



## Financial Results for the First Quarter of Fiscal Year 2012(Consolidated)

August 6, 2012

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, 2012

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, 2012 to June 30, 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	%
Three months ended June 30, 2012	67,823	6.4	12,210	6.6	12,066	3.2	6,910	82.8
Three months ended June 30, 2011	63,720	(15.3)	11,454	43.7	11,692	62.1	3,780	(21.7)

Note: Comprehensive income Three months ended June 30, 2012 5,627 million yen (373.3%)  
Three months ended June 30, 2011 1,189 million yen (-%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended June 30, 2012	20.64	20.63
Three months ended June 30, 2011	11.29	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2012	514,014	346,127	66.7
As of March 31, 2012	522,161	347,198	65.9

Reference: Shareholders' equity As of June 30, 2012: 342,992 million yen As of March 31, 2012: 344,216 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, 2012	Yen —	Yen 20.0	Yen —	Yen 20.0	Yen 40.0
Year ending March 31, 2013	—				
Year ending March 31, 2013 (forecast)		20.0	—	20.0	40.0

Note: Revisions of the most recent dividend forecast: None

### 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

Note: Revisions of the most recent consolidated financial forecast: None

## ※ Notes

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation): None
- (2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements: None
- (3) 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: Yes
  - c) Changes in accounting estimates: Yes
  - d) Restatements: None

*Note: Falls under Article 10, paragraph 5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please see "2. Summary Data (Notes) (3) Changes in Accounting Policies, Changes/Restatements of Accounting Estimates" on page 3 of the supplemental materials for the Financial Results for the First Quarter of Fiscal Year 2012 (Consolidated)*

- (4) Number of shares issued (common stock)
- a) Number of shares issued (including treasury stock)

As of June 30, 2012:	351,136,165 shares
As of March 31, 2012:	351,136,165 shares
  - b) Number of treasury stock

As of June 30, 2012:	16,233,305 shares
As of March 31, 2012:	16,240,245 shares
  - c) Average number of shares issued during the period

Three months ended June 30, 2012:	334,898,101 shares
Three months ended June 30, 2011:	334,898,113 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 "1. Qualitative Information, Financial Statements (3) Qualitative information regarding consolidated financial forecast" on page 2 of the supplemental materials for the Financial Results for the First Quarter of Fiscal Year 2012 (Consolidated)*

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Qualitative Information on Consolidated Operating Results

In the first quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012), conditions grew more challenging in Japan's pharmaceutical market with the implementation of National Health Insurance (NHI) drug price revisions in April. In these circumstances, the Shionogi Group worked energetically to expand sales in the Japanese market, particularly for strategic products including the anti-hyperlipidemia treatment Crestor, the hypertension treatment Irbetan, and the antidepressant drug Cymbalta. In overseas markets, the Shionogi Group worked to strengthen its overseas operations centered on subsidiaries Shionogi Inc. in the United States and C&O Pharmaceutical Technology (Holdings) Limited (C&O) in China.

For the first quarter ended June 30, 2012, net sales were ¥67,823 million, operating income was ¥12,210 million, ordinary income was ¥12,066 million, and net income was ¥6,910 million.

Regarding net sales, overall sales of prescription drugs in Japan were limited to a marginal 0.8 percent increase compared with the same period of the previous fiscal year. Domestic sales of Crestor, Irbetan and Cymbalta increased, and sales of other strategic products were also steady, but sales of antibiotics and other existing products decreased due to the NHI drug price revisions. On the other hand, in overseas markets, sales at Shionogi Inc. were as planned, and C&O also contributed to consolidated results. As a result, overall net sales increased 6.4 percent compared with the same period of the previous fiscal year.

Regarding profit, gross profit increased 3.4 percent compared with the same period of the previous fiscal year. In addition, marketing-related expenses increased compared with the first quarter of the previous fiscal year, when they were impacted by the Great East Japan Earthquake. However, operating income increased 6.6 percent compared with the same period of the previous fiscal year because research and development expenses decreased 10.0 percent. Ordinary income increased 3.2 percent due to the effect of foreign currency translation in addition to the increase in operating income mentioned above. Net income increased 82.8 percent because extraordinary losses were less than in the same period of the previous fiscal year.

