



# *Fiscal 2009 Financial Results*

*May 10, 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.

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# *Overview of FY2009 Results*

*Financial Results (Consolidated & Non-Consolidated)*

(Units: billion yen)

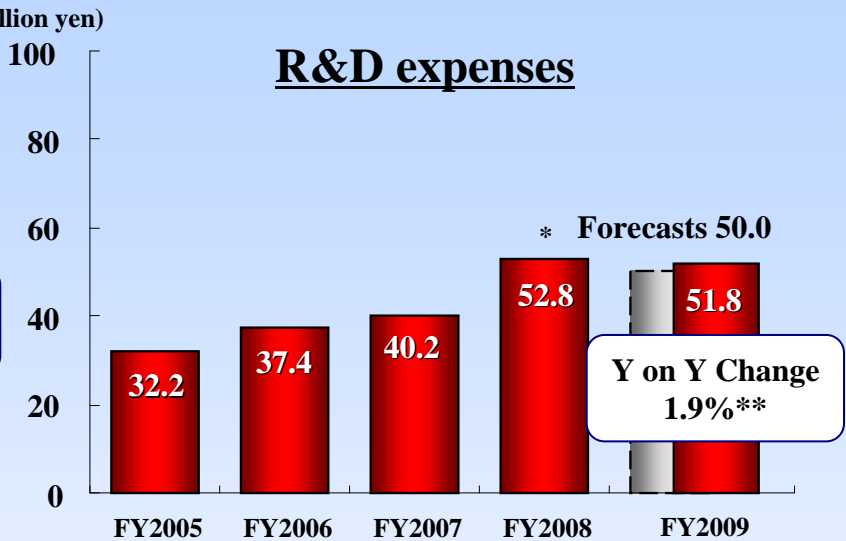
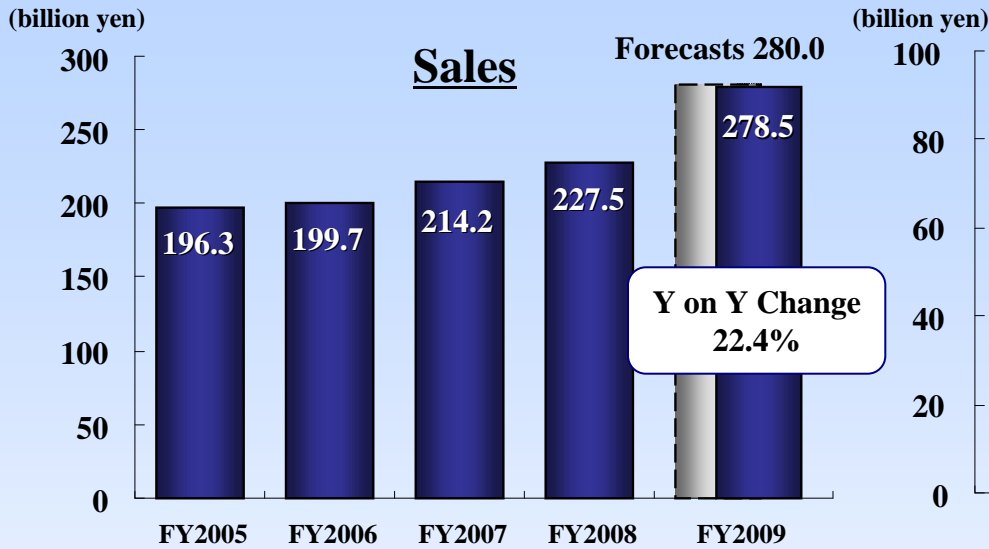
<Consolidated>	FY2009 Forecasts	FY2009 Results	Achievement (%)	FY2008 Results	Y on Y Change (%)	Y on Y Change
Sales	280.0	278.5	99.5	227.5	22.4	51.0
Operating income	60.0	52.4	87.4	32.0	63.8	20.4
Ordinary income	58.0	50.5	87.1	32.0	57.9	18.5
Net income	35.0	38.6	110.4	15.6	146.6	23.0

(Units: billion yen)

