium-to-long-term perspective in working to increase corporate value, and therefore invests aggressively in its businesses while considering performance in each fiscal year with the aim of steadily increasing dividends. Shionogi's target for its consolidated dividend payout ratio is 35 percent. Net income for the fiscal year ended March 31, 2012 includes the effect of loss on disaster due to the Great East Japan Earthquake and one-time charges associated with changes to the method for calculating allowances for product returns and rebates and with business structure improvement at Shionogi Inc. However, given the solid progress of operations in Japan and other business activities and the policy of paying stable dividends, Shionogi plans to pay a year-end cash dividend of ¥20 per share for the fiscal year ended March 31, 2012, as scheduled. Together with the interim cash dividend, Shionogi will therefore pay annual cash dividends of ¥40 per share.

2. Management policy

(1) Fundamental management policy

Shionogi's corporate philosophy is to "constantly strive to provide medicine of the best possible kind essential for protection of people's health." For this purpose, we must create and manufacture progressively better pharmaceuticals, while ensuring that as many people as possible know about and use them. To accomplish this goal, we believe that having all of Shionogi's people improve technologies day by day enables us to contribute to expanding the benefits we offer our customers, shareholders, business partners, society, our employees, and all our other stakeholders.

(2) Management strategy and challenges ahead

The Shionogi Group is implementing its Third Medium-Term Business Plan for the five-year period from fiscal 2010 to fiscal 2014 in working to address the challenge posed by the significant decrease in Crestor royalty income that will occur in 2016 and 2017 and subsequently achieve growth.

Targets and Status of the Third Medium-Term Business Plan

Billions of yen

	Targets of the Medium-Term Business Plan	Fiscal 2011 Results	Fiscal 2009 Results (Results for the final year of the Second Medium-Term Business Plan)
Net sales	375.0	267.3	278.5
Prescription drugs	200.0	164.4	152.5
Royalty income	75.0	68.7	57.0
Overseas sales	87.0*	17.0	49.1
Operating income	110.0	47.0	52.4

*The target for overseas sales is calculated using an exchange rate of USD 1 = JPY 90.

1) Domestic prescription drugs and restructuring domestic earnings

The biennial revision of NHI drug prices is one of the changes affecting the domestic prescription drug operating environment. The Shionogi Group has created a portfolio of eight new strategic products that are not strongly affected by NHI drug price revisions because of the NHI Drug Price Premiums for Promoting the Creation of New Drugs and the Elimination of Off-Label Drug Use, and it has generated steady growth in net sales. Under the NHI drug price revisions of April 2012, the Shionogi Group received a premium for a sixth drug. The impact of downward drug price revisions on its portfolio was therefore comparatively light, averaging 5 percent compared to the industry average of over 6 percent. The Shionogi Group will continue to concentrate sales resources on its eight strategic products while further reinforcing initiatives to raise productivity, specialize in new products and strengthen the hospital market in order to increase net sales.

The Shionogi Group can only achieve its income targets in the fiscal year ending March 31, 2015 if it creates a framework for generating target earnings excluding Crestor royalty income while continuing to invest aggressively in R&D. The Shionogi Group is therefore working to increase sales of its eight strategic products as planned while continuously reducing cost of sales and selling, general and administrative expenses.

2) Stabilization and expansion of overseas operations

The Shionogi Group acquired Sciele Pharma, Inc. (now Shionogi Inc.) in 2008 to enter the U.S. market, the world's largest. However, delays in expected product launches followed by intense competition with generic products, quality issues and other problems destabilized results in our U.S. operations from the fiscal year ended March 31, 2011. Consequently, Shionogi Inc. withdrew from the primary care market and implemented measures that included creating a new management framework and consolidating offices. In addition, Shionogi Inc. recognized impairment and provided for allowances and reserves as needed on an accounting basis, while implementing concerted measures such as strengthening its product portfolio by adding new products. These measures created a stable operating framework for the Shionogi Group's U.S. operations. The Group intends to grow its U.S. operations by launching the high-potential ospemifene as quickly as possible.