Effective from the first quarter of the year ending March 31, 2013, consolidated subsidiary Taiwan Shionogi & Co., Ltd. has changed its fiscal year end from December 31 to March 31. Therefore, this subsidiary's results for the six months from January to June 2012 are recorded in the first-quarter consolidated accounting period. Excluding the effect of this change, net sales increased 5.8 percent, operating income increased 5.3 percent, ordinary income increased 1.9 percent and net income increased 78.8 percent compared with the same period of the previous fiscal year.

### (2) Qualitative Information on Consolidated Financial Position

As of June 30, 2012, total assets were ¥514,014 million, a decrease of ¥8,146 million compared with the end of the previous fiscal year. Current assets decreased ¥3,335 million from the end of the previous fiscal year to ¥237,596 million, primarily due to a decrease in short-term investment securities. Non-current assets decreased ¥4,811 million to ¥276,418 million, primarily due to amortization of goodwill and other intangible assets and the effect of foreign exchange rates.

Total liabilities decreased ¥7,076 million compared with the end of the previous fiscal year to ¥167,886 million. Current liabilities decreased ¥4,724 million to ¥77,339 million due to factors including the redemption of bonds in June. Non-current liabilities decreased ¥2,351 million to ¥90,547 million.

Net assets decreased ¥1,070 million compared with the end of the previous fiscal year to ¥346,127 million. Shareholders' equity increased ¥220 million to ¥375,657 million, with the main factors being an increase from net income and a decrease due to cash dividends paid. Accumulated other comprehensive income was negative ¥32,665 million, ¥1,444 million less than at the end of the previous fiscal year, primarily due to an increase in negative foreign currency translation adjustment resulting from changes in exchange rates. Minority interests were ¥3,084 million, an increase of ¥161 million compared with the end of the previous fiscal year.

### (3) Qualitative Information on Consolidated Financial Forecast

There are no revisions to the consolidated financial forecast announced on May 9, 2012.

## 2. Summary Data (Notes)

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation)

None

- (2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements

None

- (3) Changes in accounting policies, changes/restatements of accounting estimates

Change in Method of Depreciation

The Shionogi Group have changed their method of depreciation for property, plant and equipment to the straight-line method as of the year ending March 31, 2013 from the declining balance method mainly used in the past.

Under the third medium-term business plan from fiscal 2010, the Shionogi Group is implementing a fundamental strategy of generating steady growth by transitioning its organization away from its former focus on products that grew rapidly soon after launch to a focus on eight strategic products that are expected to generate stable, long-term earnings. In addition, the Shionogi Group is developing globally by establishing bases in North America, Europe and Asia with the objective of globalizing new drug development.

Aiming to expand sales of the eight strategic products mentioned above, the Shionogi Group has nearly completed programs to consolidate and strengthen production facilities that included constructing a plant for solid preparations and strengthening tablet and granulation facilities. In addition, the Shionogi Group expects the eight strategic products to exceed 50 percent of prescription drug sales in Japan for the first time during fiscal 2012, and to account for a higher percentage in the future. A consolidated subsidiary established in the United Kingdom, Shionogi Ltd., began operations in fiscal 2012, giving the Shionogi Group bases in North America, Europe and Asia. The Shionogi Group took this opportunity to review and change its method of depreciation for property, plant and equipment to the straight-line method for the reasons below because the Shionogi Group decided this would present its financial position more appropriately.

1. The Shionogi Group formerly focused on products that grew rapidly soon after launch, which enabled comparatively faster facility investment cost recovery. With the transition to a focus on eight strategic products that are expected to generate stable, long-term earnings, facility utilization should be more level and stable.
2. Consolidated overseas subsidiaries have conventionally mainly used the straight-line method. The Shionogi Group therefore needed to standardize its accounting policies with the use of the straight-line method to effectively and efficiently allocate resources among its unified network of bases in Japan, North America, Europe and Asia, and to support the construction, maintenance and operation of its global R&D, production and sales organization.

