



*3rd Quarter of Fiscal 2009
Conference Call*

February 1, 2010

 **SHIONOGI & CO., LTD.**



Forward-Looking Statements

- **This presentation contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements.**
- **Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials and entry of competitive products.**
- **The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.**
- **This material contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of these preparations nor provide medical advice of any kinds.**



Overview of 3rd Quarter FY09 Results

3rd Quarter FY2009 Results



Financial Results (Consolidated & Non-Consolidated)

(Units: billion yen)

	FY2009 Forecast	Apr.1-Dec.31 FY2009 Results	Progress (%)	Apr.1-Dec.31 FY2008 Results	Y on Y change (%)	Y on Y change
<Consolidated>						
Sales	280.0	206.4	73.7	164.8	25.2	41.6
Operating income	60.0	35.0	58.4	22.9	52.6	12.1
Ordinary income	58.0	33.3	57.6	23.4	42.6	9.9
Net income	35.0	25.5	73.0	10.8	135.3	14.7
<Non-consolidated>						
Sales	225.5	169.4	75.1	156.9	7.9	12.5
Operating income	51.5	32.4	63.0	29.1	11.3	3.3
Ordinary income	51.5	32.4	63.0	31.1	4.2	1.3
Net income	32.0	24.8	77.7	19.6	26.6	5.2

3rd Quarter FY2009 Results



Financial Position and Cash Flows (Consolidated)

(Units: billion yen)

	As of Dec. 31 2009	As of Mar. 31 2009	Y on Y change
<Financial position>			
Total assets	523.7	501.8	21.9
Net assets	324.0	310.0	14.0
Equity ratio (%)	61.8	61.7	+ 0.1
Net assets per share (yen)	966	924	42
	Apr.1-Dec.31 FY2009	Apr.1-Dec.31 FY2008	Y on Y change
<Cash flows>			
Net cash provided by operating activities	32.5	20.3	12.2
Net cash provided by (used in) investing activities	(7.6)	(140.7)	133.1
Net cash provided by (used in) financing activities	1.3	100.4	(99.1)
Total	25.4	(20.2)	45.6
Cash & cash equivalents at end of period	76.9	47.3	-

3rd Quarter FY2009 Results



Sales by Segments (Consolidated)

(Units: billion yen)	FY2009 Forecast	Apr.1-Dec.31 FY2009 Results	Progress (%)	Apr.1-Dec.31 FY2008 Results	Y on Y change (%)	Y on Y change
Prescription drugs	155.5	117.1	75.3	116.6	0.5	0.5
Flomox	24.0	19.2	79.9	20.9	(8.2)	(1.7)
Crestor	23.0	18.4	80.2	13.2	40.2	5.2
Rinderon	9.5	7.5	78.7	7.6	(2.1)	(0.1)
Flumarin	9.0	7.0	77.5	8.2	(14.8)	(1.2)
OxyContin	8.8	6.7	76.5	6.3	6.3	0.4
Claritin	9.7	5.5	56.4	5.3	3.5	0.2
Vancomycin	6.5	4.9	75.6	6.4	(23.3)	(1.5)
Imunace	4.6	3.7	80.0	4.8	(23.6)	(1.1)
Finibax	4.0	2.6	64.1	2.2	15.8	0.4
Irbetan	3.5	2.5	70.3	1.1	134.0	1.4
Differin	2.8	1.6	58.4	0.7	148.6	0.9
Pirespa	1.7	1.1	61.9	0.04	-	1.1
Avelox	1.3	0.8	64.3	1.2	(30.8)	(0.4)
Export/Overseas operating	54.3	36.5	67.3	6.9	426.7	29.6
Shionogi Pharma, Inc.	43.0	28.3	65.8	-	-	28.3
Doripenem	5.0	4.2	83.3	2.6	59.9	1.6
Contract manufacturing	6.4	5.3	82.9	4.6	15.7	0.7
OTC and quasi-drugs	5.0	4.3	85.5	4.2	1.6	0.1
Diagnostics	3.0	2.1	73.1	2.5	(13.0)	(0.4)
Royalty income	52.0	37.8	72.7	27.6	37.1	10.2
Crestor	49.5	35.7	72.2	25.9	38.0	9.8
Real estate & others	3.8	3.1	82.4	2.4	29.4	0.7
Total	280.0	206.4	73.7	164.8	25.2	41.6

3rd Quarter FY2009 Results



Statements of Operating Income (Consolidated)