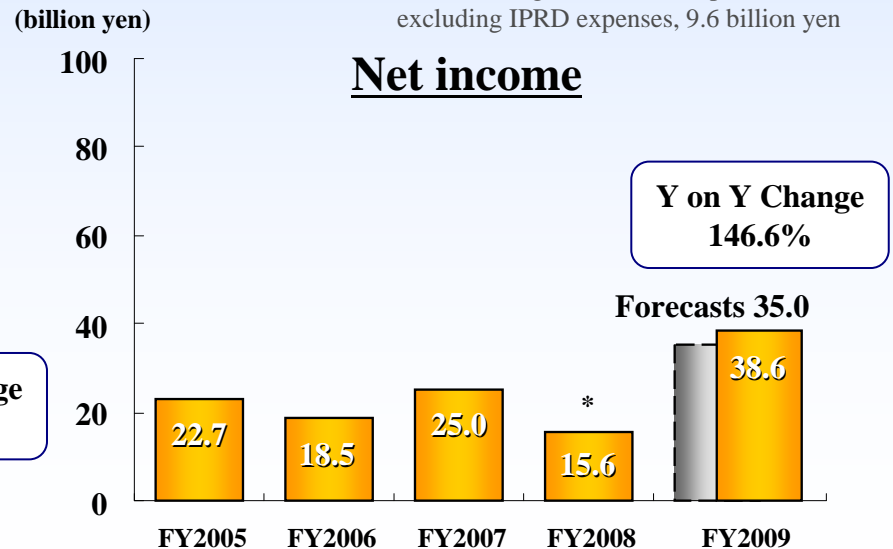
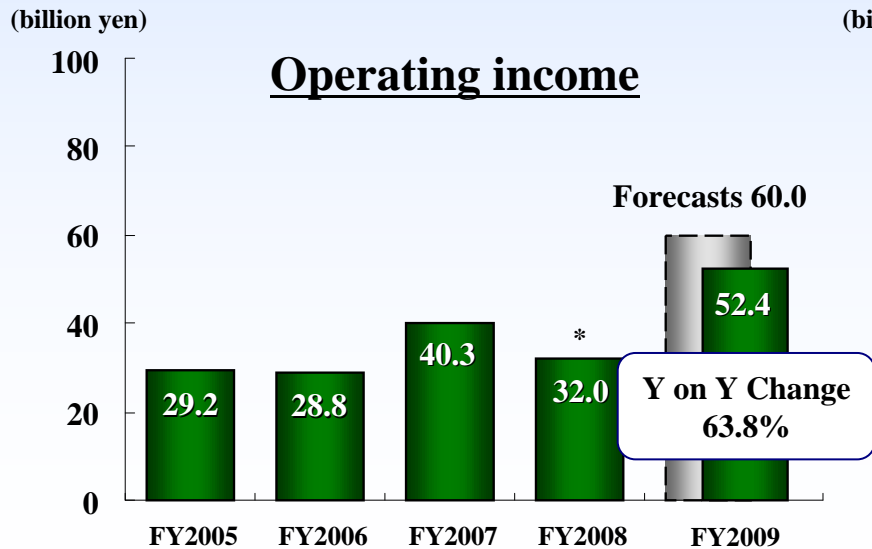
<Non-consolidated>	FY2009 Forecasts	FY2009 Results	Achievement (%)	FY2008 Results	Y on Y Change (%)	Y on Y Change
Sales	225.5	228.5	101.4	206.7	10.6	21.8
Operating income	51.5	49.2	95.6	36.2	35.9	13.0
Ordinary income	51.5	49.9	97.0	37.9	31.7	12.0
Net income	32.0	40.7	127.4	23.8	70.8	16.9



## Results of The 2<sup>nd</sup> Mid-Term Business Plan (Consolidated)



\*\* : Y on Y Change is 20.1% compared with FY2008 excluding IPRD expenses, 9.6 billion yen



## *Financial Position and Cash Flows (Consolidated)*

(Units: billion yen)

<Financial position>	3/31/2010	3/31/2009	Y on Y Change
Total assets	540.7	501.8	38.9
Net assets	341.9	310.0	31.9
Equity ratio (%)	63.2	61.7	+ 1.5
Net assets per share (yen)	1,019	924	95

(Units: billion yen)

<Cash flows>	FY2009 Results	FY2008 Results	Y on Y Change
Net cash provided by operating activities	52.9	29.1	23.8
Net cash provided by investing activities	(0.8)	(149.0)	148.2
Net cash provided by financing activities	(4.9)	105.2	(110.1)
Net increase (decrease)	46.1	(16.0)	62.1
Cash and cash equivalents at end of period	97.6	51.5	46.1