For the first quarter of fiscal 2012, the effect of this change compared with the former method increased Gross profit by ¥113 million, operating income by ¥649 million, and ordinary income and income before income taxes and minority interests by ¥658 million, respectively.

### Additional Information

Change in closing date of consolidated subsidiary

As of the current fiscal year, the fiscal year end date of Taiwan Shionogi & Co., Ltd. has been changed from December 31 to March 31, the closing date of the consolidated financial statements. As a result of this change, the financial statements of Taiwan Shionogi & Co., Ltd. for the current fiscal year cover the 15 months from January 1, 2012 to March 31, 2013. Accordingly, its results for the six-month period from January 1, 2012 to June 30, 2012 are consolidated in these first-quarter financial results. For the period from January 1, 2012 to March 31, 2012, after eliminating intercompany transactions, Taiwan Shionogi & Co., Ltd.'s net sales, operating income, ordinary income and income before income taxes and minority interests are ¥385 million, ¥145 million, ¥149 million and ¥149 million, respectively.

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

	As of March 31, 2012	As of June 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	18,427	17,747
Notes and accounts receivable-trade	65,568	65,631
Short-term investment securities	86,556	82,347
Merchandise and finished goods	26,040	26,894
Work in process	12,662	12,537
Raw materials and supplies	11,418	11,041
Other	20,275	21,414
Allowance for doubtful accounts	(17)	(17)
Total current assets	240,931	237,596
Non-current assets		
Property, plant and equipment	74,282	74,535
Intangible assets		
Goodwill	63,572	62,249
Other	43,121	41,376
Total intangible assets	106,694	103,625
Investments and other assets		
Investment securities	63,568	61,739
Other	36,783	36,599
Allowance for doubtful accounts	(97)	(81)
Total investments and other assets	100,253	98,256
Total non-current assets	281,230	276,418
Total assets	522,161	514,014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	8,613	13,509
Current portion of long-term loans payable	14,000	14,000
Current portion of bonds	10,000	—
Income taxes payable	9,891	5,944
Provision for bonuses	6,745	9,738
Provision for sales returns	5,356	5,975
Other provision	25	—
Other	27,430	28,170
Total current liabilities	82,063	77,339
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	49,000	48,526
Provision for retirement benefits	8,793	8,888
Other	15,106	13,133
Total non-current liabilities	92,899	90,547
Total liabilities	174,963	167,886

*Millions of yen*

	As of March 31, 2012	As of June 30, 2012
Net assets		
Shareholders' equity		
Capital stock	21,279	21,279
Capital surplus	20,227	20,227
Retained earnings	353,676	353,888
Treasury stock	(19,746)	(19,737)
Total shareholders' equity	375,436	375,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,729	8,469
Deferred gains or losses on hedges	(141)	304
Foreign currency translation adjustment	(38,809)	(41,438)
Total accumulated other comprehensive income	(31,220)	(32,665)
Subscription rights to shares	58	50
Minority interests	2,923	3,084
Total net assets	347,198	346,127
Total liabilities and net assets	522,161	514,014

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

## Consolidated statements of income

*Millions of yen*

	Three month ended June 30, 2011	Three month ended June 30, 2012
Net sales	63,720	67,823
Cost of sales	18,043	20,573
Gross profit	45,677	47,249
Selling, general and administrative expenses	34,223	35,039
Operating income	11,454	12,210
Non-operating income		
Interest income	32	36
Dividends income	533	486
Other	515	210
Total non-operating income	1,081	733
Non-operating expenses		
Interest expenses	339	311
Contribution	235	174
Other	267	391
Total non-operating expenses	842	877
Ordinary income	11,692	12,066
Extraordinary income		
Gain on sales of investment securities	—	337
Gain on sales of non-current assets	353	—
Total extraordinary income	353	337
Extraordinary loss		
Loss on valuation of investment securities	2,705	747
Impairment loss	1,609	—
Loss on disaster	1,089	—
Loss on penalty	969	—
Business structure improvement expenses	279	—
Total extraordinary losses	6,653	747
Income before income taxes and minority interests	5,393	11,656
Income taxes-current	4,581	5,541
Income taxes-deferred	(2,968)	(801)
Total income taxes	1,612	4,740
Income before minority interests	3,780	6,916
Minority interests in income	—	5
Net income	3,780	6,910