Moreover, the Shionogi Group moved to generate medium- and long-term growth by entering the Chinese market, which is expected to grow. The Group acquired C&O, a China-based pharmaceutical company that primarily sells antibiotics, and made it a wholly owned subsidiary. In August 2011, China announced a new law governing the clinical use of antibiotics to promote the proper use of antibiotics in order to limit the creation of antibiotic-resistant pathogens. This caused the antibiotics market to contract. While these changes have impacted C&O's results, they have also created opportunities for the Shionogi Group's business in China because of its experience in promoting the proper use of antibiotics in Japan. The Group will work to increase its share of the Chinese antibiotics market through activities that center on providing appropriate information. Outside of the antibiotics market, the Group will work to launch a stroke medication (cerebroprotective drug), an antiulcer agent and other products to expand its business in China.

3) Investing in new growth drivers

The Shionogi Group sees continuous, global development of innovative new drugs as essential for countering the challenge of the expiration of its Crestor patents. The Third Medium-Term Business Plan therefore has the targets of globally developing five or more late-stage products (Phase IIb and beyond), and filing for overseas regulatory approval for four products created in Japan and receiving approval for at least one of them.

The Shionogi Group will continue to concentrate resources on globally developing in-house products such as an anti-HIV drug, a treatment for vulvar and vaginal atrophy, a drug for alleviating opioid-induced adverse effects, a treatment for allergic rhinitis, and a peptide vaccine for cancer, and launching them as quickly as possible.

4) Crestor royalty income

The Shionogi Group's patents for Crestor, its most competitive product, will expire in various countries and generic products will be launched. The Group forecasts continued growth in AstraZeneca's global Crestor sales because it expects Crestor's share of prescriptions to remain the same in the U.S. market, where the impact of generic products will be pronounced. In addition, the Group expects sales to grow in markets outside of the United States. While exchange rates will affect royalty income, the Shionogi Group assumes that it will remain at a suitable level within a range that makes the numerical targets of the medium-term business plan achievable.

The Shionogi Group will execute the above initiatives to achieve the goals of the Third Medium-Term Business Plan and further enhance its presence as a pharmaceutical company by globally realizing its fundamental policy of "to strive constantly to provide medicine of the best possible kind essential for protection of the health of the people."

3. Consolidated financial statements

(1) Consolidated balance sheets

Millions of yen

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	*1 27,579	*1 18,427
Notes and accounts receivable-trade	69,498	65,568
Short-term investment securities	88,914	86,556
Merchandise and finished goods	24,369	26,040
Work in process	13,294	12,662
Raw materials and supplies	9,675	11,418
Deferred tax assets	7,872	9,044
Other	15,745	11,231
Allowance for doubtful accounts	(12)	(17)
Total current assets	256,937	240,931
Non-current assets		
Property, plant and equipment		
Buildings and structures	99,490	120,206
Accumulated depreciation	(71,682)	(75,219)
Buildings and structures, net	27,808	44,986
Machinery, equipment and vehicles	82,797	82,433
Accumulated depreciation	(74,200)	(75,161)
Machinery, equipment and vehicles, net	8,596	7,271
Land	9,914	9,856
Construction in progress	19,353	5,777
Other	33,999	37,380
Accumulated depreciation	(29,452)	(30,990)
Other, net	4,547	6,390
Total property, plant and equipment	70,220	74,282
Intangible assets		
Goodwill	58,830	63,572
Sales rights	34,255	36,663
Other	6,506	6,457
Total intangible assets	99,593	106,694
Investments and other assets		
Investment securities	*2 60,654	*2 63,568
Prepaid pension cost	23,330	22,809
Deferred tax assets	2,462	6,238
Other	10,164	7,735
Allowance for doubtful accounts	(121)	(97)
Total investments and other assets	96,491	100,253
Total non-current assets	266,304	281,230
Total assets	523,242	522,161

