



***Presentation of Fiscal 2006
Financial Results***

May 15, 2007

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President and Representative Director



 **SHIONOGI & CO., LTD.**

Agenda



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Overview of Financial Results for Fiscal 2006



 **SHIONOGI & CO., LTD.**

Financial Results for Fiscal 2006

(Consolidated/Non-consolidated)



(Units: Billions of yen)

< Consolidated >	FY2006	FY2005	Y o Y change (%)	Y o Y change
Net sales	199.7	196.3	1.7	3.4
Operating income	28.8	29.2	(1.2)	(0.4)
Ordinary income	28.1	29.6	(5.2)	(1.5)
Net income	18.5	22.7	(18.2)	(4.2)
< Non-consolidated >				
Net sales	185.6	183.3	1.3	2.3
Operating income	24.8	25.7	(3.4)	(0.9)
Ordinary income	25.9	28.1	(7.6)	(2.2)
Net income	17.3	26.6	(35.0)	(9.3)

Financial Position and Cash Flows (Consolidated)



(Units: Billions of yen)

<Financial Position>	3/31/2007	3/31/2006	Y o Y change
Total assets	429.5	427.6	1.9
Net assets	345.7	337.1	8.6
Shareholders' equity ratio	80.4%	78.8%	1.6%
Net assets per share (yen)	1,014.73	989.76	24.97
<Cash Flows>	FY2006	FY2005	
Cash flows from operating activities	14.1	16.8	(2.7)
Cash flows from investing activities	(8.4)	(12.0)	3.6
Cash flows from financial activities	(7.1)	(24.7)	17.6
Total	(1.6)	(19.6)	18.0
Cash & cash equivalents at the end of period	74.5	76.1	(1.6)

Sales by Segment (Consolidated)



(Units: Billions of yen)			Y o Y	Y o Y
	FY2006	FY2005	change (%)	change
Ethical drugs	151.9	159.7	(4.9)	(7.8)
Flomox	30.6	34.1	(10.1)	(3.5)
Flumarin	13.3	15.6	(14.3)	(2.3)
Vancomycin	12.9	16.1	(20.1)	(3.2)
Imunace	11.7	11.1	5.5	0.6
Rinderon	10.1	10.2	(0.5)	(0.1)
Claritin	7.2	8.0	(10.0)	(0.8)
Oxycontin	5.2	4.3	20.6	0.9
Finibax	2.0	0.8	162.9	1.2
Avelox	2.4	1.8	36.0	0.6
Crestor	2.5	0.1	-	2.4
Export/Overseas operations	5.3	5.8	(8.9)	(0.5)
Contract manufacturing	4.0	2.1	92.2	1.9
OTC and quasi-drugs	6.1	6.4	(4.9)	(0.3)
Diagnostics	3.3	3.4	(1.8)	(0.1)
Royalty income	21.3	9.8	115.9	11.5
Crestor	19.4	8.1	137.9	11.3
Capsule business	-	6.1	-	(6.1)
Real estate & others	7.8	3.1	153.7	4.7
Total	199.7	196.3	1.7	3.4

* Sales of ethical drugs are shown on a non-consolidated basis.

Operating Income (Consolidated)



(Units: Billions of yen)

	FY2006	FY2005	Y o Y change (%)	Y o Y change
Net sales	199.7	196.3	1.7	3.4
[Royalty]	[21.3]	[9.8]	[117.3]	[11.5]
	33.8 (37.8)	35.0 (36.8)		
Cost of sales	67.5	68.7	(1.7)	(1.2)
Gross profit	132.2	127.6	3.6	4.6
	51.7	50.1		
SG&A expenses	103.3	98.4	5.0	4.9
Selling & General expenses	65.8	66.2	(0.5)	(0.4)
R&D expenses	37.5	32.2	16.1	5.3
Operating income	14.5 28.8	14.9 29.2	(1.2)	(0.4)

Operating Income Analysis



(Units: Billions of yen)

NHI price revision	(6.1)
Decrease in sales	(1.3)
Increase in royalty income	11.5
Improvement of ratio of cost of sales to net sales	2.4
Exclusion of Capsule business	(0.7)
Increase in SG&A expenses	(0.9)
Increase in R&D expenses	(5.3)
Total	(0.4)



Financial Forecast for Fiscal 2007



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Financial Forecast for Fiscal 2007: Financial Forecast (Consolidated/Non-consolidated)



	(Units: Billions of yen)			
	FY2007	FY2006	Y o Y	Y o Y
< Consolidated >	Forecast	Actual	change (%)	change
Net sales	215.0	199.7	7.6	15.3
Operating income	40.0	28.8	38.6	11.2
Ordinary income	40.0	28.1	42.3	11.9
Net income	24.0	18.5	29.1	5.5
< Non-consolidated >				
Net sales	202.0	185.6	8.8	16.4
Operating income	37.0	24.8	48.6	12.2
Ordinary income	38.5	25.9	48.2	12.6
Net income	23.0	17.3	32.8	5.7
a year-end dividend per share (yen)	20	16		

Financial Forecast for Fiscal 2007: Sales by Segment (Consolidated)



(Units: Billions of yen)	FY2007 Forecast	FY2006 Actual	Y o Y change (%)	Y o Y change
Ethical drugs	158.3	151.9	4.2	6.4
Flomox	30.5	30.6	(0.4)	(0.1)
Flumarin	12.2	13.3	(8.5)	(1.1)
Vancomycin	10.2	12.9	(20.7)	(2.7)
Imunace	9.9	11.7	(15.6)	(1.8)
Rinderon	10.0	10.1	(1.2)	(0.1)
Claritin	8.8	7.2	22.7	1.6
Oxycontin	6.2	5.2	20.3	1.0
Finibax	3.2	2.0	59.8	1.2
Avelox	3.3	2.4	37.0	0.9
Crestor	10.6	2.5	-	8.1
Export/Overseas operations	6.3	5.3	19.3	1.0
Contract manufacturing	5.0	4.0	24.9	1.0
OTC and quasi-drugs	6.4	6.1	4.4	0.3
Diagnostics	3.6	3.3	8.7	0.3
Royalty income	30.0	21.3	41.1	8.7
Crestor	28.0	19.4	44.6	8.6
Real estate & others	5.4	7.8	(31.2)	(2.4)
Total	215.0	199.7	7.6	15.3

* Sales of ethical drugs are shown on a non-consolidated basis.

Financial Forecast for Fiscal 2007: Operating Income

(Consolidated)



(Units: Billions of yen)

	FY2007 Forecast	FY2006 Actual	Y o Y change (%)	Y o Y change
Net sales	215.0	199.7	7.6	15.3
[Royalty]	[30.0]	[21.3]	[41.1]	[8.7]
	31.4 (36.5)	33.8 (37.8)		
Cost of sales	67.5	67.5	(0.1)	0
Gross profit	147.5	132.2	11.6	15.3
	50.0	51.7		
SG&A expenses	107.5	103.3	4.0	4.2
Selling & General expenses	66.5	65.8	0.9	0.7
R&D expenses	41.0	37.5	9.5	3.5
	18.6	14.5		
Operating income	40.0	28.8	38.6	11.2

Operating Income Analysis



(Units: Billions of yen)

Increase in sales	4.3
Increase in royalty income	8.7
Improvement of ratio of cost of sales to net sales	2.4
Increase in SG&A expenses	(0.7)
Increase in R&D expenses	(3.5)
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Total	11.2

For Further Inquiries



This presentation material contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this presentation material.

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