## Consolidated statements of comprehensive income

*Millions of yen*

	Three month ended June 30, 2011	Three month ended June 30, 2012
Income before minority interests	3,780	6,916
Other comprehensive income		
Valuation difference on available-for-sale securities	295	739
Deferred gains or losses on hedges	216	445
Foreign currency translation adjustment	(3,103)	(2,473)
Total other comprehensive income	(2,591)	(1,288)
Comprehensive income	1,189	5,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,189	5,466
Comprehensive income attributable to minority interests	—	161

## (3) Going concern assumption

None

## (4) Significant changes in shareholders' equity

None

# Supplemental material Financial results for the 1st quarter of fiscal year 2012

August 6, 2012

Shionogi & Co., Ltd.

## 1. Sales by main merchandise and finished goods

(Billions of yen)

	FY2012 1H forecast	FY2012 forecast	FY2012 1Q actual	FY2011 1Q actual	change	Progress % vs. 2012 1H forecast
Prescription drugs	79.5	168.6	39.7	39.3	0.4	49.9
<i>change %</i>	0.9	2.6	0.8	3.6		
CRESTOR	18.0	37.0	8.6	8.3	0.3	47.6
IRBETAN	4.8	10.0	2.3	2.1	0.2	48.3
CYMBALTA	5.9	13.8	2.2	1.3	0.9	37.1
<b>Total of 3 key products</b>	<b>28.7</b>	<b>60.8</b>	<b>13.1</b>	<b>11.8</b>	<b>1.3</b>	<b>45.6</b>
OXYCONTIN	4.8	9.7	2.6	2.2	0.4	53.9
FINIBAX	3.0	6.1	1.2	1.0	0.2	40.1
DIFFERIN	2.1	4.5	0.9	0.8	0.1	41.5
PIRESPA	1.8	3.9	1.1	0.8	0.3	59.2
RAPIACTA	0.0	2.5	0.1	0.0	0.1	-
<b>Total of 8 strategic products</b>	<b>40.4</b>	<b>87.5</b>	<b>18.9</b>	<b>16.6</b>	<b>2.3</b>	<b>46.7</b>
FLOMOX	8.4	17.9	4.4	5.1	(0.7)	52.7
RINDERON	4.7	9.0	2.4	2.4	0.0	50.9
CLARITIN	2.7	6.8	1.3	1.8	(0.5)	47.0
FLUMARIN	3.0	6.0	1.5	1.7	(0.2)	49.6
VANCOMYCIN	2.0	3.9	0.9	1.1	(0.2)	44.1
IMUNACE	1.1	2.1	0.4	0.6	(0.2)	39.1
Export/Overseas subsidiaries	14.6	29.7	* 7.4	4.3	3.1	50.5
<i>change %</i>	597.7	74.9	71.4	(74.8)		
Shionogi Inc.	7.0	15.5	3.5	2.5	1.0	50.1
C&O	2.9	5.6	1.5	-	1.5	51.6
DORIPENEM	1.8	3.4	0.6	0.5	0.1	31.5
Contract manufacturing	4.7	10.1	2.3	1.6	0.7	49.8
<i>change %</i>	23.7	32.9	39.7	74.9		
OTC and quasi-drugs	2.7	5.1	1.3	1.2	0.1	49.3
<i>change %</i>	0.0	1.5	4.9	(6.9)		
SEDES	1.2	2.3	0.5	0.6	(0.1)	45.4
POPON-S	0.5	0.9	0.3	0.2	0.1	50.1
Diagnostics	1.0	2.4	0.6	0.7	(0.1)	57.6
<i>change %</i>	10.0	24.0	(20.6)	(2.5)		
Royalty income	34.5	71.2	16.0	15.9	0.1	46.5
<i>change %</i>	0.5	3.7	0.9	(3.6)		
CRESTOR	32.7	68.0	14.7	15.2	(0.5)	44.9
Others	1.0	1.9	0.5	0.4	0.1	45.7
<i>change %</i>	5.2	(1.0)	(1.3)	(19.1)		
<b>Total</b>	<b>138.0</b>	<b>289.0</b>	<b>67.8</b>	<b>63.7</b>	<b>4.1</b>	<b>49.1</b>
<i>change %</i>	11.3	8.1	6.4	(15.3)		

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

Sales of each merchandise and finished goods are shown on non-consolidated basis

\* Because of changing fiscal term, FY2012 1Q actual of Taiwan Shionogi & Co., Ltd. includes 6-month sales from January to June 2012.