Millions of yen

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,884	8,613
Current portion of long-term loans payable	14,000	14,000
Current portion of bonds	—	10,000
Income taxes payable	13,510	9,891
Provision		
Provision for bonuses	7,059	6,745
Provision for sales returns	1,775	5,356
Other provision	1,514	25
Total provisions	10,349	12,128
Other	*1 29,075	*1 27,430
Total current liabilities	79,819	82,063
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term loans payable	63,000	49,000
Deferred tax liabilities	6,623	7,729
Provision		
Provision for retirement benefits	8,573	8,793
Other	7,128	7,376
Total non-current liabilities	115,325	92,899
Total liabilities	195,145	174,963
Net assets		
Shareholders' equity		
Capital stock	21,279	21,279
Capital surplus	20,227	20,227
Retained earnings	339,970	353,676
Treasury stock	(19,743)	(19,746)
Total shareholders' equity	361,733	375,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,732	7,729
Deferred gains or losses on hedges	(288)	(141)
Foreign currency translation adjustment	(37,081)	(38,809)
Total accumulated other comprehensive income	(33,637)	(31,220)
Subscription rights to shares	—	58
Minority interests	—	2,923
Total net assets	328,096	347,198
Total liabilities and net assets	523,242	522,161

(2) Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income

Millions of yen

	Year ended March 31, 2011	Year ended March 31, 2012
Net sales	282,350	267,275
Cost of sales	*1 81,737	*1 77,753
Gross profit	200,612	189,521
Selling, general and administrative expenses	*2, *3 153,720	*2, *3 142,518
Operating income	46,892	47,003
Non-operating income		
Interest income	459	384
Dividends income	1,224	1,249
Subsidy income	—	500
Other	643	789
Total non-operating income	2,326	2,925
Non-operating expenses		
Interest expenses	1,478	1,330
Contribution	1,334	1,374
Other	1,229	1,130
Total non-operating expenses	4,042	3,834
Ordinary income	45,176	46,093
Extraordinary income		
Gain on sales of non-current assets	*4 4,067	*4 587
Gain on sales of investment securities	1,647	152
Gain on forgiveness of debts	*5 279	—
Gain on negative goodwill	243	—
Total extraordinary income	6,237	739
Extraordinary loss		
Impairment loss	*6 7,342	*5 1,557
Loss on penalty	—	1,345
Loss on disaster	*7 2,826	*6 1,165
Business structure improvement expenses	*8 4,829	*7 843
Loss on valuation of investment securities	172	426
Bad debts written off	1,769	—
Other	1,339	—
Total extraordinary losses	18,278	5,338
Income before income taxes and minority interests	33,135	41,494
Income taxes-current	20,207	20,339
Income taxes-deferred	(7,129)	(5,947)
Total income taxes	13,078	14,391
Income before minority interests	20,057	27,103
Minority interests in income	30	1
Net income	20,026	27,101

Consolidated statements of comprehensive income*Millions of yen*

	Year ended March 31, 2011	Year ended March 31, 2012
Income before minority interests	20,057	27,103
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,629)	3,996
Deferred gains or losses on hedges	(288)	147
Foreign currency translation adjustment	(13,779)	(1,765)
Total other comprehensive income	(20,697)	2,378
Comprehensive income	(640)	29,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(671)	29,518
Comprehensive income attributable to minority interests	30	(36)