(Units: billion yen)	FY2009 Forecast	Apr.1-Dec.31 FY2009 Results	Progress (%)	Apr.1-Dec.31 FY2008 Results	Y on Y change (%)	Y on Y change
Sales	280.0	206.4	73.7	164.8	25.2	41.6
[Royalty]	[52.0]	[37.8]	[72.7]	[27.6]	[37.1]	[10.2]
	26.4	27.7		31.6		
	[32.5]	[33.9]		[38.0]		
Cost of sales	74.0	57.1	77.2	52.1	9.5	5.0
Gross profit	206.0	149.3	72.5	112.7	32.5	36.6
	52.1	55.4		54.4		
SG&A	146.0	114.2	78.3	89.7	27.3	24.5
Selling & general expenses	96.0	73.8	76.9	49.9	48.0	23.9
R&D expenses	50.0	40.4	80.9	39.8	1.5	0.6
	21.4	17.0		13.9		
Operating income	60.0	35.0	58.4	22.9	52.6	12.1

The background of the slide is a photograph of a laboratory setting. In the foreground, a row of clear microcentrifuge tubes is visible, each containing a small amount of blue liquid. A pipette is positioned above the tubes, with its tip pointing towards one of them. The background is a soft, out-of-focus blue and white, suggesting a clean laboratory environment.

FY2009 Financial Forecast



***Financial Forecast
(Consolidated & Non-Consolidated)***

(Units: billion yen)

<Consolidated>	FY2009 Forecast	FY2008 Results	Y on Y change (%)	Y on Y change
Sales	280.0	227.5	23.1	52.5
Operating income	60.0	32.0	87.4	28.0
Ordinary income	58.0	32.0	81.2	26.0
Net income	35.0	15.6	123.5	19.4
<Non-consolidated>	FY2009 Forecast	FY2008 Results	Y on Y change (%)	Y on Y change
Sales	225.5	206.7	9.1	18.8
Operating income	51.5	36.2	42.1	15.3
Ordinary income	51.5	37.9	35.8	13.6
Net income	32.0	23.8	34.1	8.2

A background image showing a row of clear microcentrifuge tubes in a rack, each containing a small amount of blue liquid. A pipette tip is positioned above one of the tubes, as if about to dispense liquid. The scene is set against a light blue background.

Pipeline

Pipeline (since November 2009)



Change of Phases in Clinical Studies

- **RAPIACTA (Peramivir) (Neuraminidase inhibitor, Influenza infection)**
 - **Japan: Launched January 2010 for adults**
 - **Japan: In preparation for NDA for children**
- **Cymbalta[®] (Duloxetine) (SNRI, Depression)**
 - **Japan: Approved January 2010**
- **S-2367 (NPY Y5 receptor antagonist, Obesity)**
 - **Japan: Phase IIa trial initiated**
- **S-444823 (CB receptor agonist, Atopic dermatitis)**
 - **Japan: Phase IIa trial initiated**
- **S-888711 (Small molecule TPO mimetic (Oral), Thrombocytopenia)**
 - **The U.S.: Phase II trial initiated**
- **S-234462 (NPY Y5 receptor antagonist, Obesity)**
 - **The U.S.: Phase I trial initiated**

Newly Added Developmental Compound

- **S-707106 (Insulin sensitizer, Type2 diabetes)**
 - **The U.S.: In preparation of Phase I trial**

SNRI: Serotonin noradrenalin reuptake inhibitor, NDA: New Drug Application, NPY: Neuropeptide Y, CB: Cannabinoid, TPO: Thrombopoietin



New Launch: RAPIACTA (Influenza Infection)

- **Launch date: January 27, 2010**
- **NHI drug price: 5,792 yen per bag (300mg) / 3,117 yen per vial (150mg)**
- **Profile**
 - **Intravenous drip infusion**
 - ⇒ **Delivered into the blood reliably and expected stable efficacy**
 - **Uncomplicated seasonal influenza infection: Single dose administration**
Patients at high-risks: Single or multiple dose administration
- **Pediatric use : Completed clinical trials and NDA to be filed within FY2009**

Approval: Cymbalta® (Depression)

- **Approval date: January 20, 2010**
- **Licensed from Eli Lilly and Company (US) and co-marketing with Eli Lilly Japan K.K.**
- **SNRI: Serotonin & noradrenalin reuptake inhibitor**
- **Approved in 95 countries and prescribed to 18 million patients**
- **\$2.7 billion global sales in 2008**
- **Expected to launch immediately after NHI drug price listing**