## 2-1. Quarterly trend for FY2011 and FY2012 (Sales of main merchandise and finished goods)

Fiscal year ended March 31, 2012

(Billions of yen)

FY2011	FY2011 1Q actual	Y on Y change %	FY2011 2Q actual	Y on Y change %	FY2011 3Q actual	Y on Y change %	FY2011 4Q actual	Y on Y change %
Prescription drugs	39.3	3.6	39.4	6.1	45.9	4.5	39.8	(0.3)
CRESTOR	8.3	27.4	8.9	24.1	9.5	13.1	9.1	31.3
IRBETAN	2.1	31.0	2.2	27.0	2.5	15.1	2.2	21.1
CYMBALTA	1.3	261.0	1.5	190.6	1.9	113.0	1.9	113.3
<b>Total of 3 key products</b>	<b>11.8</b>	<b>38.1</b>	<b>12.5</b>	<b>33.9</b>	<b>13.8</b>	<b>21.2</b>	<b>13.1</b>	<b>37.0</b>
OXYCONTIN	2.2	(10.5)	2.3	(1.4)	2.6	(4.6)	1.8	(16.4)
FINIBAX	1.0	11.8	1.2	31.3	1.4	50.7	1.1	32.4
DIFFERIN	0.8	27.0	0.9	8.8	1.0	5.9	0.9	21.4
PIRESPA	0.8	21.7	0.8	37.8	1.0	21.1	0.8	10.9
RAPIACTA	0.0	-	0.0	-	0.3	-	1.1	98.5
<b>Total of 8 strategic products</b>	<b>16.6</b>	<b>26.1</b>	<b>17.7</b>	<b>26.4</b>	<b>20.1</b>	<b>21.3</b>	<b>18.8</b>	<b>29.2</b>
FLOMOX	5.1	(3.9)	4.7	(1.5)	6.0	(9.5)	5.0	(5.0)
RINDERON	2.4	(6.4)	2.4	(1.1)	2.5	4.5	1.9	(9.9)
CLARITIN	1.8	8.3	1.4	(2.7)	2.3	2.8	2.4	(49.4)
FLUMARIN	1.7	(3.5)	1.8	(16.1)	1.6	(19.8)	1.8	13.4
VANCOMYCIN	1.1	(7.3)	1.2	(16.0)	1.2	(12.7)	0.8	(27.3)
IMUNACE	0.6	(26.1)	0.6	(31.4)	0.5	(31.6)	0.4	(44.2)
Export/Overseas subsidiaries	4.3	(74.8)	(2.3)	-	7.8	(11.1)	7.2	164.4
Shionogi Inc.	2.5	(82.9)	(4.9)	-	4.1	(26.2)	4.2	850.3
C&O	-	-	-	-	0.9	-	1.0	-
DORIPENEM	0.5	0.5	1.4	(32.1)	1.6	(4.6)	0.8	54.1
Contract manufacturing	1.6	74.9	2.1	144.6	2.1	9.3	1.8	2.6
OTC and quasi-drugs	1.2	(6.9)	1.5	(3.0)	1.3	(4.1)	1.1	3.6
SEDES	0.6	8.9	0.7	(10.5)	0.5	(18.3)	0.5	16.4
POPON-S	0.2	(16.0)	0.3	7.2	0.2	30.5	0.1	(58.9)
Diagnostics	0.7	(2.5)	0.6	(13.1)	0.7	0.4	0.7	(5.8)
Royalty income	15.9	(3.6)	18.4	0.2	16.7	(0.3)	17.6	1.9
CRESTOR	15.2	(0.8)	17.1	(1.9)	16.0	5.7	16.4	0.6
Others	0.4	(19.1)	0.5	(19.8)	0.5	(33.2)	0.5	(72.3)
<b>Total</b>	<b>63.7</b>	<b>(15.3)</b>	<b>60.3</b>	<b>(11.5)</b>	<b>74.7</b>	<b>1.1</b>	<b>68.5</b>	<b>5.3</b>