(3) Consolidated statements of changes in net assets*Millions of yen*

	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	21,279	21,279
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	21,279	21,279
Capital surplus		
Balance at the beginning of the period	20,227	20,227
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	20,227	20,227
Retained earnings		
Balance at the beginning of the period	332,669	339,970
Changes of items during the period		
Dividends from surplus	(12,726)	(13,395)
Net income	20,026	27,101
Total changes of items during the period	7,300	13,705
Balance at the end of current period	339,970	353,676
Treasury stock		
Balance at the beginning of the period	(19,733)	(19,743)
Changes of items during the period		
Purchase of treasury stock	(10)	(2)
Total changes of items during the period	(10)	(2)
Balance at the end of current period	(19,743)	(19,746)
Total shareholders' equity		
Balance at the beginning of the period	354,443	361,733
Changes of items during the period		
Dividends from surplus	(12,726)	(13,395)
Net income	20,026	27,101
Purchase of treasury stock	(10)	(2)
Total changes of items during the period	7,290	13,703
Balance at the end of current period	361,733	375,436

Millions of yen

	Year ended March 31, 2011	Year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	10,362	3,732
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,629)	3,996
Total changes of items during the period	(6,629)	3,996
Balance at the end of current period	3,732	7,729
Deferred gains or losses on hedges		
Balance at the beginning of the period	—	(288)
Changes of items during the period		
Net changes of items other than shareholders' equity	(288)	147
Total changes of items during the period	(288)	147
Balance at the end of current period	(288)	(141)
Foreign currency translation adjustment		
Balance at the beginning of the period	(23,301)	(37,081)
Changes of items during the period		
Net changes of items other than shareholders' equity	(13,779)	(1,727)
Total changes of items during the period	(13,779)	(1,727)
Balance at the end of current period	(37,081)	(38,809)
Total accumulated other comprehensive income		
Balance at the beginning of the period	(12,939)	(33,637)
Changes of items during the period		
Net changes of items other than shareholders' equity	(20,697)	2,416
Total changes of items during the period	(20,697)	2,416
Balance at the end of current period	(33,637)	(31,220)
Subscription rights to shares		
Balance at the beginning of the period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	58
Total changes of items during the period	—	58
Balance at the end of current period	—	58
Minority interests		
Balance at the beginning of the period	471	—
Changes of items during the period		
Net changes of items other than shareholders' equity	(471)	2,923
Total changes of items during the period	(471)	2,923
Balance at the end of current period	—	2,923
Total net assets		
Balance at the beginning of the period	341,976	328,096
Changes of items during the period		
Dividends from surplus	(12,726)	(13,395)
Net income	20,026	27,101
Purchase of treasury stock	(10)	(2)
Net changes of items other than shareholders' equity	(21,169)	5,398
Total changes of items during the period	(13,879)	19,101
Balance at the end of current period	328,096	347,198

(4) Consolidated statements of cash flows*Millions of yen*

	Year ended March 31, 2011	Year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	33,135	41,494
Depreciation and amortization	17,966	16,282
Impairment loss	7,342	1,557
Amortization of goodwill	4,389	3,425
Loss (gain) on disposal of property, plant and equipment	(3,716)	(263)
Loss (gain) on sales of investment securities	(1,647)	(152)
Loss (gain) on valuation of investment securities	172	426
Increase (decrease) in provision for loss on disaster	1,492	(1,492)
Increase (decrease) in provision for retirement benefits	1,576	741
Interest and dividends income	(1,683)	(1,634)
Interest expenses	1,478	1,330
Foreign exchange losses (gains)	(285)	(320)
Decrease (increase) in notes and accounts receivable-trade	9,140	6,286
Decrease (increase) in inventories	1,722	(1,296)
Increase (decrease) in notes and accounts payable-trade	(381)	(4,954)
Increase (decrease) in accrued expenses	(145)	8,853
Increase (decrease) in accounts payable-other	3,475	(5,815)
Other, net	4,801	12,720
Subtotal	78,833	77,188
Interest and dividends income received	1,692	1,653
Interest expenses paid	(1,493)	(1,229)
Income taxes paid	(22,504)	(22,888)
Net cash provided by (used in) operating activities	56,528	54,724
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,258)	(4,641)
Proceeds from withdrawal of time deposits	3,788	3,718
Purchase of short-term investment securities	(12,367)	(19)
Proceeds from sales and redemption of securities	15,587	4,243
Purchase of investment securities	(4,339)	(4,061)
Proceeds from sales of investment securities	2,074	4,178
Purchase of property, plant and equipment	(11,274)	(18,312)
Proceeds from sales of property, plant and equipment	1,760	3,852
Purchase of intangible assets	(604)	(10,927)
Purchase of stock of affiliates	(2,349)	(3,577)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	*2 (12,639)
Other, net	(2,963)	(102)
Net cash provided by (used in) investing activities	(13,947)	(38,290)