## *Sales by Segments (Consolidated)*

(Units: billion yen)

	<b>FY2009 Forecasts</b>	<b>FY2009 Results</b>	<b>Achievement (%)</b>	<b>FY2008 Results</b>	<b>Y on Y Change (%)</b>	<b>Y on Y Change</b>
<b>Prescription drugs</b>	<b>155.5</b>	<b>152.5</b>	<b>98.1</b>	<b>153.2</b>	<b>(0.5)</b>	<b>(0.7)</b>
Crestor	23.0	24.2	105.1	17.7	36.6	6.5
Flomox	24.0	24.0	100.0	27.3	(12.1)	(3.3)
Rinderon	9.5	9.5	99.7	9.6	(1.3)	(0.1)
Claritin	9.7	9.0	93.1	9.6	(6.4)	(0.6)
Flumarin	9.0	8.7	96.6	10.1	(13.9)	(1.4)
OxyContin	8.8	8.5	96.7	7.7	10.6	0.8
Vancomycin	6.5	6.1	94.5	8.1	(24.5)	(2.0)
Imunace	4.6	4.6	99.8	6.1	(24.8)	(1.5)
Irbetan	3.5	3.8	107.4	1.2	219.0	2.6
Finibax	4.0	3.4	84.0	2.9	15.5	0.5
Differin	2.8	2.2	77.8	1.2	85.6	1.0
Pirespa	1.7	1.5	89.6	0.2	840.5	1.3
Avelox	1.3	1.0	80.7	1.5	(32.1)	(0.5)
Rapiacta	-	0.6	-	-	-	0.6
<b>Export/Overseas operating</b>	<b>54.3</b>	<b>49.1</b>	<b>90.4</b>	<b>18.6</b>	<b>163.5</b>	<b>30.5</b>
Shionogi Pharma, Inc.	43.0	38.6	89.9	9.2	319.5	29.4
Doripenem	5.0	5.2	104.8	3.5	48.6	1.7
<b>Contract manufacturing</b>	<b>6.4</b>	<b>7.4</b>	<b>116.0</b>	<b>5.7</b>	<b>28.8</b>	<b>1.7</b>
<b>OTC and quasi-drugs</b>	<b>5.0</b>	<b>5.4</b>	<b>107.8</b>	<b>5.2</b>	<b>3.2</b>	<b>0.2</b>
<b>Diagnostics</b>	<b>3.0</b>	<b>2.9</b>	<b>98.2</b>	<b>3.3</b>	<b>(11.2)</b>	<b>(0.4)</b>
<b>Royalty income</b>	<b>52.0</b>	<b>57.0</b>	<b>109.6</b>	<b>36.8</b>	<b>54.6</b>	<b>20.2</b>
Crestor	49.5	50.0	101.0	34.3	45.7	15.7
<b>Others</b>	<b>3.8</b>	<b>4.1</b>	<b>107.0</b>	<b>4.4</b>	<b>(8.2)</b>	<b>(0.3)</b>
<b>Total</b>	<b>280.0</b>	<b>278.5</b>	<b>99.5</b>	<b>227.5</b>	<b>22.4</b>	<b>51.0</b>

## Statements of Income (Consolidated)

(Units: billion yen)

	FY2009 Forecasts	FY2009 Results	Achievement (%)	FY2008 Results	Y on Y Change (%)	Y on Y Change
Sales	280.0	278.5	99.5	227.5	22.4	51.0
[Royalty]	[52.0]	[57.0]	[109.6]	[36.8]	[54.6]	[20.2]
Cost of sales	26.4 [32.5] 74.0	27.4 [34.4] 76.2	103.1	31.2 [37.2] 70.9	7.5	5.3
Gross profit	206.0	202.2	98.2	156.5	29.2	45.7
SG&A expenses	52.1 146.0	53.8 149.8	102.6	54.7 124.5	20.3	25.3
Selling & general expenses	96.0	97.9	102.1	71.7	36.6	26.2
R&D expenses	50.0	51.8	103.6	52.8	(1.9)	(1.0)
Operating income	21.4 60.0	18.8 52.4	87.4	14.1 32.0	63.8	20.4
Non-operating income and expenses	L 2.0	L 1.9	-	L 0	-	L 1.9
Ordinary income	20.7 58.0	18.1 50.5	87.1	14.1 32.0	57.9	18.5
Extraordinary income and loss	-	P 8.0	-	L 1.2	-	9.2
Income before income taxes	58.0	58.5	100.9	30.7	90.2	27.8
Total income taxes	23.0	19.9	86.6	15.1	31.7	4.8
Net income	12.5 35.0	13.9 38.6	110.4	6.9 15.6	146.6	23.0