Fiscal year ending March 31, 2013

FY2012	FY2012 1Q actual	Y on Y change %
Prescription drugs	39.7	0.8
CRESTOR	8.6	2.7
IRBETAN	2.3	9.3
CYMBALTA	2.2	65.5
<b>Total of 3 key products</b>	<b>13.1</b>	<b>11.0</b>
OXYCONTIN	2.6	16.6
FINIBAX	1.2	23.4
DIFFERIN	0.9	8.4
PIRESPA	1.1	34.6
RAPIACTA	0.1	76.2
<b>Total of 8 strategic products</b>	<b>18.9</b>	<b>13.6</b>
FLOMOX	4.4	(13.7)
RINDERON	2.4	0.9
CLARITIN	1.3	(28.0)
FLUMARIN	1.5	(14.8)
VANCOMYCIN	0.9	(22.2)
IMUNACE	0.4	(26.5)
Export/Overseas subsidiaries	* 7.4	71.4
Shionogi Inc.	3.5	35.4
C&O	1.5	-
DORIPENEM	0.6	8.4
Contract manufacturing	2.3	39.7
OTC and quasi-drugs	1.3	4.9
SEDES	0.5	(12.0)
POPON-S	0.3	5.9
Diagnostics	0.6	(20.6)
Royalty income	16.0	0.9
CRESTOR	14.7	(3.5)
Others	0.5	(1.3)
<b>Total</b>	<b>67.8</b>	<b>6.4</b>

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

\* Because of changing fiscal term, FY2012 1Q actual of Taiwan Shionogi & Co., Ltd. includes 6-month sales from January to June 2012.

## 2-2. Quarterly trend for FY2011 and FY2012 (Consolidated statements of income)

Fiscal year ended March 31, 2012

(Billions of yen)

FY2011	FY2011 1Q actual	Y on Y change %	FY2011 2Q actual	Y on Y change %	FY2011 3Q actual	Y on Y change %	FY2011 4Q actual	Y on Y change %
<b>Net sales</b>	<b>63.7</b>	<b>(15.3)</b>	<b>60.3</b>	<b>(11.5)</b>	<b>74.7</b>	<b>1.1</b>	<b>68.5</b>	<b>5.3</b>
Cost of sales	28.3 18.0	(13.5)	32.3 19.5	7.0	29.6 22.1	0.9	26.5 18.1	(12.7)
Gross profit	45.7	(16.0)	40.8	(18.3)	52.6	1.2	50.4	13.8
SG & A expenses	53.7 34.2	(26.3)	56.4 34.0	(12.1)	48.4 36.2	1.9	55.6 38.1	15.0
Selling & general expenses	21.2	(36.6)	21.4	(9.5)	23.6	(4.0)	22.8	7.3
R & D expenses	13.1	0.3	12.6	(16.0)	12.6	15.0	15.3	28.8
<b>Operating income</b>	<b>18.0</b>	<b>11.5</b>	<b>11.3</b>	<b>6.8</b>	<b>22.0</b>	<b>(0.2)</b>	<b>18.0</b>	<b>12.3</b>
Non-operating income & expenses	0.2		(0.0)		(0.3)		(0.8)	
<b>Ordinary income</b>	<b>18.3</b>	<b>11.7</b>	<b>11.2</b>	<b>6.7</b>	<b>21.6</b>	<b>0.7</b>	<b>16.8</b>	<b>11.5</b>
Extraordinary income & loss	(6.3)		2.4		(0.8)		0.0	
Income before income taxes and minority interests	5.4		9.2		15.4		11.6	
Income taxes and minority interests	1.6		4.7		5.0		3.0	
<b>Net income</b>	<b>5.9</b>	<b>3.8</b>	<b>7.3</b>	<b>4.4</b>	<b>13.9</b>	<b>55.6</b>	<b>12.4</b>	<b>8.5</b>
		<b>(21.7)</b>		<b>117.1</b>				<b>31.2</b>