Millions of yen

	Year ended March 31, 2011	Year ended March 31, 2012
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(14,000)	(14,000)
Purchase of treasury stock	(10)	(2)
Cash dividends paid	(12,707)	(13,375)
Cash dividends paid to minority shareholders	(2)	(66)
Other, net	(291)	(303)
Net cash provided by (used in) financing activities	(27,011)	(27,749)
Effect of exchange rate change on cash and cash equivalents	(2,540)	(689)
Net increase (decrease) in cash and cash equivalents	13,028	(12,003)
Cash and cash equivalents at beginning of period	97,663	110,691
Cash and cash equivalents at end of period	*1 110,691	*1 98,687

Going concern assumption

None

Notes**Notes to consolidated balance sheets**

Year ended March 31, 2011	Year ended March 31, 2012
<p>*1 Pledged assets and secured liabilities The assets listed below have been pledged as collateral against borrowings and other debts:</p> <p>1) Carrying value of pledged assets:</p> <p style="padding-left: 20px;">Cash and deposits 7 million yen</p> <p>2) Liabilities secured by the above assets:</p> <p style="padding-left: 20px;">'Other' of current liabilities 7 million yen</p>	<p>*1 Pledged assets and secured liabilities The assets listed below have been pledged as collateral against borrowings and other debts:</p> <p>1) Carrying value of pledged assets:</p> <p style="padding-left: 20px;">Cash and deposits 7 million yen</p> <p>2) Liabilities secured by the above assets:</p> <p style="padding-left: 20px;">'Other' of current liabilities 7 million yen</p>
<p>*2 Stocks etc, of unconsolidated subsidiaries and affiliates</p> <p style="padding-left: 20px;">Investments in securities (stocks etc.) 6,837 million yen</p>	<p>*2 Stocks etc, of unconsolidated subsidiaries and affiliates</p> <p style="padding-left: 20px;">Investments in securities (stocks etc.) 8,417 million yen</p>
<p>3 Guaranteed liabilities Guarantee of loans from financial institutions and other companies not included in consolidation</p> <p style="padding-left: 20px;">Employee housing loans 19 million yen</p>	<p>3 Guaranteed liabilities Guarantee of loans from financial institutions and other companies not included in consolidation</p> <p style="padding-left: 20px;">Employee housing loans 11 million yen</p>