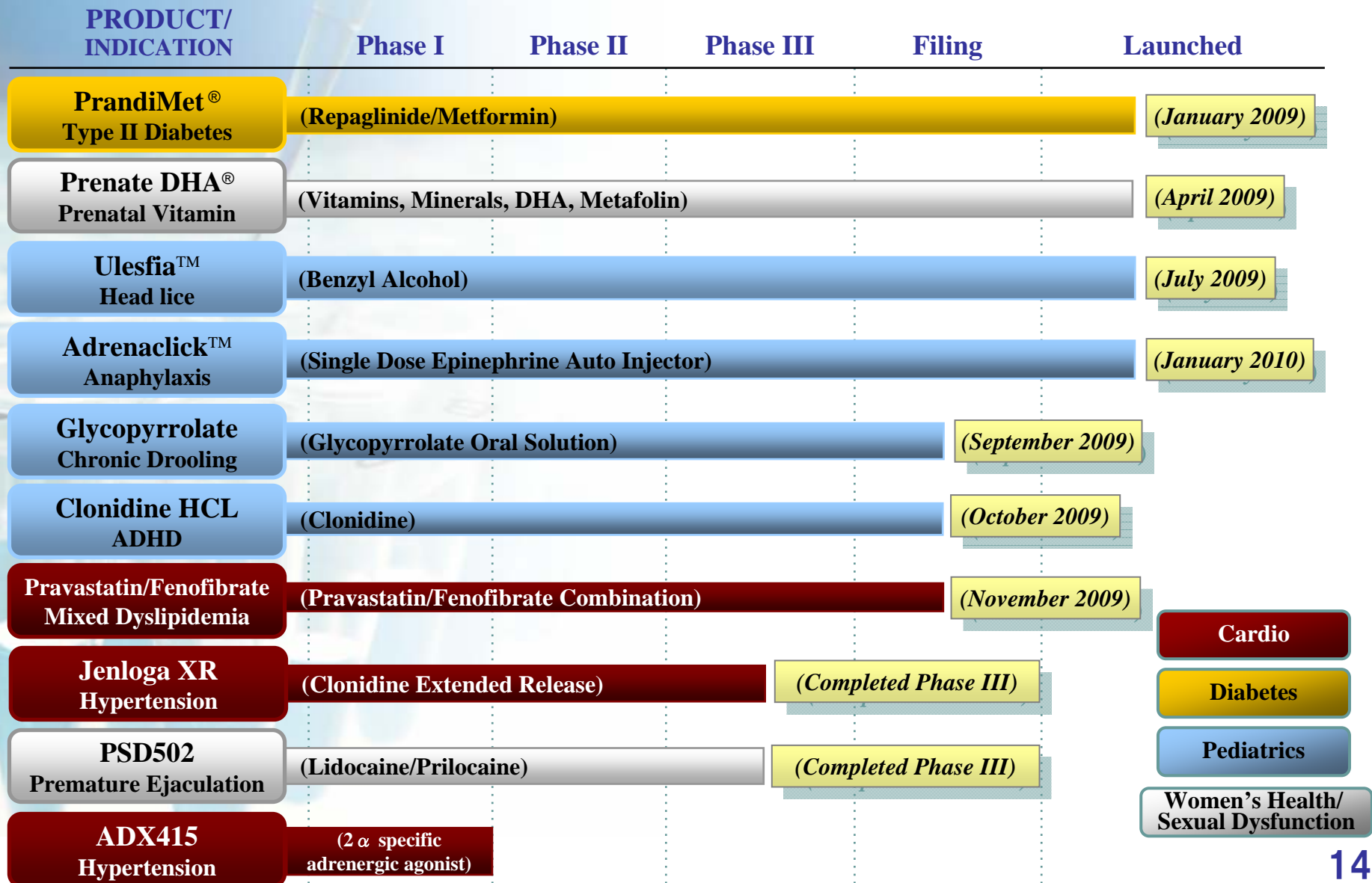
Update of Shionogi Pharma's Pipeline

- **Adrenaclick™ (Epinephrine)**
 - **Single-dose epinephrine auto-injector: Anaphylaxis**
 - **The U.S.: Launch January 2010**
- **Pravastatin/Fenofibrate (Pravastatin/fenofibrate combination)**
 - **HMG-CoA reductase inhibitors/lipid regulating agent: Mixed dyslipidemia**
 - **The U.S.: NDA filing November 2009**
- **ADX415**
 - **2 α specific adrenergic agonist: Hypertension**
 - **The U.S.: Phase II trials expected to be initiated in 2nd Half 2010**

R&D of Shionogi Pharma (As of February 2010)



Shionogi Pharma's Pipeline





Name Change of Subsidiary Companies

- **New company names (Old business names are shown in parentheses)**
 - **Shionogi Pharma, Inc. (Sciele Pharma, Inc.)**
 - **Shionogi Pharma Sales, Inc. (Sciele Pharma Sales, Inc.)**
 - **Shionogi Ireland Ltd. (Sciele Pharma Ireland Ltd.)**

- **Effective date: January 11, 2010 (Eastern Standard Time)**

- **Reason for name change**
 - **Accelerate to establish a stronger management foundation and reduce its reliance on the Japanese market**
 - **Increase a sense of unity as the Shionogi Group**
 - **Enhance Shionogi's brand equity and awareness in the U.S.**

The background of the slide is a photograph of a laboratory setting. In the foreground, a clear plastic microcentrifuge tube is being filled with a blue liquid by a pipette. The tube is part of a rack containing several other similar tubes, some of which are also filled with the blue liquid. The background is a soft, out-of-focus blue and white, suggesting a clean laboratory environment.

End of File