Fiscal year ending March 31, 2013

FY2012	FY2012 1Q actual *	Y on Y change %
<b>Net sales</b>	<b>67.8</b>	<b>6.4</b>
Cost of sales	30.3 20.6	14.0
Gross profit	47.2	3.4
SG & A expenses	51.7 35.0	2.4
Selling & general expenses	23.3	10.1
R & D expenses	11.8	(10.0)
<b>Operating income</b>	<b>18.0</b>	<b>12.2</b>
Non-operating income & expenses	(0.1)	
<b>Ordinary income</b>	<b>17.8</b>	<b>12.1</b>
Extraordinary income & loss	(0.4)	
Income before income taxes and minority interests	11.7	
Income taxes and minority interests	4.7	
<b>Net income</b>	<b>10.2</b>	<b>6.9</b>
		<b>82.8</b>

\* Because of changing fiscal term, FY2012 1Q actual of Taiwan Shionogi & Co., Ltd. includes 6-month results from January to June 2012.

### 3. Pipeline (as of August 2012)

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Infectious Diseases	S-4661 (Doripenem hydrate) 【Finibax®】	Carbapenem antibiotic (Injection)	Pediatric infection	Japan: Approval (May 2012)	In-house	In-house
	S-349572 (Dolutegravir)	Integrase inhibitor (Oral)	HIV infection	Global: Phase III	Shionogi-ViiV Healthcare LLC	Shionogi-ViiV Healthcare LLC
	S-265744 LAP*	Integrase inhibitor (Injection)	HIV infection	USA: Phase I	Shionogi-ViiV Healthcare LLC	Shionogi-ViiV Healthcare LLC
	S-649266	Cephem antibiotic (Injection)	Infection	Japan: Phase I	In-house	Shionogi/ GlaxoSmithKline (UK)
Metabolic Syndrome	S-474474 (Irbesartan/trichlormethiazide combination)	Angiotensin receptor antagonist/diuretic combination (Oral)	Hypertension	Japan: NDA submission (Jul. 2012)	Irbesartan: Sanofi (France) Trichlormethiazide: Shionogi	In-house
	S-2367 (Velneperit)	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	Japan: Phase IIb	In-house	In-house
	S-707106	Insulin sensitizer (Oral)	Type 2 Diabetes	USA: Phase IIa	In-house	In-house
	S-234462	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase I	In-house	In-house
Pain	S-297995 (Naldemedine)	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid- induced adverse effect	USA: Phase IIb Japan: Phase IIb	In-house	In-house
	S-117957	Analgesic agent for neuropathic pain (Oral)	Neuropathic pain	USA: Phase I	Shionogi/Purdue Pharma L.P. (USA)	Shionogi/Purdue Pharma L.P. (USA)
Other	Ospemifene	Selective estrogen receptor modulator (Oral)	Post-menopausal vaginal atrophy	USA: NDA submission (Apr. 2012)	QuatRx Pharmaceuticals Company (USA)	Shionogi/QuatRx Pharmaceuticals Company
	PSD502 (Lidocaine/prilocaine)	Eutectic mixture of anesthetics (Metered-dose topical aerosol spray)	Premature ejaculation	USA: Phase III	Plethora Solutions Holdings PLC (UK)	Shionogi/Plethora Solutions Holdings PLC
	S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Japan: Phase IIb USA: Phase IIa Europe: POM (Proof of Mechanism)	In-house	In-house
	S-524101	Sublingual tablet of house-dust mite allergen extracts for immunotherapy	Allergic rhinitis caused by house-dust mite allergen	Japan: Phase II/III	Stallergenes SA (France)	In-house
	S-888711 (Lusutrombopag)	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA, Europe: Phase II Japan: Phase IIb	In-house	In-house
	S-288310	Cancer peptide vaccine (Injection)	Bladder cancer	Asia: Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
	S-488410	Cancer peptide vaccine (Injection)	Esophageal 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-488210	Cancer peptide vaccine (Injection)	Head and neck squamous cell carcinoma	Europe: Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
	S-646240	Peptide vaccine (Injection)	Age-related Macular Degeneration	Japan: Phase IIa	OncoTherapy Science, Inc. (Japan)	In-house
	S-877489	DA and NE reuptake inhibitor/ releaser of DA, NE (Oral)	ADHD	USA: Phase I	Shire (Ireland)	Shionogi/Shire
	S-877503	alpha-2A-adrenergic receptor agonist (Oral)	ADHD	Japan: Phase I	Shire (Ireland)	Shionogi/Shire