Notes to consolidated statements of income

Year ended March 31, 2011	Year ended March 31, 2012																																																
<p>*1 Inventories at March 31, 2011 are stated at net selling value. Inventory valuation totaling ¥1,119 million is included in cost of sales.</p>	<p>*1 Inventories at March 31, 2012 are stated at net selling value. Inventory valuation totaling ¥1,142 million is included in cost of sales.</p>																																																
<p>*2 The major items and amounts included in selling, general and administrative expenses were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Sales promotional activities</td> <td style="text-align: right;">15,581</td> <td style="text-align: right;">million yen</td> </tr> <tr> <td style="padding-left: 20px;">Salaries</td> <td style="text-align: right;">28,505</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Provision for bonuses</td> <td style="text-align: right;">4,224</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Provision for directors' bonuses</td> <td style="text-align: right;">22</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Retirement benefit expenses</td> <td style="text-align: right;">2,445</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">R & D expenses</td> <td style="text-align: right;">50,921</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Provision for bonuses)</td> <td style="text-align: right;">(1,923)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Retirement benefit expenses)</td> <td style="text-align: right;">(1,352)</td> <td></td> </tr> </table>	Sales promotional activities	15,581	million yen	Salaries	28,505		Provision for bonuses	4,224		Provision for directors' bonuses	22		Retirement benefit expenses	2,445		R & D expenses	50,921		(Provision for bonuses)	(1,923)		(Retirement benefit expenses)	(1,352)		<p>*2 The major items and amounts included in selling, general and administrative expenses were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Sales promotional activities</td> <td style="text-align: right;">12,672</td> <td style="text-align: right;">million yen</td> </tr> <tr> <td style="padding-left: 20px;">Salaries</td> <td style="text-align: right;">24,222</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Provision for bonuses</td> <td style="text-align: right;">3,772</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Provision for directors' bonuses</td> <td style="text-align: right;">25</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Retirement benefit expenses</td> <td style="text-align: right;">2,180</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">R & D expenses</td> <td style="text-align: right;">53,599</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Provision for bonuses)</td> <td style="text-align: right;">(1,901)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Retirement benefit expenses)</td> <td style="text-align: right;">(1,174)</td> <td></td> </tr> </table>	Sales promotional activities	12,672	million yen	Salaries	24,222		Provision for bonuses	3,772		Provision for directors' bonuses	25		Retirement benefit expenses	2,180		R & D expenses	53,599		(Provision for bonuses)	(1,901)		(Retirement benefit expenses)	(1,174)	
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<p>*3 R&D expenses R&D expenses, which are included in SG&A expenses, were as follows. No R&D expenses are included in production expenses</p> <p style="padding-left: 20px;">R&D expenses 50,921 million yen</p>	<p>*3 R&D expenses R&D expenses, which are included in SG&A expenses, were as follows. No R&D expenses are included in production expenses</p> <p style="padding-left: 20px;">R&D expenses 53,599 million yen</p>																																																
<p>*4 Gain on sales of non-current assets</p> <p style="padding-left: 20px;">Land 4,067 million yen</p>	<p>*4 Gain on sales of non-current assets</p> <p style="padding-left: 20px;">Land 587 million yen</p>																																																
<p>*5 Gain on forgiveness of debts The Shionogi Group has recorded a gain on forgiveness of debts in the year ended March 31, 2011 after receiving confirmation from the Japan Science and Technology Agency that it was released from the obligation to repay development expenses. This confirmation was based on the agreement with the aforementioned agency and in accordance with the conclusion of designated compound development under the licensing development agreement executed in the year ended March 31, 2006.</p>																																																	

Year ended March 31, 2011				Year ended March 31, 2012			
*6 Impairment loss The Shionogi Group recognized asset impairment as follows.				*5 Impairment loss The Shionogi Group recognized asset impairment as follows.			
Location	Application	Class	Amount	Location	Application	Class	Amount
U.S.A	Exclusive prescription pharmaceutical marketing rights	Sales rights	7,134 million yen	U.S.A	IP R&D	Intangible assets (Other)	1,557 million yen
U.S.A	IP R&D	Intangible assets (Other)	208 million yen	The Shionogi Group categorizes assets for business operations into groups that are based on the product lines used in management accounting, and categorizes rental and underutilized assets individually. With respect to those items relating to compound development that have been determined as having no future value included in in-process research and development, the Shionogi Group has set the amounts recoverable at zero and recognized an impairment loss for the unamortized balance.			
The Shionogi Group categorizes assets for business operations into groups that are based on the product lines used in management accounting, and categorizes rental and underutilized assets individually. With respect to the exclusive prescription pharmaceuticals included in sales rights, the Shionogi Group set the amounts recoverable at zero in line with the decision to terminate sales and recognized an impairment loss for the unamortized balance. With respect to those items relating to compound development that have been determined as having no future value included in in-process research and development, the Shionogi Group has set the amounts recoverable at zero and recognized an impairment loss for the unamortized balance.				*6 Loss on disaster This expense is attributable to the impact of the Great East Japan Earthquake.			
*7 Loss on disaster This expense is attributable to the impact of the Great East Japan Earthquake and represents the provision of an allowance to cover actual projected expenditure.				*7 Business structure improvement expenses Primarily expenses associated with the restructuring of U.S. subsidiary Shionogi Inc.			
*8 Business structure improvement expenses These expenses are attributable to the reorganization of U.S. subsidiaries. The principal component was extraordinary retirement benefits totaling ¥4,006 million.							