# *FY2010 Financial Forecasts*

## *Financial Forecasts (Consolidated & Non-Consolidated)*

(Units: billion yen)

<b>&lt;Consolidated&gt;</b>	<b>FY2010 Forecasts</b>	<b>FY2009 Results</b>	<b>Y on Y Change (%)</b>	<b>Y on Y Change</b>
Sales	295.0	278.5	5.9	16.5
Operating income	61.0	52.4	16.3	8.6
Ordinary income	59.0	50.5	16.8	8.5
Net income	39.0	38.6	1.0	0.4

(Units: billion yen)

<b>&lt;Non-consolidated&gt;</b>	<b>FY2010 Forecasts</b>	<b>FY2009 Results</b>	<b>Y on Y Change (%)</b>	<b>Y on Y Change</b>
Sales	239.0	228.5	4.6	10.5
Operating income	57.0	49.2	15.7	7.8
Ordinary income	56.5	49.9	13.1	6.6
Net income	38.0	40.7	(6.8)	(2.7)

Due to change in the accounting periods, forecasts in FY2010 include 15 months for the U.S. subsidiaries.

## *Sales by Segments (Consolidated)*

(Units: billion yen)

	FY2010 Forecasts	FY2009 Results	Y on Y Change (%)	Y on Y Change
<b>Prescription drugs</b>	<b>153.6</b>	<b>152.5</b>	<b>0.7</b>	<b>1.1</b>
Crestor	30.0	24.2	24.1	5.8
Irbetan	8.3	3.8	120.7	4.5
Cymbalta	1.0	-	-	1.0
<b>Total of 3 key products</b>	<b>39.3</b>	<b>27.9</b>	<b>40.7</b>	<b>11.4</b>
OxyContin	9.5	8.5	11.7	1.0
Finibax	4.3	3.4	28.0	0.9
Differin	3.9	2.2	79.1	1.7
Pirespa	3.4	1.5	123.2	1.9
Rapiacta	4.0	0.6	627.2	3.4
<b>Total of 5 new products</b>	<b>25.1</b>	<b>16.1</b>	<b>55.7</b>	<b>8.9</b>
Flomox	19.0	24.0	(20.8)	(5.0)
Rinderon	8.9	9.5	(6.0)	(0.6)
Claritin	8.1	9.0	(10.3)	(0.9)
Flumarin	6.6	8.7	(24.1)	(2.1)
Vancomycin	3.9	6.1	(36.5)	(2.2)
Imunace	3.7	4.6	(19.4)	(0.9)
<b>Export/Overseas operating</b>	<b>61.6</b>	<b>49.1</b>	<b>25.5</b>	<b>12.5</b>
Shionogi Pharma, Inc.	51.3	38.6	32.8	12.7
Doripenem	5.4	5.2	3.1	0.2
<b>Contract manufacturing</b>	<b>2.5</b>	<b>7.4</b>	<b>(66.3)</b>	<b>(4.9)</b>
<b>OTC and quasi-drugs</b>	<b>5.5</b>	<b>5.4</b>	<b>1.1</b>	<b>0.1</b>
<b>Diagnostics</b>	<b>2.8</b>	<b>2.9</b>	<b>(4.9)</b>	<b>(0.1)</b>
<b>Royalty income</b>	<b>66.0</b>	<b>57.0</b>	<b>15.8</b>	<b>9.0</b>
Crestor	63.5	50.0	27.0	13.5
<b>Others</b>	<b>3.0</b>	<b>4.1</b>	<b>(26.2)</b>	<b>(1.1)</b>
<b>Total</b>	<b>295.0</b>	<b>278.5</b>	<b>5.9</b>	<b>16.5</b>

Due to change in the accounting periods, forecasts in FY2010 include 15 months for the U.S. subsidiaries.

## *Dividend Policy*

- Steadily raise the consolidated payout ratio
- FY2009 forecasts: **36 yen per share** as planned
- FY2010 forecasts: **40 yen per share**