\*: Long acting parenteral formulation

<Out-Licensing Activity>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Bacterial infection	USA: Approval (Oct. 2007) Complicated intra-abdominal infections, Complicated urinary tract infections including pyelonephritis NDA submission (Jun. 2007) Hospital-acquired (nosocomial) pneumonia including ventilator-associated pneumonia Europe: Approval (Jul. 2008)	In-house	Johnson & Johnson (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan: Phase II	In-house	Kissei Pharmaceutical Co., Ltd. (Japan)

<Drugs to acquire new indication requested by the Ministry of Health, Labour and Welfare>

Generic name 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Metronidazole 【Flagyl®】	Antibacterial and antiprotozoal agent (Oral)	Infections caused by anaerobic bacteria, Amebiasis, Giardiasis	NDA submission	Sanofi (France)	In-house
Lisinopril hydrate 【Longes®】	ACE inhibitor (Oral)	Childhood hypertension	Approval (Jun. 2012)	Merck & Co., Inc. (USA)/ AstraZeneca (UK)	Shionogi/ AstraZeneca
Sulfamethoxazole/ trimethoprim combination 【Baktar®】	Synthetic folate-antagonist/ anti-infectives combination (Oral)	Prophylaxis and treatment of Pneumocystis pneumonia	NDA submission	GSK (UK)/Shionogi	In-house
Oxycodone hydrochloride hydrate 【OxyContin®, OxiNorm®】	Natural opium alkaloids (Oral)	For the treatment of moderate to severe chronic pain	Clinical trial (in preparation)	Napp Pharmaceuticals Limited (UK)	In-house
Duloxetine hydrochloride 【Cymbalta®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Fibromyalgia	Phase III	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.
Vancomycin hydrochloride 【Vancomycin】	Glycopeptide antibiotic (Drip infusion)	<Spectrum> Methicillin-resistant coagulase-negative staphylococcus, Penicillin- resistant enterococcus <Indication> Gram-positive bacteria-associated bloodstream infection (including intravascular catheter-related infection), Febrile neutropenia, Alternative agent in penicillin-allergic adults and children	To be determined	Eli Lilly (USA)	In-house

<Requested for development by academy>

Generic name 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Metreleptin	Human leptin (Genetical Recombination) (Injection)	Lipodystrophy	Japan: NDA submission (Jul. 2012)	Amylin Pharmaceuticals Inc. (USA)	In-house
Interferon Gamma-1a 【Imunomax®-γ】	Interferon Gamma-1a (Genetical Recombination) (Injection)	Mycosis fungoides/Sezary syndrome	Japan: Phase II	Biogen Idec, Inc. (USA)	In-house

Since May 2012

Change of phase	S-4661: Japan: NDA submission → Approval (May 2012)
	S-474474: Japan: NDA submission (in preparation) → NDA submission (Jul. 2012)
	S-555739: USA: Phase IIa (in preparation) → Phase IIa
	S-524101: Japan: Phase II (in preparation) → Phase II/III
	S-888711: Japan: Phase IIa → Phase IIb
	Lisinopril hydrate 【Longes®】: NDA submission → Approval (Jun. 2012)
	Metreleptin: NDA submission (in preparation) → NDA submission (Jul. 2012)
Compound erased	LY248686 (Duloxetine hydrochloride) 【Cymbalta®】: Japan: Approval (Feb. 2012)
	Metronidazole 【Flagyl®】: Approval (Mar. 2012)
	Ifosfamide 【Ifomide】: Approval (Mar. 2012)