Notes to consolidated statements of comprehensive income

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

Amount of recycling and amount of income tax effect associated with other comprehensive income

Valuation difference on available-for-sale securities	
Amount recognized in the period under review	5,542 million yen
Amount of recycling	177
Before income tax effect adjustment	5,719
Amount of income tax effect	(1,723)
Valuation difference on available-for-sale securities	3,996
Deferred gains or losses on hedges	
Amount recognized in the period under review	527
Amount of recycling	(269)
Before income tax effect adjustment	258
Amount of income tax effect	(110)
Deferred gains or losses on hedges	147
Foreign currency translation adjustment	
Amount recognized in the period under review	(1,765)
Total other comprehensive income	2,378

Notes to consolidated statement of changes in net assets

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Type and number of shares in issue and type and number of shares of treasury stock

	April 1, 2010	Increase	Decrease	Shares March 31, 2011
Shares in issue				
Common stock	351,136,165	—	—	351,136,165
Total	351,136,165	—	—	351,136,165
Treasury stock				
Common stock	16,231,245	6,530	—	16,237,775
Total	16,231,245	6,530	—	16,237,775

Note: The increase in treasury stock reflects the purchase of odd-lot shares.

(2) Matters concerning subscription rights and subscription rights owned by the Company

None

(3) Dividends

A) Dividend payments

Resolution	Category	Total dividends	Dividends per share	Dividend record date	Effective date
Annual General Meeting of Shareholders held on June 24, 2010	Common stock	6,028 million yen	18 yen	March 31, 2010	June 25, 2010
Meeting of Board of directors on November 1, 2010	Common stock	6,698 million yen	20 yen	September 30, 2010	December 1, 2010

B) Dividends whose effective date is subsequent to March 31, 2011

Resolution	Category	Total dividends	Resolution	Dividends per share	Dividend record date	Effective date
Annual General Meeting of Shareholders to be held on June 24, 2011	Common stock	6,697million yen	Retained earnings	20 yen	March 31, 2011	June 27, 2011

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Type and number of shares in issue and type and number of shares of treasury stock

	April 1, 2011	Increase	Decrease	Shares March 31, 2012
Shares in issue				
Common stock	351,136,165	—	—	351,136,165
Total	351,136,165	—	—	351,136,165
Treasury stock				
Common stock	16,237,775	2,470	—	16,240,245
Total	16,237,775	2,470	—	16,240,245

Note: The increase in treasury stock reflects the purchase of odd-lot shares.

(2) Matters concerning subscription rights and subscription rights owned by the Company

Category	Detail of subscription rights to shares	March 31, 2012
The Company (parent company)	Stock options	58 million yen
Total	—	58 million yen

(3) Dividends

A) Dividend payments

Resolution	Category	Total dividends	Dividends per share	Dividend record date	Effective date
Annual General Meeting of Shareholders held on June 24, 2011	Common stock	6,697 million yen	20 yen	March 31, 2011	June 27, 2011
Meeting of Board of directors on October 31, 2011	Common stock	6,697 million yen	20 yen	September 30, 2011	December 1, 2011

B) Dividends whose effective date is subsequent to March 31, 2012

The following is to be approved at the 147th Annual General Meeting of Shareholders to be held on June 27, 2012.

Resolution	Category	Total dividends	Resolution	Dividends per share	Dividend record date	Effective date
Annual General Meeting of Shareholders to be held on June 27, 2012	Common stock	6,697million yen	Retained earnings	20 yen	March 31, 2012	June 28, 2012

Notes to consolidated statements of cash flow

Year ended March 31, 2011	Year ended March 31, 2012
*1. Reconciliation of balance of cash and cash equivalents as of the period end with the amounts reported in the consolidated balance sheets:	*1. Reconciliation of balance of cash and cash equivalents as of the period end with the amounts reported in the consolidated balance sheets:
Cash and deposits	Cash and deposits
27,579 million yen	18,427 million yen
Time deposits with a maturity exceeding three months	Time deposits with a maturity exceeding three months
(1,487)	(2,239)
Cash and cash equivalents including "Marketable securities"	Cash and cash equivalents including "Marketable securities"
84,600	82,500
Cash and cash equivalents	Cash and cash equivalents
110,691	98,687
	*2. Assets and liabilities of companies newly consolidated through acquisition of shares
	The Shionogi Group consolidated C&O Pharmaceutical Technology (Holdings) Limited (C&O) through acquisition of shares. C&O assets and liabilities at the time of consolidation, total acquisition price of C&O shares, and net expenditure to acquire C&O are as follows.
	Current assets
	5,386 million yen
	Noncurrent assets
	5,634
	Goodwill
	8,196
	Current liabilities
	(1,460)
	Noncurrent liabilities
	(625)
	Minority interests
	(3,026)
	Purchase price of shares of C&O
	14,103
	Cash and cash equivalents of C&O
	(1,336)
	Accounts payable
	(127)
	Purchase of investments in subsidiaries
	resulting in change in scope of consolidation
	12,639

Notes to segment information

Segment information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011) and Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

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.

Notes to amounts per share

Item	Year ended March 31, 2011	Year ended March 31, 2012
Net assets per share	979.69 yen	1,027.83 yen
Earnings per share	59.80 yen	80.93 yen
Earnings per share (diluted)	—	80.91 yen

Notes: 1. Year ended March 31, 2011, Earnings per share (diluted) has not been presented since there are no such potential shares to be issued.

2. Information for the computation of earnings per share and Earnings per share (diluted) is as follows.

Item	Year ended March 31, 2011	Year ended March 31, 2012
<i>Earnings per share</i>		
<i>Net income</i>	20,026 million yen	27,101 million yen
<i>The amount which is not attributable to ordinary shareholders</i>	—	—
<i>Net income related to common stocks</i>	20,026 million yen	27,101 million yen
<i>Average number of shares outstanding during the period</i>	334,902 thousands of stocks	334,897 thousands of stocks
<i>Earnings per share (diluted)</i>		
<i>Adjustments to net income</i>	—	—
<i>Increase of common stock</i>	—	52 thousands of stocks
<i>(Subscription rights to shares)</i>	—	52 thousands of stocks

3. Information for the computation of net assets per share is as follows.

Item	Year ended March 31, 2011	Year ended March 31, 2012
<i>Total net assets</i>	328,096 million yen	347,198 million yen
<i>Amount deducted from total net assets</i>	—	2,982 million yen
<i>(Amounts attributed to Subscription rights to shares in total net assets)</i>	—	58 million yen
<i>(Amounts attributed to minority interests in total net assets)</i>	—	2,923 million yen
<i>Net assets at year end available to common stocks</i>	328,096 million yen	344,216 million yen
<i>Shares outstanding as of the period end</i>	334,898 thousands of stocks	334,895 thousands of stocks

Important Subsequent Events

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

None

4. Others

Change in Directors (Scheduled on June 27, 2012)

(1) Change in Representative Directors

No change.

(2) Change in other Directors

1) New Outside Director

Katsuhiko Machida (Director, Corporate Advisor, Sharp Corporation)

2) Retiring Directors

Yasuhiro Mino

The change in Directors will be formally determined at the 147th Annual General Meeting of Shareholders to be held on June 27, 2012. The above has been disclosed on March 12, 2012.